



**INTERNATIONAL
COFFEE
ORGANIZATION**

Joint Committees meeting 3/21

PM 74/21

PJ 147/21

SC 111/21

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**Report of Joint Committee meetings
held on 7 September 2021**

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In view of the time constraints due to the online 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 **Projects Committee**, were held jointly in one session chaired by the Executive Director on behalf of the chairpersons on 7 September 2021.

Item 1: Adoption of the Agenda

1. The Committee approved the draft Agenda contained in documents [PM-73/21](#), [SC-108/21](#) and [PJ-145/21](#) respectively.

Item 2: Reports on the joint meeting of the Committees held on 8 April 2021

2. The Committees approved the previous report on the joint meeting of the Committees held on 8 April 2021 contained in documents [PM-72/21](#), [PJ-144/21](#) and [SC-107/21](#).

Item 3: Priority issues

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

3. The Secretariat introduced document [SC-110/21](#), containing additional proposed modifications of the rules relating to Certificates of Origin previously made by Colombia and amended by CeCafé in Brazil. The representative of Colombia stated that the purpose of the changes was to ensure that any designated authority can issue Certificates of Origin and to acknowledge new realities in the market. The Executive Director informed that the ICO Statistics Section had reviewed the proposed changes and had no objection to the proposed changes. Moreover, the new system was relevant since it takes into account new technological developments and will harmonize the ICO's reporting system with that of other organizations. The Executive Director thanked Colombia and CeCafé of Brazil for proposing amendments to the rules, which helped to modernize the work of the Organization.

4. The Committee recommended the approval of the changes of the Rules on Statistics as contained in document [SC-110/21](#).

Item 3.2 List of exporting countries and their country codes, ICO Certifying Agents and registered ports of export– Statistics Committee

5. The Head of Operations introduced document [SC-109/21](#) containing an update of the list of exporting countries and their country codes, ICO Certifying Agents and registered ports of export. Following the communication of the Executive Director requesting members to notify any changes in the list of their certifying agencies and registered ports of exports, only two countries notified changes: Ecuador had changed the existing certifying agency, while Indonesia had changed the existing certifying agency and amended the list of registered ports.

6. The Committee recommended its approval by the Council.

Item 3.3: Update on the new statistical database – Statistics Committee

7. The Head of Operations reported on the new ICO statistical database, which was expected to revamp access to coffee statistics and facilitate database migration. The Secretariat had periodically updated Members on the progress of the work on the new statistical database, for which a software development company in India had been contracted. The Secretariat was now in the final stages of testing and was now certain that the output produced online was in line with expectations. The Secretariat would conduct further tests, just to ensure that no issues existed. The members of the Statistics Roundtable would be invited to test the new application. Once the new database is operational, the Secretariat would be able to update subscription fees. This would enable the ICO to generate income and to also increase market transparency. The developers would help the ICO to make presentations to Members in order for everybody to understand how to use the new system. This new service should become operational in the final quarter of 2021.

8. The Committee took note of the report.

Item 3.4: Update on the project to develop a coffee market Development Toolkit – Promotion and Market Development Committee

9. The Head of Operations provided background information to the Committee. The objective of the Toolkit was: to develop a methodology and set of action-oriented interventions to expand domestic consumption in coffee-producing countries and global demand for coffee, based on learnings from the implementation of the Step-by-Step Guide and changes in technology and methods of communication; to identify and disseminate information on existing initiatives that benefit the entire coffee value chain, with a primary focus on coffee-producing countries; to present interventions, facilitate knowledge sharing and exchange best practices (ICO website); to promote creation of programmes for the development of sustainable production and responsible consumption in coffee-producing countries in line with Sustainable Development Goal 12 "**responsible consumption and production**"; and to devise strategies to mobilize engagement and funding for market development programmes through partnerships with private sector, civil society and IGOs.

10. A consultant will prepare a Coffee Market Development Toolkit that provides up-to-date strategies for market development in coffee-producing countries. The Toolkit should focus on interventions that stimulate demand for coffee and benefit the entire supply chain – from farmers to consumers – and should take into consideration a number of elements and emerging trends.

11. The Toolkit project was formally included in the Coffee Public-Private Sector Taskforce, particularly in two work streams:

- **The Technical Workstream 4: Sustainable Production & Sourcing- Resilient Coffee Landscapes that** had included the ICO Secretariat-led Domestic Consumption track as one of the three pillars of its structure but will liaison with TW3 Sector Transformation Exporting Countries for follow up of activities, and
- **Technical Workstream 3: Market Policies and Institutions- Sector Transformation Exporting Countries**

12. Since one of the themes shortlisted by the group for further discussions and work is "**Domestic coffee consumption in producing countries—increasing demand at home**", the Toolkit is one of the 'quick wins' of the Workstream. This workstream will provide guidance and technical input on development and rollout of the Toolkit.

13. Following the background information presented by the Head of Operations, Ms Ina Grohmann, the delegate of the EU (Germany) and member of the Task Force thanked the ICO for being able to set up a functional Task Force, providing a unique opportunity for dialogue and cooperation between Members and the private sector. She appreciated the work of the Task Force and Workstream and congratulated all those involved. The delegate informed that the Government of Germany had decided to support the development of the coffee market development toolkit by financing the consultants. A call for proposals was currently being prepared, and consultants were expected to start their work in the last quarter of this year. The Toolkit is expected to be ready for presentation in producing countries by next spring. This support is in addition to the 700,000 Euros that Germany had already provided to the ICO in kind and cash. She invited all involved organizations, governments and private sector to commit additional resources and investments in order to secure the long-term commitments of the Task Force, and in view of ensuring a prosperous future for coffee producers and the sector as a whole. Members of the Committee thanked the Government of Germany for the continued financial support to the work of the ICO and particularly to the Task Force.

14. The Committee took note of the report.

Item 3.5: Promoting domestic coffee consumption – ICO Special Fund – Promotion and Market Development Committee

15. The Chief Economist indicated that the ICO Secretariat was monitoring the implementation of the development of the domestic coffee consumption programme financed by resources from the ICO Special Fund as decided by Members under Resolution 459. He further presented the situation in two regions (Africa, Asia & Pacific) while the representative of PROMECAFE presented the project activities in Central America and Mexico.

Item 3.5.1: Regional programme in Mexico and Central America (PROMECAFE)

16. The representative of PROMECAFE, Mr René León-Gómez, presented the main achievements of the programme that was concluded in April 2021. The region was the first to receive support from the ICO Special Fund, and activities were carried out by PROMECAFE, starting in 2018. The countries covered by the programme were Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua and Panama. Four major achievements of the project were presented: 1) Development of National Capacities in Promotion of Coffee Consumption; 2) Diagnosis and Design of

Domestic Consumption Country Projects; 3) Strategic Alliances for the Promotion of Coffee Consumption; and 4) Information and Knowledge Management. A detailed report is available.

17. The Committee noted the report.

Item 3.5.2: Regional programme in Africa (IACO)

18. ICO Special Fund activities in Africa, implemented by the InterAfrican Coffee Organisation (IACO), were organized under three main components: 1) An analytical review of domestic 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.

19. The analytical review in Anglophone countries (Ethiopia, Ghana, Kenya, Nigeria, Tanzania, Uganda and Zambia) had been completed. The review in Francophone countries will be completed shortly. Under component 2, the ICO Special Fund had been used in Kenya to support to establishment of coffee houses in two important universities. Coffee houses built in the main university campuses were expected to promote the culture of coffee drinking among students. Financial support had also been provided to the Democratic Republic of the Congo, Gabon, Ghana, Rwanda, Togo, and Uganda to contribute to their national strategies for domestic coffee consumption.

20. The second sub-component was building capacity of existing and potential roasters and baristas. Training activities had benefitted from the financial support of the International Trade Center (ITC) which mobilized funding from EU (Organization of African-Caribbean and Pacific States). These had also been supported by ACRAM and Gabon. Training was currently underway in Libreville for the participants from francophone countries. The session for the Anglophone countries would take place in Accra, Ghana from mid-September 2021. Both sessions were benefitting from financial support of the ITC.

21. As for the activities under the third component of the programme, IACO had just contracted a communication agency to prepare a documentary film on coffee and health. Members of the Committee invited the IACO to approach PROMECAFE to learn from the experience of the Latin American region

22. The Committee took note of the report.

Item 3.5.3: Regional programme in Asia and Pacific (India, Indonesia, Nepal, Papua New Guinea, Philippines, Thailand, Vietnam)

23. In the Asia and Pacific region, implementation of the programme under a single project Executing Agency was not economically viable. Therefore, each country had been allocated a portion of the ICO Special Fund to carry out its promotional activity separately. The following countries had already received their portion of the ICO Special Fund: Papua New Guinea US\$52,000 (August 2020); Vietnam US\$90,000 (August 2020); India US\$90,000 (October 2020); Thailand US\$34,000 (March 2021); Nepal US\$34,000 (April 2021); Indonesia US\$90,000 (July 2021) and the Philippines US\$34,000 (processing).

24. **Papua New Guinea:** The local Coffee Authority was awaiting additional funding from other sources before starting implementation of their programme. The ITC had pulled out following a cut in the UK aid budget. This meant that the consultant previously selected could no longer do the study and the coffee authority was currently seeking alternative candidates and indeed extra funding. Furthermore, due to covid-19 related restrictions, travel to PNG was impossible at the moment and the workshop programme remains on hold. The situation would be reviewed in the New Year.

25. **Vietnam:** VICOFA was coordinating activities. Experts had conducted the training need assessment surveys among relevant stakeholders and a review of domestic coffee consumption had been completed. A review of the existing processing industry (capacity of roasting industry, instant coffee industry) and training courses continue.

26. **India:** A review of government policies and domestic consumption had been completed. Development of training courses had been completed, as well as a business guide for potential entrepreneurs. Capacity building of stakeholders was being conducted online and in person. However, the situation created by the outbreak of the pandemic had been a major challenge and all activities had slowed down.

27. **NEPAL:** The project management team led by the Executive Director of the National Tea and Coffee Development Board had just started activities focusing on the review of domestic consumption and market structure. From visits of the district coffee co-operatives, producer unions, café owners and other coffee stakeholders, Nepalese authorities had reported that the volume of coffee consumption was greater than production in the country itself. A detailed report would be provided in due course.

28. **Thailand:** The project management team led by the Department of Foreign Trade, Ministry of Commerce had identified main activities for the programme: Thailand contest, Thai coffee Excellence Auction and coffee exhibition. A short video on the event programme was shown to the Committee. A detailed report would be compiled in due course.

29. **Indonesia:** Activities conducted by the Coffee and Cocoa Research Institute (ICCRI) had just started.

30. **Philippines:** The country has expressed its interest for the programme. The ICO Secretariat was waiting to receive the application for the country's portion of the ICO Special Fund.

31. The Committee took note of the report.

Item 3.5.4: Situation of unclaimed portions of the Special Fund (Timor-Leste)

32. The Executive Director indicated that communication with Timor-Lest had been a challenge and suggested to give more time for the country to react before deciding on alternative uses for their portion of the ICO Special Fund.

33. The Council took note of the suggestion made by the Executive Director.

Item 3.6: Terms of Reference for a study on: Building a resilient coffee value chain to mitigate climatic disasters and covid-19 pandemic in Honduras and Nicaragua – Projects Committee:

34. The Chief Economist presented document PJ-146/21, which outlined the Terms of Reference for a proposed study aiming to provide a full assessment of the impact of the climatic disasters and the covid-19 pandemic in Honduras and Nicaragua and to design project proposals to mitigate these impacts and build a more resilient coffee sector. The delegates of Honduras and Nicaragua requested the support of the members of the Committee as a regional development bank, Central American Bank for Economic Integration (CABEI) is considering grant financing for the preparation of a full appraisal report of the impact of climate-related shocks in these countries. Other producing countries of the region would also benefit from the project as PROMECAFE is one of the institutions involved.

35. The Committee took note of the study and recommended its approval by the Council.

Item 3.7: Africa Coffee Facility (ACF) – Projects Committee

Item 3.7.1: Main project proposal

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

36. The Chief Economist and the Secretary General of IACO reported that the Africa Coffee Facility project was still under consideration by the AFREXIMBANK. Moreover, the final decision on the study (Item 3.7.2) expected to identify financing gaps and business opportunities in coffee value chain in Africa had yet to be made by AFREXIMBANK for grant financing. The Secretary General of IACO will continue interacting with AFREXIMBANK and report to the Committee at its next meeting.

37. The Committee took note of the report.

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

38. Mr Enrique Zamora, Coordinator of ITRECAFE, updated members on the progress of the project. Following a round of presentations to different international banks, they were interested to participate. Commitments had been received from CABEL and another regional bank, whose total was expected to reach US\$150 million. There were some funds available in the region, but ITRECAFE was still working with national and international financial institutions to obtain affordable interest rates. ITRECAFE was also working on technologies to assist producers in entering the high value specialty coffee market.

39. The Committee took note of the report.

Item 3.9: SatCafé Project: Satellite remote sensing for improved and sustainable coffee production – Colombia

40. The representative of SatCafé presented an overview on the main results of the project funded by Innovate UK and implemented in Colombia in partnership with the National Federation of Coffee Growers. The project was designed to improve the visibility of coffee farming activities in producing countries through the development of useful applications of satellite data for mapping and monitoring changes in coffee plantations. The applications had been used to identify changes in coffee plantations in Colombia, including deterioration due to climate changes, as well as current conditions of crops. ICO Members were invited to contact the company for requests regarding possible use of the technology in their countries.

41. The Committee took note of the report.

Item 3.10: Delta Project: Bridging the Gap in Measuring Real-Time Sustainability Performance

42. The representative of the Steering Committee of the Delta Project, Mr George Watene of the Global Coffee Platform (GCP) presented a progress report on the implementation of the Project. The project covered coffee- and cotton-producing countries and aimed to develop a sustainability framework (impact indicators, guiding principles and data standardisation), link sustainability performance to business actors and governments and promote value addition for farmers. The current outcomes of the project are alignment on nine common goals and the development of 15 indicators. For coffee, Vietnam had been selected for pilot testing. The consultant was working on the methodology and the contribution of the ICO Secretariat in the area of data collection would be crucial.

43. The Committee took noted of the report.

Item 4: Other business

44. There was no other business.

Item 5: Date of next meetings

45. 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 next session of the Council.