INTERNATIONAL COFFEE ORGANIZATION

FA 342/23 Rev. 2

22 August 2023
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Finance and Administration Committee
59th Meeting
7 September 2023
London, United Kingdom

Draft Administrative Budget for financial year 2023/24

RESTRICTED

Introduction

1. This document contains the draft Administrative Budget (Rev. 2) for financial year 2023/24. Minor changes have been made to the following items since the previous version (Rev. 1), based on the latest feedback and information available:

(a) Paragraph 15(c) – Communications Officer;
(b) Paragraph 20 – Liquidation Cost;
(c) Annex II – Travel completed by the Executive Director;
(d) Annex IIIa – Establishment table;
(e) Annex IV – Planned results II.A/B; and
(f) Annex V – Activity-based budget for coffee year 2023/24 (footnotes added).

2. The Administrative Budget, in line with the standard for multilateral international organizations where staff carry out all the planned activities, can be divided into three broad categories: Premises (15%); Personnel (73%) and Other Expenses (12%). Expenditure on premises is fixed, at least in the short term, and cannot be reduced. The budget and Members' contributions have been adjusted to take into account the need to enhance ICO activities and to re-establish a critical mass to carry out the mandate of the Organization and return to a more sustainable level of staffing as the Organization starts to resume normal activity levels. However, it is lower than 2018/19 and similar to 2019/20, the last 'non-emergency' budgets. If we account for inflation, this represents approximately a 15% reduction overall.

Action

This document will be reviewed by the Finance and Administration Committee.

CONTENTS

DRAFT ADMINISTRATIVE BUDGET
FOR FINANCIAL YEAR 2023/24

1. This Budget has been prepared on a similar accounting basis to previous years, while also taking into account the approval of Resolution 470 by the Council at its 126th Session. When compared to the pre-pandemic 2018/19 and 2019/20 coffee years, nominal savings have been made for all items except two ('Personnel' and 'Support for the Programme of Activities'). Again, in real terms, these savings are even more significant. This document (FA-342/23 Rev. 2) is based on document FA-342/23 Rev. 1.

Contributions

2. The estimated total revenue for financial year 2023/24 is £2,644,396, compared to (i) £2,250,320, as authorized for financial year 2022/23; and (ii) £1,932,707, the actual revenue in financial year 2021/22 (see **TABLE A** in **ANNEX I**). Based upon contributions of £2,600,000, which are £372,000 or 16.7% higher than the authorized 2022/23 budget, the contribution per vote is calculated at £1,300.

3. Interest income is forecast at £12,096. This amount is estimated based on an economic recovery from the post-covid-19 economic situation during budget year 2022/23. The Organization currently receives an interest rate of about 1.19% to 1.91% per annum on deposits for 6-to-9-month terms as compared to about 0% to 0.07% for the previous years.

4. Estimated revenue from external sources amounts to £44,396. This consists of revenue from other international organizations relating to accounting and payroll services provided by the Organization, as well as income from subscriptions to statistics and administrative charges for the Trust Fund projects.

Provision for Members in persistent arrears

5. A provision for outstanding contributions from Members in persistent arrears of £38,396 is included in **TABLE A** of **ANNEX I** (i.e. those who owed more than two years of contributions to the Administrative Budget as at 1 October 2023). The amount is net of the Recovery on Provision for outstanding contributions (please see FA-350/23).

Expenditure

6. **TABLE B** in **ANNEX I** shows the proposed expenditure for financial year 2023/24 and compares this to authorized expenditure in 2022/23. The following table provides a summary of this information.

NET EXPENDITURE
FINANCIAL YEAR 2023/24 COMPARED TO PREVIOUS FINANCIAL YEAR

		Increase/(decrease)	
Financial year	Net expenditure	Amount	Percentage
	£000	£000	%
2022/23	2,168	354	19.5
2023/24	2,606	438	20.2

Premises

7. The term of the premises lease runs from April 2017 to April 2025. A half rent clause was reflected in financial year 2021/22; however, there is no longer any clause to be applied to the 2023/24 budget. Therefore, rent will be £290,000, the full annual rent amount.

8. The amount of £9,000 under Item 1.2 in **TABLE B** of **ANNEX I** reflects the estimated charge for rates as issued by the Valuation Office Agency.

9. The amount of £90,000 under Item 1.3 in **TABLE B** of **ANNEX I** reflects the estimated service charge of £10.2 per square foot based on the annual service charge reported by the landlord, which is linked to the Retail Price Index and adjusted with the inflation rate. Other costs included in this item are building insurance; cleaning; electricity; replacement of lights; air conditioning; and fire safety equipment maintenance.

Interpretation and translation

10. The provision for interpretation is based on a programme of two Council Sessions, one in the Spring and one in September. As a cost-saving measure, provision is made for only two and three days of interpretation at each Session, respectively. Before the covid-19 pandemic, Council sessions used to have full interpretation on all five days.

11. The provision for translation is for work contracted to a new language services provider. Wherever possible, computer-assisted translation tools will be employed as a cost-saving measure, always alongside suitable quality and efficiency measures. Partial automation of translation work will enable recurring content to be automatically translated. As a result, the budget for translation costs has decreased by £10,000.

Travel

12. As discussed in the previous Council meeting, in-person meetings have been very important to establish new partnerships with potential donors and to ensure the engagement of

key players in strategic ICO activities. Moreover, many Members have invited the Executive Director to visit them, and efforts are being made to maximize the ICO's presence and implement new activities. Thus far, expenses have largely been funded by the countries in question, but drastic rises in airfare prices have led to an inevitable increase in travel expenses versus the last two years. The £45,000 set aside for 2023/24, however, is still a reduction from the £54,000 and £53,500 that were authorized for 2018/19 and 2019/20, prior to the pandemic (**ANNEX II**).

Personnel

13. **ANNEX IIIa** shows the evolution of the Establishment Tables since 2017/2018, including the proposal for 2023/24 and also a projection for 2024/25, when the current Head of Operations and Chief Economist will reach retirement age. **ANNEX IIIb** shows the proposed Establishment Table of the Organization for 2023/24 (with a related Organigram in **ANNEX IIIc**). The following table presents a breakdown of the cost of personnel for each category of staff in the financial years 2017/18 to 2024/25.

	Number of Posts							
	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Total	**22**	**14**	**14**	**14**	**12**	**12**	**15**	**15**
Professional staff	13	13	13	12	11	11	14	14
General Service staff	9	1	1	2	1	1	1	1

	Personnel Costs							
_	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	£000	£000	£000	£000	£000	£000	£000	£000
Total	**2,088**	**1,791**	**1,787**	**1,532**	**1,293**	**1,498**	**1,911**	
Professional staff	1,493	1,728	1,723	1,475	1,293	1,454	1,862	
General Service staff	595	63	64	57	-	44	49	

14. Management conducted another full review of all posts in the Establishment table since December 2022. The draft Budget proposes an increase in Personnel Costs of £413,500 in the financial year 2023/24, which is explained in the paragraph below.

15. The proposal supports an additional three positions for coffee year 2023/24 as follows:

(a) Public-Private Partnership Officer (P-3/P-4) - The ICO has been leading the Coffee Public-Private Task Force (CPPTF) since 2020, with voluntary contributions from ICO Members. The ICC endorsed the creation of the Coffee Public-Private Working Party (CPPWP) and the Board of Affiliate Members (BAM) in the ICA 2022, which made the Task Force a permanent activity in need of a structure to manage it. After three years of financially supporting this coordination, Members have already advised that the current arrangements cannot persist in the future, meaning that the ICO must contract a professional to manage the Task Force now and the CPPWP and the BAM when the ICA 2022 enters into force.

(b) Economist (P-1/P-2) – The ICO used to have three economists, covering technical activities together with the statisticians (**ANNEX IIIa**). Since November 2020, the ICO has had only one who is due to retire in January 2025. It will be imperative to recruit a junior economist in 2024 to shadow the key activities of the Chief Economist and to maintain the files and documents to facilitate a smooth transition.

(c) Communications Officer (P-1/P-2) – In recent years, this function has been carried out by a temporary part-time consultant. Because of cuts occurring since coffee year 2017/18, there was no budget for this post (**ANNEX IIIa**). However, as a part of the ICO's strategy to achieve a strong global presence and ensure the future growth of the Organization under the Programme of Activities, it is essential to re-establish this post in the upcoming 2023/24 coffee year. Furthermore, part-time resourcing is no longer sufficient for our current activity levels and recent demand, mainly concerning social media, which requires constant monitoring, reflection and action. Thus, the ICO's communications strategy requires a full-time staff member to pursue the Organization's mandate (see **ANNEX IV** – 'Cross Cutting Strategic Priority' item).

16. Secondly, the calculation of the annual personnel cost, except for National Insurance, private health insurance, travel and life insurances and home leave, is based on the UN Salary Scale released in January 2023 (average increase of 3.2% from the 2022 Salary Scale) with the expected inflation rate of approximately 3%, and an exchange rate of US$1.205 = £1 as the average rate from the last 12 months (as of May 2023).

Council meeting costs

17. Under this budget scenario, expenditures under Item 11 of **TABLE B** in **ANNEX I**, 'Council meeting costs', remained the same as the previous year, i.e. £25,000. This assumes that, in

2023/24, one Council session will be held outside of UK, and the other in hybrid (in person/online) format in London. Provision has been made for an electronic hub for interpreters and venues during the sessions of the Council.

Support for the Programme of Activities

18. The 'Programme of Activities' is primarily an allocation of consultancy funds to complement staff expertise for the implementation of the Five-Year Action Plan of the International Coffee Organization (document ICC-120-11). The amount has been increased by £9,000 to £76,000, as in pre-pandemic years 2018/19 and 2019/20. The operation and coordination of the Coffee Public-Private Task Force (CPPTF) is carried out by the Coordinator of the CPPTF and mainly funded by voluntary contributions from ICO Members, the private sector and international inter-governmental and non-governmental organizations (**ANNEX IV**).

Other costs

19. Communications and Other Operating expenses were reduced over the last few years, as a part of a move to a paperless office and a cost-saving measure. However, there is expected to be an increase in supplier costs due to inflation.

Liquidation Cost

20. The estimated cost of liquidation of the Organization at 30 September 2023 is £1,476,000 (as compared to £1,313,000 at 30 September 2022) based on the average exchange rate used by the United Nations as of July 2023. The rise is due to more termination entitlement months, and an increase in the estimated outstanding annual leave balances as at 30 September 2023, as per the Staff Regulations and Staff Rules. The Premises cost was set as an 18-month lump sum rental cost and miscellaneous charges upon liquidation, which were indicated in the lease agreement as a clause for termination of the contract.

Summary of liquidation cost, as at 30 September 2023

	£ 000's	£ 000's
Premises		
Rent and car parking	435	
Service charge and rates	130	
Electricity, heat and maintenance	8	
Dilapidations	97	
		670
Personnel		
Salaries of staff to liquidate Organization	99	
Termination indemnity - Professional staff	630	

	£ 000's	£ 000's
Termination indemnity - General Service staff	0	
Repatriation costs	34	
		763
Communications		
Postage, telephone, etc.	3	
Other expenses	40	
		43
Total cost of Liquidation		**1,476**

Surplus/(Deficit)

21. By maintaining the current overall level of contributions and income from external resources, the proposed budget would result in a zero deficit.

TABLE A

ADMINISTRATIVE BUDGET 2023/24

ESTIMATED REVENUE AND EXPENDITURE (FIGURES IN £ STERLING)

		Actual 2021/22 4/	Authorized 2022/23	Proposed 2023/24
Revenue				
(a)	**Contributions of Members**	**1,912,972** [1]	**2,228,000** [2]	**2,600,000** [3]
(b)	**External sources**			
	Interest	1,796	700	12,096
	Accounting services	7,800	7,200	7,300
	Statistical data subscriptions	6,639	14,420	20,000
	Administrative fee for Trust Fund	3,500	0	5,000
External sources		19,735	22,320	44,396
Total revenue		**1,932,707**	**2,250,320**	**2,644,396**
Net expenditure		**1,814,058**	**2,167,600**	**2,606,000**
Less: Provisions for outstanding contributions		**68,351**	**82,720**	**38,396**
Surplus/(Deficit)		**50,298** [4]	**0**	**0**

1/ *The 2021/22 contribution corresponds to £953 per vote, (decrease of 27% in relation to 2019/20).*
2/ *The 2022/23 contribution corresponds to £1,114 per vote, (decrease of 17% in relation to 2019/20).*
3/ *The 2023/24 contribution corresponds to £1,300 per vote*
4/ *Figures are based on the audited financial reports for 2021/22.*

TABLE B

ADMINISTRATIVE BUDGET 2023/24

EXPENDITURE BY ITEM AND SUB-ITEM
(FIGURES IN £ STERLING)

Item and sub-item		Actual 2021/22 1/	Authorized 2022/23	Proposed 2023/24	Increase/(Decrease) 2022/23 versus 2023/24	
					Amount	Percent
1.	**Premises**	**312,452**	**384,000**	**389,000**	**5,000**	**1.3%**
1.1	Rent	219,316	290,000	290,000		
1.2	Rates	5,061	9,000	9,000		
1.3	Service charge, utilities and maintenance	88,075	85,000	90,000		
1.4	Refurbishment costs for relocation to new premises	0	0	0		
2.	**Language services under contract**	**83,692**	**93,000**	**83,500**	**(9,500)**	**(10.2)%**
2.1	Interpretation	26,400	23,000	23,500		
2.2	Translation	57,292	70,000	60,000		
3.	**Special contracts**	**5,688**	**12,000**	**10,000**	**(2,000)**	**(16.7)%**
3.1	Coffee price service	0	0	0		
3.2	Professional fees	5,688	12,000	10,000		
4.	**Travel**	**8,196**	**25,000**	**45,000**	**20,000**	**80%**
4.1	Fares for official travel	4,532	15,000	30,000		
4.2	Subsistence allowance	3,664	10,000	15,000		
5.	**Communications**	**7,551**	**8,600**	**9,200**	**600**	**7.0%**
5.1	Postage	181	100	200		
5.2	Telephone and fax	7,370	8,500	9,000		
6.	**Personnel**	**1,247,467**	**1,497,500**	**1,911,000**	**413,500**	**27.6%**
6.1	Basic salaries (net)	515,577	626,000	862,000		
6.2	Post adjustments	319,799	396,000	506,000		
6.3	Personal representation allowance	5,000	5,000	5,000		
6.4	Dependency allowance	40,254	65,000	43,000		
6.5	Education grant	41,615	45,000	46,000		
6.6	Provident Fund	182,512	283,000	385,000		
6.7	Insurance	32,168	60,000	58,000		
6.8	Installation/Repatriation	23,740	0	0		
6.9	Fares for home leave	1,481	1,500	6,000		
6.10	Temporary/Outside service	85,321	16,000	0		

Item and sub-item			Actual 2021/22 1/	Authorized 2022/23	Proposed 2023/24	Increase/(Decrease) 2022/23 versus 2023/24	
						Amount	Percent
7.	**Other operating costs**		**32,473**	**35,500**	**37,300**	**1,800**	**5.1%**
7.1	Photocopiers and printers		8,541	8,000	5,000		
	a.	Rental and service					
7.2	Office supplies and stationery						
	a.	Document production	1,483	1,500	1,000		
	b.	General	870	1,000	1,800		
7.3	Publications		71	1,500	1,500		
7.4	Other expenses		21,508	23,500	28,000		
8.	**Computer-related costs**		**38,304**	**20,000**	**20,000**	-	-
9.	**Council meeting costs**		**9,475**	**25,000**	**25,000**	-	-
10.	**Support for the Programme of Activities**		**68,760**	**67,000**	**76,000**	**9,000**	**13.4%**
Total			**1,814,058**	**2,167,600**	**2,606,000**	**438,400**	**20.3%**

1/ Figures are based on the audited financial reports for 2021/22.

ANNEX II

TRAVEL COMPLETED AND PLANNED BY THE EXECUTIVE DIRECTOR
COFFEE YEAR 2022/23

October

- Geneva, Switzerland – Participated in the International Trade Centre (ITC) partnership meetings. Expenses partially covered by partners/ICO Members.
- Trieste, Italy – Participated in the Triest Espresso Expo 10th Edition. Expenses partially covered by partners/ICO Members.

November

- Lome, Togo – Participated in and expert speaker at the Inter-African Coffee Organisation (IACO) Annual Meeting and in the Forum "Women in Coffee Business Clusters and Partnerships for Women", from ACRAM. Expenses partially covered by partners/ICO Members.
- Rome, Italy – Participated in the Illy Coffee Annual Meeting and Ernesto Illy International Coffee Award 2022. Expenses partially covered by partners/ICO Members.
- Honduras - Participated in and expert speaker at the Summit for the Sustainability of Coffee Farming in the PROMECAFE region, 4th Edition 2022. Expenses partially covered by partners/ICO Members.

December

- Hanoi, Vietnam – Participated in and expert speaker at the International Conference on the Vietnam Coffee Industry 2022 (ICCV 2022). Expenses partially covered by partners/ICO Members.
- New York, USA – Participated in Meetings with Private Sector representatives to advance the public-private partnerships agenda.

January

- Uganda – Participated in the C3SD Project meetings with the International Trade Centre (ITC). Expenses partially covered by partners/ICO Members.

February

- Rwanda – Participated as expert speaker at the World Coffee Producers Forum (WCPF) and the 19th African Fine Coffees Association (AFCA) Conference & Exhibitions.
- Brussels – Participated in a Meeting with civil society groups to discuss current legislation changes affecting the coffee industry, a Meeting with the EU Commissioner for the EU Commission for the Environment, and a meeting with a team from INTPA.

March

- USA – Participated in the National Coffee Association (NCA) Conference. Expenses partially covered by partners/ICO Members.

April

- Brussels, Belgium – Participated in the workshop, Stakeholder Dialogue EU C53D. Expenses covered by partners.

May

- Berlin, Germany – Participated in GIZ and BMZ meetings to plan the actions of the partnership for next year. Expenses covered by partners.
- São Paulo and Espírito Santo, Brazil – Participated in the Cecafé Summit and Coffee Dinner as a panellist, and a mission to Espírito Santo together with NCA, USAID, and a consultant of the CPPTF. Expenses partially covered by partners.

June

- Yaoundé, Cameroon – Participated in the Cocoa & Coffee Research Congress as a keynote speaker. Expenses covered by partners.
- Brussels, Belgium – Meeting with Proba and DG-INTPA.
- Athens, Greece – Participated in World of Coffee, an event organized by the Specialty Coffee Association.
- Bonn, Germany – Participated in Global Coffee Platform board meetings. Expenses covered by partners.

July

- Prague, Czech Republic – meeting with EUSPA, ECF and partners, related to the EU Deforestation Regulation.

ESTABLISHMENT TABLE FROM THE YEAR 2017/18 TO 2024/25

Post title[*7]	No.	2017/18	No.	2018/19	No.	2019/20	No.	2020/21	No.	2021/22	No.	2022/23	No.	2023/24	No.	2024/25
		US Withdrawal						Pandemic		Pandemic		Post-pandemic		Transition to ICA 2022 with the TF		ICA 2022 with TF
Office of ED		FA154/17 Rev2		FA173/18 Rev 3		FA203/19 Rev3		FA231/20 Rev 3		FA282/21 Rev 2		FA318/22 Rev1		FA342/23 Rev1		
Executive Director	1	USG	1	USG	1	USG	1	USG	1	USG	1	USG	1	USG	1	USG
Personal Assistant to ED	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3 [*3]			1	P-1/P-2	1	P-1/P-2	1	P-1/P-2
Office Assistant[*6]											1	G-4/G-5[*6]	1	G-4/G-5	1	G-4/G-5
Operations Division																
Head of Operations	1	D-1	1	D-1	1	D-1	1	D-1	1	D-1	1	D-1	1	D-1	1	P-5/D-1
Chief Economist	1	P-4/P-5	1	P-4/P-5	1	P-4/P-5	1	P-4/P-5	1	P-4/P-5	1	P-4/P-5	1	P-4/P-5	1	P-3/P-4
Statistical Coordinator	1	P-3/P-4	1	P-3/P-4	1	P-3/P-4	1	P-3/P-4	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3
Senior Economist	1	P-3/P-4	1	P-3/P-4	1	P-3/P-4	1	P-3/P-4 [*3]	1	P-3/P-4						
Secretariat and External Relations Officer	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3	1	P-1/P-2	1	P-1/P-2 [*8]	1	P-1/P-2 [*8]	1	P-1/P-2
Economist	1	P-1/P-2	1	P-1/P-2	1	P-1/P-2	1	P-1/P-2 [*1]	1	P-1/P-2 [*1]	0		1	P-1/P-2	1	P-1/P-2
Senior Statistical Associate	3	G-6/G-7	2	G-6/G-7	1	G-6/G-7	1	G-6/G-7 [*3]	0		0					
Statistician					1	P-1/P-2	1	P-1/P-2	1	P-1/P-2 [*1]	1	P-1/P-2	1	P-1/P-2	1	P-1/P-2
Librarian	1	G-6/G-7														
CPPTF Coordinator/CPPWP Officer									(1)	P-3/P-4[*2]	(1)	P-3/P-4[*2]	1	P-3/P-4	1	P-3/P-4
Communications Officer	1	P-1/P-2											1	P-1/P-2	1	P-1/P-2
Finance & Administrative Division																
Head of Finance and Adminsitration	1	P-5	1	P-5/D-1	1	P-5/D-1	1	P-4/P-5	1	P-4/P-5	1	P-4/P-5	1	P-4/P-5	1	P-4/P-5
Finance and Budget Officer	1	P-3/P-4	1	P-3/P-4	1	P-3/P-4										
Translation and Documents Coordinator	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3	1	P-1/P-2	1	P-1/P-2	1	P-1/P-2
Administrative Officer	1	P-2/P-3	1	P-2/P-3	1	P-2/P-3	1	P-1/P-2	1	P-1/P-2	1	P-1/P-2	1	P-1/P-2	1	P-1/P-2
Finance Assistant/Officer	1	G-6/G-7					1	G-5/G-6 [*1]	1	G-5/G-6 [*1]	1	P-1/P-2	1	P-1/P-2	1	P-1/P-2
Documents Assistant	3	G-5/G-6		[*4]		[*4]		[*4]		[*4]		[*4]		[*4]		[*4]
Reprographics Operator	1	G-6		[*5]		[*5]		[*5]		[*5]		[*5]		[*5]		[*5]
	22		14		14		14		12		12		15		15	

Remarks:

**1 Partially covered by 'Termporary Service'*
**2 Funded by GIZ and not included in the ICO Establishmen*
**3 Partially vacant*
**4 Service providers*
**5 Abolished*
**6 Under Finance and Administrative Division for the 2022/23*
**7 The most recent titles being disclosed*
**8 Secretariat and Communication Officer from 2018/19 to 2020/21

ANNEX IIIb

ADMINISTRATIVE BUDGET 2023/24

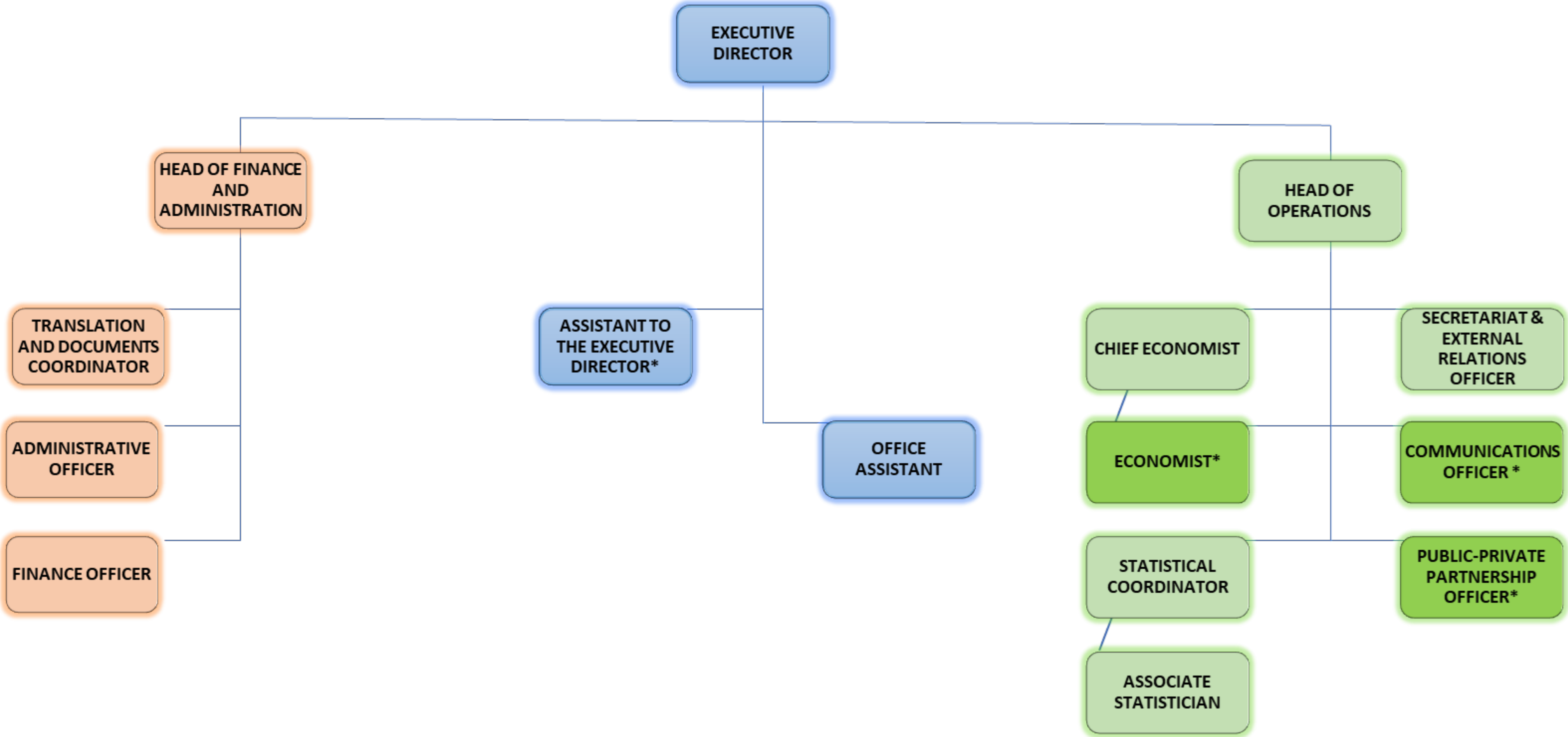
ESTABLISHMENT TABLE

2023/24	Post title	Classification
15	**TOTAL**	
3	**OFFICE OF THE EXECUTIVE DIRECTOR**	
1	Executive Director	USG
1	Assistant to the Executive Director	P-1 / P-2
1	Office Assistant	G-4 / G-5
8	**OPERATIONS DIVISION**	
1	Head of Operations	D-1
1	Chief Economist	P-4 / P-5
1*	Public-Private Partnership Officer	P-3/ P-4
1	Statistical Coordinator	P-2 / P-3
1	Secretariat and External Relations Officer	P-1 / P-2
1	Associate Statistician	P-1 / P-2
1*	Communications Officer	P-1 / P-2
1*	Economist	P-1 / P-2
4	**ADMINISTRATION DIVISION**	
1	Head of Finance and Administration	P-4 / P-5
1	Translation and Documents Coordinator	P-1 / P-2
1	Administrative Officer	P-1 / P-2
1	Finance Officer	P-1 / P-2

* *Positions added in the 2023/24 Administrative Budget*

ANNEX IIIc

ORGANIGRAM (* NEW POSTS)



PROGRAMME OF ACTIVITIES AND BUDGET FORECAST FOR COFFEE YEAR 2023/24

A. Guiding principles:

This document outlines the proposed Programme of Activities (PoA), including planned results, deliverables, and associated budget forecast for coffee year 2023/24. It has been drafted in accordance with the:

I. Guiding mandated actions as defined by the International Coffee Agreement 2007 (and the ICA 2022 upon entry into force), including:

i. Collection, exchange and publication of statistical and technical information[1] including the daily composite indicator price (I-CIP).

ii. Studies, surveys, technical reports and other documents concerning relevant aspects of the coffee sector, as well as the periodic survey on Obstacles to Consumption, report on compliance on Mixtures and Substitutes; report on status of all projects approved by the Council.

iii. Consultation and cooperation with the United Nations and its specialized agencies (FAO, ITC, UNIDO, UNDP, ILO amongst others) as well as with international and regional financial institutions (IFAD, World Bank, African Development Bank, Inter-American Development Bank amongst others) as well as with civil society and academia to mobilize support and resources to the development and sustainability of the coffee sector and specifically for the farmers;

iv. Promotion of consumption and market development activities.

v. Conduct of two regular sessions of the Council a year, and special sessions as required, as well as regular and intersessional meetings of Committees and advisory bodies.

II. The three strategic goals outlined in the Five-Year Action Plan for the International Coffee Organization, approved by the Council during its 120th Session on 29 September 2017, as a provisional framework pending the development and launch of the renewed Five-Year Action Plan, namely:

i. Delivering world-class data, analysis and information to the industry and policy-makers.

ii. Using the Organization's convening power to provide a forum for dialogue between and within the public and private sectors.

[1] *On world production, prices, exports, imports and re-exports, distribution and consumption of coffee, including information on production, consumption, trade and prices for coffees in different market categories and products containing coffee.*

iii. Facilitating the development of projects and promotion programmes through public-private partnerships

III. Cross-cutting Strategic Priority: Effective Delivery of the ICO Communication Strategy

The effective implementation of an ICO-wide communication strategy is a priority cross cutting the entire ICO plan of activities, requiring additional expertise to that of the current team, in the form of the Communications Officer post. It is crucial to effectively demonstrate the scope, impact and added value of the work we deliver, as well as to bolster our transparency and accountability efforts, to both current and prospective Members, donors, and other strategic stakeholders.

B. CURRENT DISTRIBUTION OF RESOURCES:

The ICO administrative budget 2023-24 has been forecast with the objective of enabling the Secretariat to effectively and efficiently deliver its strategic and administrative functions afforded by the International Coffee Agreement (ICA) 2007, the decisions adopted by the International Coffee Council (ICC), through the implementation of the proposed annual Programme of Activities (PoA) utilizing the resources outlined herein:

i. In-house Human Capital:

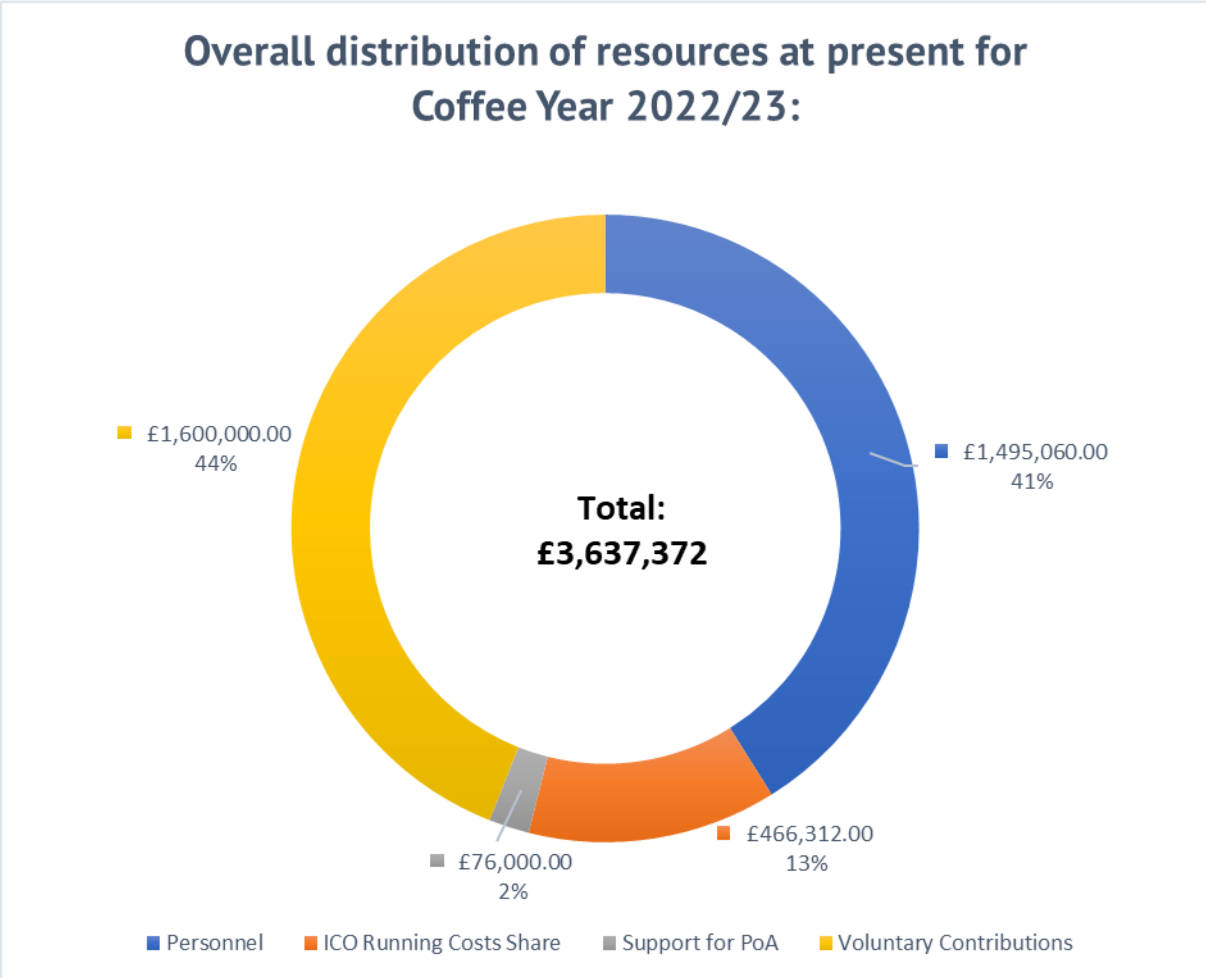
The ICO Operations Division (OPS) team, is the main implementing division for substantive activities, drawing upon its specialized staff knowledge and expertise, and thus constitutes the main human capital resource dedicated to the implementation of the planned programme of activities, complemented by external consultants hired on an ad-hoc needs basis, and in close collaboration with the Office of the Executive Director (OED) and of the Finance and Administration Division (FAD).

ii. Financial Resources:

The main source of financial contributions (both monetary and in kind) to support operational costs are mainly derived from voluntary contributions made by ICO members, donors, development partners, the private sector and other organizations. These are principally allocated to the specific activities under the purview of the Coffee Public-Private Task Force and the development of its 2030 Road Map for exporting Members.

iii. Overall distribution of resources at present for Coffee Year 2022/23[2][3][4][5]:

To carry out the PoA, the ICO has access to the following resources:



The Organization's 2023/24 draft Administrative Budget allows for an increase of the critical mass to carry out the Programme of Activities even if it is still below the resources required and available in the 2016/17 Budget.

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[2] *Personnel refers to 100% of the staff from the Operations Division and a share of the cost of the other ICO staff –* ***ANNEX V****..*

[3] *ICO Running Costs Share refers to running costs required for the Operations Division to carry out the PoA for 2023/24 –* ***ANNEX V*** *.*

[4] *Support for the Programme of Activities (PoA) refers to the specific budget allocation for consultancies and other support services to complement in-house resources and expertise –* ***ANNEX V****.*

[5] *Voluntary contributions are those made by ICO Members, donors, development partners, the private sector and other organizations, both in kind and in cash, mainly for the work of the CPPTF and the realization of its Road Map 2030 in exporting Members.*

PROPOSED PROGRAMME OF ACTIVITIES FOR COFFEE YEAR 2023/24
STRATEGIC GOALS, PLANNED RESULTS, DELIVERABLES AND ASSOCIATED BUDGET FORECASTS

STRATEGIC GOAL I: DELIVERING WORLD-CLASS DATA, ANALYSIS AND INFORMATION TO THE INDUSTRY AND POLICY-MAKERS

A core function of the Organization is to be the world's most respected coffee statistical authority, enhancing market transparency by providing Members and third parties with easy access to accurate and comprehensive statistical data, and high-quality analytics related to the world coffee economy to the benefit of all stakeholders in the coffee supply chain, including decision-makers responsible for coffee policy. This function can be accomplished by improving the quality of the statistics and economic analysis produced by the Organization. to ensure that the ICO statistics are collected from Members, processed and disseminated efficiently, promptly and accurately, and that statistical capacity is built on a needs basis in Member countries.

PLANNED RESULT I.A:
ENHANCE MARKET TRANSPARENCY THROUGH THE IMPROVEMENT OF MEMBER COMPLIANCE IN RAW STATISTICAL DATA COLLECTION, STORAGE, PROCESSING AND DISSEMINATION

DELIVERABLES BY CATEGORY AND SUBCATEGORY	IMPLEMENTED BY	OPERATIONAL COSTS	STAFF COSTS
Facilitation of the intergovernmental process and expert bodies			
Substantive services for meetings (Member states, ICC, ad-hoc expert group meetings…)			
Meeting of the International Coffee Council	HOO/STA/ECON/SE	-	ICO Staff
Meeting of the Finance Committee	HOO/STA	-	ICO Staff
Meeting of the Statistical roundtable	HOO/STA	-	ICO Staff
Support to statistics issues within the committees	HOO/STA	-	ICO Staff
Seminars, workshops and training events			
Provision of training - up to 4 Seminars/workshops/events to ICO Member Statistical Focal Points on ICO Rules of Statistics	STA	£10,000	ICO Staff
Technical Materials (Documents, newsletters, bulletins…)			
Daily Indicator Prices (365 total)	HOO/STA/ECON/SE	-	ICO Staff
Monthly Coffee Market Report (12 total)			

Quarterly Statistical Bulletin (4 total) Monthly Trade Statistics Report amongst others (min. 12)	HOO/STA		ICO Staff
Substantive deliverables			
Consultation, advice and advocacy			
Consultations to assess Members' compliance with ICO-SCI/E and ICO-SCI/I Indicators	HOO/STA	-	ICO Staff
Inputs for calculations of votes and contributions	HOO/STA	-	ICO Staff
Databases and substantive digital materials			
Maintenance of the ICO World Coffee statistics database and other ICO tools	HOO/STA	-	ICO Staff
Maintenance of the Rules on Statistics	HOO/STA	-	ICO Staff
Communication deliverables			
External and media relations	HOO/COMM	-	ICO Staff
Ad hoc statistical briefings for publications, external ICO interventions and in response to external consultations	HOO/COMM	-	ICO Staff

<u>PLANNED RESULT I.B:</u>

STRENGTHEN THE ICO'S POSITIONING AS *THE WORLD'S MOST RESPECTED COFFEE STATISTICAL AUTHORITY* <u>THROUGH</u> THE DEVELOPMENT AND DISSEMINATION OF RELEVANT STATISTICAL DATA AND ECONOMIC ANALYSIS RELATED TO THE GLOBAL COFFEE SECTOR

DELIVERABLES BY CATEGORY AND SUBCATEGORY	IMPLEMENTOR	OPERATIONAL COSTS	HUMAN RESOURCE COSTS
Publications (Recurrent)			
Coffee Development Report 2023-24	External consultants ICO staff	£10,000	£30,000 ICO staff
Substantive deliverables			
Consultation, advice and advocacy			
Conduct, by request, economic research and empirical analysis with ICO data, surveys and external data	HOO/STA/ECON/SE	-	ICO staff
Monitor and assess new regulations, standards and other stress factors affecting the coffee sector, engaging with regulators and coffee producers		-	ICO staff
Communication deliverables			
External and media relations			
Preparation of articles, presentations, interviews and other relevant content as inputs for external media	HOO/STA/ECON/SE	-	ICO staff

STRATEGIC GOAL II: USING THE ORGANIZATION'S CONVENING POWER TO PROVIDE A FORUM FOR DIALOGUE BETWEEN AND WITHIN THE PUBLIC AND PRIVATE SECTORS

The Organization should strengthen its role as the forum for discussion of coffee matters between Members and with the private sector by acting as a convener, catalyst and source of reference, so as to improve the consistency of coffee policy-making on a global level. It should also identify the particular actions necessary to increase the engagement of Members and third parties with a view to providing better coordination of the various initiatives that address the major challenges facing the coffee sector. This will be achieved by improving the ICO's outreach and its profile as a global knowledge-centre of excellence and analysis of the coffee sector by: (i) delivering high-quality research/analysis in the area of socio-economics of coffee production, trade/consumption, sustainability; (ii) increasing the satisfaction of Members and users; and (iii) advocating for and increasing the interest of donors/partners in the opportunities and challenges of the global coffee sector including new regulations and standards.

PLANNED RESULT II.A/B:

STRENGTHEN THE ICO'S ENGAGEMENT WITH MEMBERS AND OTHER EXTERNAL STAKEHOLDERS THROUGH PROVIDING A MULTI-SECTORIAL THOUGHT LEADERSHIP FORUM FOR DIALOGUE AND KNOWLEDGE EXCHANGE ON ISSUES IMPACTING THE COFFEE SECTOR

DELIVERABLES BY CATEGORY AND SUBCATEGORY	IMPLEMENTOR	OPERATIONAL COSTS	HUMAN RESOURCE COSTS
Facilitation of the intergovernmental process and expert bodies			
Substantive services for meetings (Member states, ICC…)			
Meetings of the CPPTF (at least 3 per year)	HOO/CPPTF	£3,000 (travel costs)	ICO Staff CPPTF budget
CEO and Global Leaders Forum	HOO/STA/ECON/SE	-	Under CPPTF budget
Meetings of the Private Sector Consultative Board (PSCB)		-	ICO Staff
Regular sessions of the International Coffee Council (at least 2 per year), as well as regular and intersessional meetings of Committees and advisory bodies.		-	Costs allocated in the budget

Ad-hoc Expert Group Meetings with International Organizations (including, but not limited to: FAO, ITC, UNCTAD, UNIDO)	HOO/STA/ECON/SE	-	ICO Staff CPPTF budget
Meetings of the Promotion & Market Development Committee		-	
Substantive deliverables			
Consultation, advice and advocacy			
Support to the working group in preparation for the ICA 2022 coming into force	HOO/CPPTF	-	ICO Staff CPPTF budget
Consultations and advocacy to increase the engagement of ICO Members, private sector and other stakeholders in the CPPTF and the realization of the CPPTF Roadmap Support to the Council for the preparation of the 5 Year Action Plan	HOO/CPPTF	-	ICO Staff CPPTF budget
Communication deliverables			
Outreach programmes, special events and information materials			
Mobilization of funds through voluntary contributions, sponsorships & donations to ICO activities and the CPPTF for the realization of the CPPTF Roadmap	HOO/CPPTF	-	ICO Staff CPPTF budget
Engaging IGOs, IFIs and NGOs in ICO events and participation in external events	ECON/STA/SE	£3,000 (travel costs)	ICO Staff
External and media relations			
Implementation of signed MoUs, and development, negotiation, signature of new MoUs and cooperation agreements	HOO/OPS	-	ICO Staff

REMARKS: The operation of the CPPTF and the actions in the exporting members will depend on external voluntary contributions by the private sector, bilateral donors, and international development and financial institutions.

STRATEGIC GOAL III: FACILITATING THE DEVELOPMENT OF PROJECTS AND PROMOTION PROGRAMMES THROUGH PUBLIC-PRIVATE PARTNERSHIPS

In order to address specific challenges that constrain the development of the coffee sector in Member countries, the Organization shall facilitate and actively promote the development and implementation of coffee development projects. Furthermore, the ICO shall work towards promoting coffee consumption both in exporting and importing Member countries. The main focus of Strategic Goal III is to: (i) Support ICO Members and coffee stakeholders in the identification, design, fundraising, implementation, monitoring and evaluation of technical cooperation projects with a focus on public-private partnerships. (ii) Provide Members and all coffee stakeholders with tools and actions to foster the promotion of coffee and consumption with a focus on public-private partnerships.

PLANNED RESULT III.A:

FACILITATE ACCESS TO FUNDING FOR COFFEE SECTOR DEVELOPMENT PROJECTS THROUGH ENHANCING CAPACITY IN THE PREPARATION OF PROJECT PROPOSALS AND DONOR RELATIONS

DELIVERABLES BY CATEGORY AND SUBCATEGORY	IMPLEMENTOR	OPERATIONAL COSTS	HUMAN RESOURCE COSTS
Facilitation of the intergovernmental process and expert bodies			
Substantive services for meetings (Member states, ICC…)			
Meetings of the Projects Committee	HOO/ECON/SE	-	Staff CPPTF budget
Generation and transfer of knowledge			
Field and technical cooperation projects			
Assist in the preparation of coffee project proposals	HOO/ECON/SE	£5,000	Part of the above Staff CPPTF budget

Substantive deliverables			
Consultation, advice and advocacy			
Advocacy for the promotion of cooperation with bilateral, regional and multilateral development agencies and donors, to further the sustainable development of the coffee sector, with a focus on regulatory framework and long-term sustainability and resilience.	HOO/ECON/SE	-	Part of the above Staff CPPTF budget
Advocacy and advice for the establishment of partnerships and collaboration with the donor community as well as the mobilization of resources for coffee development projects (Trust Fund)		-	

PLANNED RESULT III.B:

ENHANCE THE PROMOTION OF COFFEE CONSUMPTION THROUGH STRENGTHENING COOPERATION WITH THE PRIVATE SECTOR

DELIVERABLES BY CATEGORY AND SUBCATEGORY	IMPLEMENTOR	OPERATIONAL COSTS	HUMAN RESOURCE COSTS
Facilitation of the intergovernmental process and expert bodies			
Substantive services for meetings (Member states, ICC…)			
Meetings of the Promotion & Market Development Committee	HOO/ECON/SE	-	ICO Staff
Generation and transfer of knowledge			
Seminars, workshops and training events			
Provision of training - up to 4 Seminars/workshops/events to exporting Members on accessing and using the new market access toolkit and other ICO market promotion tools	HOO/ECON/SE/COMM	-	ICO Staff
Technical Materials (Documents, newsletters…)			
Maintenance and operation of ICO's Market Access Toolkit	HOO/ECON	£5,000	ICO Staff
Substantive deliverables			
Consultation, advice and advocacy			
Consultations and advice in support of the monitoring and implementation of regional domestic consumption programmes	HOO/ECON/SE/COMM	-	ICO Staff

Communication deliverables			
Outreach programmes, special events and information materials			
Development of the International Coffee Day (ICD) 2024 campaign including social media	HOO/SE/COMMS	-	ICO Staff + £10,000
Digital platforms and media content			
Communication/social media support and promotion and mobilization of resources and funding for the ICD and other coffee consumption promotional campaigns	HOO/SE/COMMS	-	ICO Staff

CROSS-CUTTING STRATEGIC PRIORITY: EFFECTIVE DELIVERY OF THE ICO-WIDE COMMUNICATION STRATEGY

As reflected in the 'Communication deliverables' for each of the planned results outlined above, the effective implementation of an ICO-wide communication strategy is a priority cross cutting the entire ICO plan of activities. It is comprised of three main strategic objectives: (i) position the ICO as the coffee sector's thought-leader, knowledge and statistics hub, and convenor for global action to achieve a sustainable, inclusive, and resilient coffee sector; (ii) demonstrate the scope, impact and added value of the work we deliver, thus bolstering our transparency and accountability efforts, to both current and prospective Members, donors, and other strategic stakeholders encompassing the public and private sectors, academia, and civil society; (iii) broaden and enhance the ICO's visibility, and strategically improve the Organization's public engagement with existing and potential new stakeholder groups, through the use of innovative communication and social media tools, as well as traditional press and media.

ACTIVITY-BASED BUDGET FOR COFFEE YEAR 2023/24

Background

1. The Secretariat has prepared a cost analysis summary that analyses the outputs of the Organization from a financial perspective. It seeks to present the relative costs of the main activities of the Organization.

2. The Activity-based Budget for 2023/24 has been prepared, as supplementary information, on the basis that the approximate allocation of time spent on activities has been re-analysed to reflect the restructuring of the Organization. The method of calculation is examined in greater detail below.

Methodology

3. The Secretariat undertook a review of five goals of the Organization:

(a) Delivering world-class data, analysis and information to the industry and policy-makers.

(b) Using the Organization's convening power to provide a forum for dialogue between and within the public and private sectors.

(c) Facilitating the development of projects and promotion programmes through public-private partnerships.

(d) Ensuring the coherence and the sustainability of the Organization's financial resources based on a reliable internal control system and effective risk management.

(e) Ensuring effective human resource management, management of support services and good conditions of work.

4. An analysis of the work of individual staff members was undertaken to determine the amount of time spent on each activity, expressed in broad terms as a percentage of the individual's work.

5. The Organization's activities were costed in terms of personnel and other directly attributable costs, as well as fixed costs that were allocated to the activities on the basis of staff members' working time on each activity.

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ACTIVITY-BASED BUDGET FOR COFFEE YEAR 2023/24 –
Allocation based on the main activities

REF	GOAL	BUDGET ITEMS	COSTS (£)	TOTAL (£)	%
I	Delivering world-class data, analysis and information to the industry and policy-makers	Premises 3/	81,690		
		Personnel 1/	417,150		
		Others 3/	48,300		
		Support for the Programme of Activities 2/	50,000	**597,140**	**23%**
II	Using the Organization's convening power and to provide a forum for dialogue between and within the public and private sectors	Premises 3/	141,335		
		Personnel 1/	654,650		
		Others 3/	83,567		
		Support for the Programme of Activities 2/	6,000	**885,552**	**34%**
III	Facilitating the development of projects and promotion programmes through public-private partnerships	Premises 3/	70,020		
		Personnel 1/	423,260		
		Others 3/	41,400		
		Support for the Programme of Activities 2/	20,000	**554,680**	**21%**
IV	Ensuring the coherence and the sustainability of the Organization's financial resources based on a reliable internal control system and an effective risk management	Premises	40,197		
		Personnel	196,580		
		Others	23,767		
		Support for the Programme of Activities	-	**260,544**	**10%**
V	Ensuring an effective human resource management, a management of support services and good conditions of work	Premises	55,757		
		Personnel	219,360		
		Others	32,967		
		Support for the Programme of Activities	-	**308,084**	**12%**
	Draft Budget – Activity based		2,606,000	2,606,000	100%

1/... GBP 1,495,060
2/...GBP 76,000
3/...GBP 466.312