



**INTERNATIONAL
COFFEE
ORGANIZATION**

Joint Committees meeting 2/21

PM 72/21

PJ 144/21

SC 107/21

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**Report of Joint Committee meetings
held on 13 April 2021**

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In view of the time constraints due to the virtual nature of the ICO meetings as a consequence of the outbreak of the covid-19 pandemic, the meetings of the **Statistics Committee, Promotion and Market Development Committee** and the **Projects Committee** were held jointly in one session chaired by the Executive Director on 13 April 2021.

Item 1: Adoption of the Agenda

1. The Committee approved the draft Agenda contained in documents [PM-71/21](#), [SC-102/21](#) and [PJ-142/21](#) respectively.

Item 2: Reports of the previous meetings of the Committees

2. The Committees approved the previous report on the joint meeting of the Committees held on 8 September 2020 contained in documents [PM-70/20](#), [PJ-141/20](#) and [SC-101/20](#).

Item 3: Priority issues

Item 3.1: Proposal received from Brazil to modify the Rules of Statistics: Certificates of Origin – Statistics Committee

3. Mr Marco Matos, CEO of the Brazilian Coffee Exporters Council (Cecafé), presented Brazil's proposal to modernize the Rules of Statistics: Certificates of Origin. The proposed revisions, contained in document [SC-103/21](#), integrate technologically up-to-date methods that would reduce bureaucracy and promote alignment with the World Trade Organization Trade Facilitation Agreement as well as with the World Customs Organization. The new measures would also reduce the use of paper by replacing physical storage systems with electronic equivalents.

4. The Executive Director thanked Brazil for their effort to harmonize the Certificates of Origin with the latest technological developments and reminded the Committee that Brazil's proposals built upon recommendations submitted by Colombia ([ICC-102-9 Rev. 1](#)), which were approved by the International Coffee Council in its September 2020 meeting. The Executive Director also noted that Brazil's proposals could be implemented without any detriment to information gathering by the Organization.

5. A delegate suggested developing an electronic application to integrate all documents needed for customs clearance, including bills of lading, quality control documents, and certificates of origin, for improved market transparency and faster processing.

6. The Executive Director observed that an application might not cover all the specifics of customs procedures that apply to various exporting Members, but proposed to look into the possibility of developing a universal application with interested parties.

7. The Committee recommended the proposed changes to the Rules on Statistics: Certificates of Origin for approval by the Council.

Item 3.2: ICO composite and group indicator prices

Item 3.2.1: Collection of daily price indicators – Statistics Committee

8. The Executive Director presented document [SC-106/21](#), which outlines a new system for collecting daily prices. Under the new proposal, instead of agents collecting prices on a daily basis, traders and brokers would send price differentials once a week directly to the ICO. The current growths and markets would be maintained, and the Secretariat would calculate the spot prices on the basis of the differentials. It was noted that these changes were necessary due to increased market concentration in the sector and a marked reduction in the number of agents willing and able to collect prices for the Organization.

9. The Executive Director informed the Committee that the Secretariat was already in contact with data providers in Europe and the USA and had begun receiving differential data in March 2021. The Statistics Section would check compatibility between the current and new system of price collection, and would aim to publish prices under the new system from May 2021 onwards.

10. The Executive Director also proposed that the Organization should undertake a full review the composition of the daily prices later in the year to exclude the growths that are no longer widely traded, include new growths whose share of the market has grown, and evaluate changes in destination markets to better represent the global coffee market.

11. A delegate welcomed the changes to the current system and asked whether differential data for individual growths would be made available to the Organization's Members on a disaggregated basis. The Executive Director explained that trading houses had expressed concern about the confidentiality of price information shared by them, but the question could be revisited at the time of the broader revision of the daily price indicators, which would take place in the next few months. The delegate emphasized that access to this data would be useful, particularly to support the work of the Coffee Public-Private Taskforce on market transparency.

12. Another delegate suggested integrating data from price collection points in producing countries, such as the Nairobi Coffee Exchange or Ethiopian Commodity Exchange. The Executive Director noted that data from producing countries was already captured by the prices paid to growers indicator, however compliance on transmission of this data to the Secretariat was low. It was proposed that the ICO Secretariat and the Inter-African Coffee Organisation (IACO) could jointly review the submission of this data, and take appropriate steps to improve the robustness and completeness of ICO's statistics.

13. The Committee took note of these comments and recommended the approval of document [SC-106/21](#) by the Council.

Item 3.2.2: Share of markets and group weightings – Statistics Committee

14. The Statistician presented document [SC-104/21](#), which contained the new weightings for the composite and indicator group prices based on their market shares in calendar years 2017 to 2020. These weightings are reviewed every two years in accordance with the Rules on Statistics – Indicator Prices, document [ICC-105-17](#). If approved, they would take effect on 1 October 2021.

15. The Committee considered the document and recommended it for approval to the Council.

Item 3.3: Data concepts and variables used in the statistics of the Organization – Statistics Committee

16. The Statistician presented document [SC-105/21](#), which revises document [SC-59/15](#) on the data concepts and variables used in the Statistics of the Organization. The Statistician noted some issues in the existing data definitions document relating to

ambiguity and lack of completeness. The proposed revisions would update the structure of the document, add new definitions, remove superfluous terms and further elucidate a number of existing definitions. The revised definitions document would also facilitate ease of use of the new online database of the Organization, particularly for external users.

17. The delegate of Brazil noted that Cecafé would share their comments on the document in written form for consideration in the next meeting of the Statistics Committee.

18. The Committee took note of the changes contained in document and recommended it for approval by the Council.

Item 3.4: Update on the new statistical database – Statistics Committee

19. Members received a presentation from Mr S. K. Kaw, Managing Director of Paramarsh Informatics Pvt. Ltd., on the progress in the development of the ICO's online statistical database.

20. The existing database of the Organization had a number of limitations. It was a desktop application that could only be used on Windows operating systems; some of the technology used in its development was outdated and no longer supported; it was missing documentation, and had a restrictive user interface as well as a number of inefficiencies that affected performance.

21. The upgrade of the statistical database fixes these issues and makes the application cloud-ready. The database has also been changed from a desktop application to a web application that would provide self-service facility to all users of the ICO's data. It was noted that the Secretariat would continue to validate the migration of the data to the new system by doing parallel runs of the new and the old database.

22. Following the presentation, the Executive Director recommended holding a separate session with Members to do a walkthrough and demonstration of the new system. The Head of Operations highlighted that the new web database would enable Members to access the Organization's data at their convenience and prepare their own reports. It would also give the Secretariat an opportunity to increase the fee charged for access to Statistics and thereby increase the income of the Organization. The new system would also contribute to market transparency and facilitate access to data.

23. The Committee took note of the presentation.

Item 3.5: Update on the project to develop a Coffee Market Development Toolkit – Promotion and Market Development Committee

24. The ICO Statistician, Secretary of the Promotion and Market Development Committee, reported on the progress for preparing the Coffee Market Development Toolkit.

25. The Toolkit would build on learnings from the development and implementation of the *ICO Step-by-Step Guide to Promote Coffee Consumption in Producing Countries*, which was released in 2004. In preparation for the update, the Secretariat had undertaken a survey of ICO Members through which it identified priority areas for the Toolkit. The Project Brief and Terms of Reference for consultancy services to develop the Toolkit were approved by the Committee in its February 2020 and September 2020 meetings, respectively.

26. The project had since been included in two Technical Workstreams of the Coffee Public-Private Taskforce, through which it would get guidance and technical support, as well as access to funding opportunities. The Secretariat would continue its efforts to look for financial support for the project.

27. The Committee took note of the report.

Item 3.6: Promoting domestic coffee consumption – ICO Special Fund

28. The Chief Economist Indicated that the ICO Secretariat was monitoring the implementation of the development of the domestic coffee consumption programme financed by the ICO Special Fund as decided by Members under Resolution 459. He further presented the situation in the three regions where the programme was being implemented.

Item 3.6.1: Regional programme in Mexico & Central America (PROMECAFE) – Promotion and Market Development Committee

29. The region was the first to receive support from the ICO Special Fund, and activities were carried out by PROMECAFE, starting in June 2017. The countries covered by the programme were Central American countries, the Dominican Republic, Jamaica and Peru. Through the programme, PROMECAFE had organized a network of technicians, based on the ICO's *Step-by-Step Guide to Promote Coffee Consumption in Producing Countries*.

30. As a result of the covid-19 pandemic, the conclusion of the programme had been delayed and an extension was requested. The Council had approved in June 2020 a budget-neutral extension until April 2021. The programme had since completed 85% of its activities.

31. A workshop had been planned to take place in Guatemala in late April 2021 to present the achievements of the programme and discuss dissemination strategies. Therefore, PROMECAFE requested another budget-neutral extension for three additional months.

32. The Committee recommended the approval of the additional extension of the programme, contained in documents [SF-46/20](#) and [SF-47/21](#).

Item 3.6.2: Regional programme in Africa (IACO) – Promotion and Market Development Committee

33. ICO Special Fund activities in Africa, implemented by IACO, were organized under three main components: 1) an analytical review of domestic coffee consumption and the roasting industry, 2) support to national strategies related to coffee roasting and domestic consumption, and 3) strengthening communication on the relationship between health and coffee.

34. The analytical review in selected countries had been completed. Information collected included the volume of coffee consumed in the country, forms of coffee imported for domestic consumption, origins and sources of green coffee for domestic roasting and consumption, local coffee roasting and distribution activities, as well as the number and size of coffee roasting companies. Capacity-building needs were also identified. A full report would be made available in due course.

35. The project fund had contributed to national promotion strategies related to coffee roasting and domestic consumption in Kenya, Uganda and the Democratic Republic of Congo. Requests from other countries were being assessed.

36. Regarding the third component, following the cancellation of a regional conference on coffee and health with the participation of international and African experts as well as coffee roasters and traders due to the covid-19 pandemic, IACO was working on a short television documentary with a health professional to answer questions from the public on all aspects of coffee and health.

37. The delegate of Kenya thanked IACO and the ICO for the support as these activities had boosted their promotional programme towards youth.

Item 3.6.3: Regional programme in Asia and Pacific (India-Vietnam-PNG-Thailand) – Promotion and Market Development Committee

38. In this region, implementation of the programme under a single project Executing Agency was not economically viable. Therefore, each country was allocated a portion of the ICO Special Fund to carry out its promotional activity separately.

39. The following countries had received their portion of the ICO Special Fund:

- **PNG (US\$52,000):** PNG was waiting for additional funding from other sources before starting the implementation of their programme. The delegate of PNG indicated that funding had been secured through the UK Government Trade Partnerships Programme and activities would start soon, but had been delayed due to the pandemic.
- **Vietnam (US\$90,000):** Activities were being coordinated by VICOFA. At the time of the meeting, the progress was as follows:
 - Experts had conducted training need assessment surveys among relevant stakeholders
 - A review of domestic coffee consumption had been completed and training materials had been prepared
 - A review of the capacity of the existing roasting industry and instant coffee industry had been undertaken

- Three training courses had been organized in Hanoi, Da Lat and Ho Chi Minh City
- The document of coffee and health was being updated
- The roasting and brewing materials on the VICOFA website were being updated

The delegate of Vietnam thanked the Secretariat for the support and indicated that the ICO Special Fund had strengthened the programme of the country. Additional cities had been selected to extend capacity building activities for stakeholders.

- **India (US\$90,000):** Funds were received in October 2020 and activities were just starting.
- **Thailand** was processing its application for **US\$34,000**.
- **Indonesia (US\$90,000)** and **Nepal (US\$34,000)** had recently confirmed their interest to implement the programme, but the Secretariat was waiting for their application

40. The Committee took note of the report.

**Item 3.6.4: Situation of unclaimed portions of the Special Fund –
Promotion and Market Development Committee**

41. Two countries (Philippines and Timor-Leste) out of the nine selected in Asia and the Pacific to participate to the programme had not yet responded to the Executive Director's correspondence. Each of the two countries were allocated US\$34,000. A reminder was sent in March 2021, and a reply was still awaited.

42. The Committee noted the report and, for the situation of unclaimed portion of the ICO Special Fund, invited the Executive Director to re-contact the countries before considering further action.

Item 3.7: Africa Coffee Facility (ACF)

Item 3.7.1: Main project proposal

43. The Chief Economist reported that discussions between AFREXIMBANK and IACO and its partners (ICO and CABI) have been ongoing. All required submissions were made to Afreximbank by IACO and have been acknowledged by the president of the bank. The

bank management is currently working on the plan for the implementation of the ACF for discussion with IACO and its partners. A date for the launching of the ACF is to be communicated in due course. The Committee took note of the report and encouraged the ICO Secretariat to continue this kind of partnership.

Item 3.7.2: Rapid appraisal of the financing landscape for the coffee sector in Africa: A business case for financing the “missing middle” and last mile borrowers in the African coffee value chains

44. The Chief Economist, presented document [PJ-143/21](#) that outlines the Terms of Reference (ToR) for the proposed study that will be jointly conducted by CABI, IACO and ICO. The study aims to analyse the coffee business prospects in the continent and to identify opportunities for ACF and Afreximbank in meeting the financing needs of the various value chain actors in the most cost-effective way. The initial budget of the study is US\$52,640 that can be adjusted depending on the number of countries covered. The source of funding has not yet been secured. The Committee recommended the approval of the ToRs by the Council.

Item 3.8: Trust Fund for the Regional Coffee Transformation Initiative (ITRECAFE)

45. Mr Enrique Zamora, Coordinator of ITRECAFE, presented the work of ITRECAFE and the current programme to support the coffee sector in Central America. Delegates appreciated such initiative that will support the coffee sector in Central America that is similar to the initiative in Africa. The Committee took note of the presentation.

Item 4: Other business

46. There was no other business.

Item 5: Date of next meetings

47. The next meetings of the Promotion and Market Development Committee, the Statistics Committee and the Projects Committee will take place at the time of the 130th Council Session.