



**INTERNATIONAL
COFFEE
ORGANIZATION**

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**Decisions and Resolutions adopted
at the 127th Session of the
International Coffee Council**

10 and 11 September 2020

Opening of the 127th Council

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1. His Excellency Mr Iman Pambagyo, of Indonesia, chaired the 127th Session of the International Coffee Council, held at the end of coffee year 2019/20. Due to social distancing restrictions, the Council took place virtually on the 10th and 11th of September 2020, using the online Zoom platform. The Chair noted that the Secretariat chose to use Zoom to enable interpretation into the ICO official languages, English, French, Portuguese and Spanish.
2. The Chair of the Council opened the Council by welcoming all Members and then giving his official opening statement.
3. The Chair of the Council welcomed His Excellency, Ambassador Gerardo Sachipengo Nunda, as the new representative of Angola to the ICO. He informed Members of the departure of Michel De Knoop, who was the representative of the European Union to the ICO for many years and welcomed Zoé Druilhe as the new representative.
4. The Executive Director gave his opening speech. He stressed the effect of the pandemic on the Organization and its advisory bodies' activities. He noted the Coffee Public-Private Task Force's ongoing activities; its work towards a roadmap, translating the Resolution 465 and the London Declaration into a Theory of Change and their effort to involve the private sector in the Organization. He emphasized his belief that the reduced consumption of coffee due to the pandemic was solely temporary, since demand for coffee is inelastic, an ingrained habit resistant to change. He hoped that the recent rise in prices, 120 US cents/lb, a rise of more than 22%, would be maintained. He then stressed the importance of Members paying their contributions, as the Organization was at risk of disappearance. The ICO was committed to cutting costs and making significant savings, but the Organization cannot survive without the help of its Members. He thanked Germany and Switzerland for their support for the Programme of Activities, especially towards the Coffee Public-Private Task Force.

Item 1: Adoption of the Agenda

5. The Chair of the Council noted that Item 9, Financial and Administrative matters, would be discussed immediately after Item 3. The Council adopted the draft Agenda contained in document [ICC-127-0 Rev. 4](#).
6. The Head of Operations informed the Council that the Credentials received from Members had been examined and found to be in good and due form. In compliance with Article 11 of the ICA 2007, the quorum for holding the 127th Session of the International Coffee Council was reached.

Item 2: Votes**Item 2.1 Redistribution of votes for coffee year 2019/20**

7. The Head of Operations reported on the document [ICC-127-2 Rev. 3](#), on the redistribution of votes for coffee year 2019/20, which had been calculated in accordance with the Article 12 of the International Coffee Agreement (2007). He reminded that only Members of the 2007 International Coffee Agreement who have paid their contribution are eligible to vote during the Council. The Council took note of the report.

Item 2.2 Initial distribution of votes for coffee year 2020/21

8. The Head of Operations introduced document [ICC-127-1](#), the Initial distribution of votes for coffee year 2020/21. The votes for exporting and importing Members were calculated based on statistical data contained in document [ED-2343/20](#) and [ICC-127-1](#), which contained the initial distribution of votes for coffee year 2020/21.

The Council approved document [ICC-127-1](#) on the initial distribution of votes for coffee year 2019/20.

Item 3: Report on the work of the ICO and market situation and impact of the covid-19 pandemic**Item 3.1: Interim report**

9. The Executive Director presented a brief interim report. First, he presented the response of the ICO to the impact of covid-19. The ICO had mobilized all its key functions to ensure a prompt response, in terms of statistics, economics and communications. The Organization also fulfilled its function as a forum for discussion among exporting and importing Members as well as with the private sector. The ICO had been creating awareness on the impact of covid-19 on the coffee sector and advocating for mitigation measures. Additionally, the ICO was unlocking technical and financial support through a network of international organizations, financial institutions and multilateral organizations. The Executive Director noted that most of the ICO's work was being conducted remotely, with regular checks by the administrative staff in the office, and that productivity and the quality of work had not been negatively affected. All meetings were being held online, including those of the Coffee Public-Private Task Force.

10. Regarding coffee market trends, the Executive Director noted that prices had risen in recent months. The ICO composite indicator was currently at 120 US cents/lb, with some indicators of mild Arabicas substantially higher. In the last 3 to 4 months, exports

had fallen, however, they remained relatively high on a cumulative basis. Regarding the effects of the pandemic on the supply side, disruptions had occurred in international trade, labour supply and lack of liquidity and investment, however, governments had taken measures with protocols for social distancing, facilitated movement of seasonal workers involved in coffee harvesting, and facilitated logistics. Another factor to be considered was also the devaluation of currency in some important producing countries.

11. The demand side had suffered a sharp drop in out-of-home consumption; tourism had dwindled and coffee shops were closed. This decline was, however, been somewhat compensated by at-home consumption and consumers were more price-sensitive and online sales had increased. Finally, prices had become more volatile as shown. These impacts and trends were assessed by the ICO through an exporters country survey and more details are contained in the three rapid studies conducted by the ICO – the Coffee Breaks.

12. The Executive Director then addressed the response to the damage caused by covid-19. During the Virtual Seminar held on June 3rd, emergency relief and recovery were discussed extensively. The European Commission showed interest to work with the ICO and Members on the African Coffee Facility and other measures in Africa. The World Bank was ready to work on various programs, especially FOLUR – which is a joint initiative with the Global Environmental Facility. He noted that the African Coffee Facility had refocused its approach and had developed a specific project concentrated on the current and future disruptions in the food and nutrition systems among smallholder farmers.

13. Regarding the key activities of the Organization, the main resources were the professional and technical staff, funded by the ICO's regular budget. The Executive Director noted that the budget 2019/20 included £76,000 for the Programme of Activities to support the staff in carrying out specific activities, especially those that required skills not available inhouse. For the execution of the Programme of Activities the ICO received more than £200,000 in cash and in kind contributions from the private sector and other international organizations.

14. The Executive Director noted that, in accordance with the Five-Year Strategic Action Plan, the ICO's work was divided into three strategic goals. First of all, the delivery of world-class data, analysis and information. The ICO was currently revising the system of indicator prices and rules of Certificates of Origin. Additionally, the statistical database was being updated and modernized with the help of an Indian IT Company. Regarding the analysis of data, the Executive Director highlighted the flagship report, the Coffee Development Report, the Coffee Breaks series, articles in specialised media, industry webinars, the Task Force and the Virtual Seminar held in June.

15. The second strategic goal was to use the Organization's convening power. He noted that the 5th World Coffee Conference, as well as the 9th Consultative Forum for Finance, had been postponed due to the coronavirus pandemic. He noted that there had been little progress on recruiting new Members due to the travel restrictions. In addition, the ICO had mobilized countries in persistent arrears and had some success in achieving repayments, encouraged Members to participate in the Coffee Public-Private Task Force and strengthened links with the private sector.

16. The third and final strategic goal was to facilitate development projects through Public-Private Partnerships. The Executive Director noted that the ICO was working closely with project development initiatives in Africa, and engaging in some projects with the Global Environment Facility. The Organization was also engaged with the Delta project which sought to establish sustainability indicators for the coffee sector.

17. Regarding the promotion of coffee consumption, the theme of this year's International Coffee Day campaign would be post covid-19 recovery with a focus on youth. Meanwhile, the Promotion and Market Development Committee had approved Terms of Reference for an update of the ICO step-by-step guide to promote coffee consumption. There has been an ongoing implementation of projects using resources of the Special Fund in Latin America, Asia, and Africa.

18. The ICO has also modernized its communications, with social media management and campaigns, and held successful virtual meetings. The ICO launched a Council website to facilitate the access to documents of its Members. Another initiative was Coffee Sounds, consisting of short video interviews with coffee influencers.

19. The delegate for the Philippines thanked the Executive Director for his comprehensive report and acknowledged the steps taken by the Secretariat to cut down on expenses as well as engaging other stakeholders and embarking on initiatives that promote the interests of the coffee community despite limited resources. She shared understanding that limited financial resources meant limited activities and programmes that the ICO could implement. She stressed that covid-19 presented an additional complication to countries that had to assess their budget and prioritize commitments. However, the Organization was dependent on these contributions for its survival and therefore Members had to 'tighten their belts'. She recognized the importance of the work of the ICO on mitigating the long-term effects of the pandemic and embarking on sustainable programmes around the management of coffee prices.

20. The delegate for Honduras congratulated the Organization for its work during difficult times. He congratulated the Secretariat for its efforts in upgrading the statistical database. He insisted on the ICO taking more action, renewing the Organization and involved the private sector more closely in the Organization. He added that the existence of the ICO was at stake, and all Members should be committed to their payments.

21. The delegate for Angola showed his appreciation for being appointed as the representative of Angola to the International Coffee Organization. He thanked the ICO for their words and noted that there needed to be more investment in coffee-producing countries like Angola.

22. The delegate for Brazil expressed his gratitude for the work of the International Coffee Organization. He agreed with the Ambassador of the Philippines, that the ICO had to face new challenges and renovate itself, as well as the delegate for Honduras on how the Organization has to respond to the specific needs and problems that developing countries face. The focus should be on producing countries. He stressed the importance to re-think the Organization. He reminded delegates that governments did not consume, produce, import or export coffee, only the private sector did so. Therefore, the Brazilian Government as well as the private sector in Brazil stressed the importance of incorporating the private sector in the Agreement.

23. The Chair of the Council stated that delegates had taken note of the report, the ICO theme for coffee year 2020/21 (Post covid-19 recovery: building on the new generations for a sustainable future), and the presentation and thanked the Executive Director and his team.

END OF DAY 1

DAY 2

24. The Chair of the Council opened day two of the 127th International Coffee Council.

25. Marcos Montes, Vice Minister of Agriculture, Livestock and Food Supply for Brazil conveyed a statement by a recorded message.

26. The delegate from Guatemala conveyed a statement on the withdrawal of Guatemala from the ICO.

Item 4 ICO Flagship Report: Coffee Development Report 2020

27. The Senior Economist presented an update on the forthcoming ICO flagship report: The Coffee Development Report (CDR) 2020 titled 'Evolution and Growth of Global Coffee Value Chains – Sustainability, Inclusiveness and Resilience'. He highlighted the importance of the CDR, noting that the report was data-driven and based on rigorous

analysis of ICO data submitted by Members. Secondly, it was firmly anchored in the global development debate. He finally stressed that the report was not only proposing new ways to understand trends in the coffee sector, but it was also practically relevant, proposing policy recommendations for sector stakeholders, including governments and industry.

28. The conceptualization and drafting process of the CDR had been both affected and influenced by covid-19. The ICO continued to focus its work on the economic sustainability in the coffee sector, since the crisis of low coffee prices had still not been resolved.

29. He noted that for the report the ICO had collaborated with outside institutions, such as the renowned Kiel Institute for the World Economy, with support from the German Government through GIZ, as well as with the London School of Economics and the International Food Policy Research Institute.

30. The Senior Economist noted that the report was inspired by World Bank's seminal World Development Report 2019, which documents the rise of global value chains (GVCs). The ICO Coffee Development Report would be the first publication to present comprehensive evidence on coffee GVCs.

31. The report contained total four sections: (1) the evolution and drivers of global value chains since the 1990s, (2) the economic impact of GVCs on countries farmers and the potential social and environmental impacts, (3) recommendations and (4) overview of the coffee market situation in this coffee year.

32. The first section of the report provided new data and analysis at the macro level on the integration of countries over time into global value chains . The second section of the report documented GVC impact at country level but also zoomed in on the farm level. The report showcased some data-driven case studies from Member countries.

33. The third part, policy recommendations, target both governments and the industry. It is discussed how more farmers can benefit from GVC and how to position countries better in the global coffee sector and enabling them to upgrade by, for example, improving their processing base.

34. A section had been added on the fragility of global value chains, specifically in relation to covid-19. This included an assessment of different types of shocks that global value chains are exposed to.

35. Finally, the market information highlights not only the evolution of demand, supply price levels and volatility but also coffee sector specific events and relevant policies that were implemented by countries that affect production.

36. The Senior Economist concluded that the report would be launched in October. He added that the ICO would ensure that the results of the report are also fed into the Task Force process and through the technical work streams.

37. The Executive Director pointed out that, for budgetary reasons, the report would only be published in English. He added that the Central American Bank for Economic Integration (CABEI) had agreed to sponsor the translation of the previous report into Spanish. This might encourage other institutions to support the translation into the other official languages. He thanked the Ambassador of Honduras for his assistance with working with CABEI.

38. The delegate for Côte d'Ivoire congratulated the Secretariat for the report. However, he stressed the importance of the document and therefore insisted that the report to be translated into French in order for the authorities and stakeholders in Côte d'Ivoire and in the other French-speaking ICO Members to access to the ICO Flagship report.

39. The Executive Director shared the concern of the Ivorian delegate with translation and interpretation. However, the ICO was entering into critical times in terms of finances, and language services were likely to be greatly affected in the budget. He noted that the particular document was very long and therefore the expense for translation would be considerable. He suggested that the Ambassador of Côte d'Ivoire should get in contact with the ICO to try to find institutions that would support the translation into French.

40. The delegate for Côte d'Ivoire noted the budget constraints of the Organization, but asserted that Côte d'Ivoire was an important and paying Member of the Organization and a large coffee producer and therefore should be entitled to the translation.

41. The Chair of the Council suggested to take note of the report and the presentation and thanked the Executive Director and his team. The Council took note of the report.

Item 5: Coffee Public-Private Task Force (CPPTF) and CEO & Global Leader Forum (CGLF)

42. The Executive Director presented the report for the Coffee Public-Private Task Force. He noted that the Coffee Public-Private Task Force met for the second time on 3 September, attended by Task Force sherpas and observers. The sherpas discussed three items in preparation for the CEO and Global Leaders Forum and the International Coffee Council meetings.

43. The first item was related to the technical work streams in previously identified themes as well as initial activities. He noted that the sherpas had received an update on the activities. The sector coordination workstream highlighted that significant progress was made in defining and converging on a problem statement and a vision statement that can be jointly supported by public and private sector stakeholders.

44. The second item discussed was the roadmap to implement Resolution 465 and the London Declaration. A draft roadmap was presented to Sherpas and observers. The subsequent discussion evolved around the various issues, including the target for closing the gap of living income, the need to define more precise targets and the consideration of intermediate milestones and how to evaluate the progress in the implementation of the roadmap.

45. The third key item on the Agenda was the joint communiqué of the International Coffee Council and the CEO and Global Leaders Forum, contained in document WP-Council 310/20. During the discussion, some sherpas highlighted the risk of not being ambitious enough in view of the immense challenges and some specific suggestions for changes to wording. The discussions led to the redrafting of the roadmap and the communiqué which were then sent out to all sherpas for discussion in the CEO and Global Leaders Forum and the International Coffee Council.

46. The Executive Director noted that the process, being online and with limited time, had not been optimal for achieving consensus before the meeting. During the CEO and Global Leaders Forum, the roadmap and communiqué had been discussed and in principle approved, but some changes had been suggested that would be reflected as additional considerations. He therefore requested the International Coffee Council to discuss the progress of this work and also confirm its support to the Taks Force and specifically for the roadmap and approve the communiqué in principle. He added that the changes would be added as an annex under the title additional considerations. If approved, the ICO would prepare a revised version of the roadmap and communiqué for the Task Force during the following week to be shared with all sherpas.

47. The CEO and Global Leaders Forum consisted of CEOs and directors of trading and roasting companies, private sector associations, as well as sector organizations, who reviewed the progress made since the signing of the London Declaration in September 2019. They then discussed the communiqué and roadmap containing specific time-bound commitments proposed by the Task Force. The private sector reiterated the importance of being associated with the ICO since they considered the Organization is a fundamental and neutral institution for the coffee sector with both exporting and importing Members. The private sector deemed it important to find a common vision and actions with the public sector through the ICO to address key issues for the prosperity of the coffee sector,

and especially for economic sustainability of coffee farmers. The Forum committed to meet again in September 2021 as a proof of their commitment to the partnership with the ICO and its Members.

48. The delegate for Brazil praised the work of the Task Force, although he considered some of the proposals elaborated by the consultancy were unnecessarily repetitive and convoluted. He noted that the work should be more objective, clearer and faster. Institutions in Brazil wanted to participate in all the six workstreams. He deemed it necessary to have a dialogue with the private sector and producers through Member countries and therefore the Organization. He added that it was necessary to include elements of civil society, such as NGOs, in the discussion and workstreams. This would provide the necessary dynamism that the Organization needs. Regarding the CEO Global Leaders Forum, this event should be open to a larger audience since it was a good initiative for Members to establish contact and interact with financial institutions and the private sector. Regarding the communiqué, he asked the delegate for Colombia to present the suggestions of adjustments that had been raised during the meeting with exporting Members.

49. The Chair of the Council suggested that the delegate for Brazil submit suggestions in writing on how to improve the CEO and Global Leaders Forum.

50. The delegate for Colombia stated that the Organization should listen to the private sector, while maintaining its intergovernmental nature. He gave the example of the US delegation, during its time as a member of the ICO, were advised by private associations, such as the National Coffee Association and Specialty Coffee Association of America. Delegations were separated into three levels: national interests, sectoral interests and the interests of the value chain as a whole. Members should act collectively, working with the private sector to address each one of these interests.

51. The delegate for Nicaragua referred to the CEO & Global Leaders Forum and deemed it very successful in initiating discussions between international organizations, financial organizations, NGOs and government representatives from consuming countries. However, she stressed the importance to include producer countries and producer private associations in the panel of the forum, as their voice was not heard. She also noted with concern that the question of prices was not discussed during the Forum, but solely living income.

52. The delegate for Switzerland showed appreciation for the work of the ICO despite the challenging circumstances. She noted the importance to clarify the different processes within and around the ICO; the Council, the Task Force and the Working Group of the Future of the Agreement were happening simultaneously and clarification would

be useful for the private sector on how these were connected. The process within multilateral organizations with roadmaps and the Theory of Change could sometimes be complex, and therefore Members needed to ensure the accessibility not only to the public and private sector and NGOs but all stakeholders and the beneficiaries of the Organization. She expressed her agreement in principle with the suggestions in the communiqué.

53. The Chair of the Council suggested approving the communiqué in principle, with a note to include representation of producing countries and for all interests of Members to be covered. The final draft of the document would be circulated to Members at a later date.

54. The Executive Director clarified that the communiqué had been approved in principle taking into account the modifications suggested by the Council. He noted that Members seemed interested in the Task Force process as there were many interventions. With regard to engagement with farmer associations, the communiqué explicitly recognized the need to move 'locally'.

Item 6: International Coffee Agreement (ICA) 2007

Item 6.1: Extension of the International Coffee Agreement 2007

55. The Chair of the Council introduced this item and invited the Chair of the Working Group on the Future of the International Coffee Agreement (WGFA), Ms Stefanie Küng, of Switzerland, to report.

56. The Chair of the Working Group of the Future of the Agreement presented the document contained in [WP-Council-307/20](#), a draft resolution to extend the International Coffee Agreement of 2007 by one year.

57. The Chair of the Council invited delegates to comment.

58. The delegate for Japan agreed with the extension of the International Coffee Agreement, but noted that one year was not enough and expressed concern regarding the complexity of the national procedures needed in each country after the amendments were finalized.

59. The Executive Director added that he was not against the proposal from the delegate for Japan to extend the Agreement for a period longer than one year. However, he stressed the importance to take action now and finalize the agreement sooner.

60. The delegate for Peru agreed with the extension of the International Coffee Agreement.

61. The delegate for the European Union agreed in principle with the extension of the International Coffee Agreement 2007. However, she noted that the EU delegation would not be able to vote on this matter, as the administrative process to approve the extension was still ongoing within the EU.

62. The delegate for Honduras noted that they were in favour of the extension of the International Coffee Agreement.

63. The delegate for Côte d'Ivoire congratulated the Chair of the Working Group for her hard work and all Members of the Working Group. He agreed with the delegate for Japan that the Agreement should be extended for more than a year.

64. The Executive Director noted that it was up to Members to decide on the length of the extension. He reminded that the Agreement allowed an extension up to eight years but it did not specify the length of time of each extension.

65. The Chair of Council suggested considering the comment made by the delegate for Japan.

66. The Council approved the draft Resolution contained in document [WP-Council-307/20](#) to extend the ICA 2007 for a year, which was subsequently published as [ICC Resolution 471](#), a copy of which is attached to these Decisions.

Item 6.2: Extension for the deposit of instruments

67. The Chair of the Working Group on the Future of the Agreement presented the document contained in [WP-Council 308/20](#), a Resolution to extend the deadline for deposit of instruments of accession to the International Coffee Agreement 2007, for Members to consider and if appropriate, approve.

68. The Executor Director reminded that this item was a a standard process and technical matter in case new Members want to join the existing Agreement while it is still in force.

69. The Council approved the draft Resolution contained in document [WP-Council 308/20](#) to extend the time limit for deposit of instruments, which was subsequently published as [ICC Resolution 472](#), a copy of which is attached to these Decisions.

Item 6.3: Review of the International Coffee Agreement (ICA) 2007

70. The Chair of the Working Group on the Future of the Agreement (WGFA) presented a short report on this item. She reminded that since June the Working Group on the Future of the Agreement has held two meetings, on 24 June and 2 September.

71. The focus of these meetings was the purpose and the mission of the ICO. The discussions of the Working Group were divided into five categories: (1) the objectives of the ICO, (2) the functions of the ICO, (3) the partners required to implement the ICA, (4) the resources required to implement the ICA and (5) the policymaking structure.

72. The Chair of the Working Group reminded Members that, as requested by the WGFA, the Secretariat had prepared a discussion paper containing the key issues, which was at the heart of the discussion of the Working Group during the September meetings. The paper focused on two main points.

73. The first was the role of the private sector. The paper looked at the role of the private sector in a selected number of international commodity bodies, while also analysing two United Nations specialized agencies: the International Telecommunication Organization and the UN World Tourism Organization, which integrate the private sector into their institutional framework.

74. Secondly, the paper identified options to streamline the ICO governing structure. The paper analysed the governance structure and the voting and budget formation of several international commodity bodies, including the International Sugar Organization, the International Grains Council and the International Cocoa Organization.

75. The paper contained a set of recommendations for the new agreement, which had been discussed by the Members of the Working Group.

76. Members had welcomed the discussion paper and considered it very useful for the advancement of the work of the group. They also concluded that more consultations and discussions on the specific points raised were needed. The Working Group concluded that the useful PowerPoint presentation by the Head of Operations had used during the Council meeting, should be shared with all Members.

77. Members were also invited to send written feedback to the Secretariat on any of the points discussed. Furthermore, the Secretariat would prepare a survey. While it was agreed that the survey was mainly aimed at narrowing down options for the new International Coffee Agreement in the field of the Organization's governance, it was also agreed that the survey will allow for Members to voice their opinion on the fundamental questions on the purpose and mission of the ICO.

78. The date for the next meeting was set for December 1st 2020.

79. The Chair of the Council showed appreciation for the work of the Chair of the Working Group on the Future of the Agreement.

Item 6.4 Brazilian proposal to include the PSCB, and representatives of the private sector and the Third Sector, identified among those who already participate in the Task Force, in the Group for the renewal of the Agreement – to consider

80. The delegate for Brazil presented the communication contained in [ICC-127-3](#). Brazil proposed to incorporate members of the Private Sector Consultative Board in the work of the future of the International Coffee Agreement. He proposed integrating members of the private sector that are part of the Task Force, which included financial institutions and civil society. He noted that they could attend specific meetings. He deemed this valuable in order for them to present their views on how they see themselves as members of the Organization, and what they can bring to the Organization.

81. The Chair of the Council opened the floor for delegates to comment on Brazil's proposal.

82. The Chair of the Working Group on the Future of the Agreement deemed the proposal from Brazil valid, given that members of the Working Group have identified the integration of the private sectors as a priority.

83. The Chair of the Working Group on the Future of the Agreement noted that Members might want to consider the appropriate format to integrate the views of the private sector. She questioned whether the private sector should be integrated into the Working Group or solely the Task Force, whereby a summary of which can then be shared with the Working Group in specific ad hoc meetings. Members should consider timing, that is, whether the Working Group should make more progress before integrating the private sector. Members should also consider which entities should be included, for instance, NGOs. Finally, Members should deliberate on the potential influence of this step on the decision-making process of the Working Group.

84. The delegate for Côte d'Ivoire agreed that the private sector was an important entity for the sustainability of the global coffee sector; however, he noted that the Organization was of an intergovernmental nature, and therefore the private sector should be kept at arm's length. He was prepared to analyse the proposal, however, the Working Group for the Future of the Agreement should be open solely to Members of the Organization.

85. The Chair of the Council stated that the Organization was of an intergovernmental nature and therefore Members and the ICO should be cautious in integrating the private sector in the international discussions on the future of the ICA.

86. The delegate for Brazil clarified that the PSCB would not be a permanent member of the Working Group or make decisions, only Members should decide on future actions since the ICO was an intergovernmental Organization. However, since the main topic of the Working Group was the integration of the private sector, he deemed it relevant to incorporate the private sector to initiate discussion and to share their views.

87. The delegate for Colombia noted that the Working Group should consult the private sector in a more comprehensive and pragmatic way, through the three levels he mentioned before – the national, sector and global interest of the coffee sector. The private sector should not be active participants in the Organization. The ICO remained an intergovernmental Organization, and therefore only the Members were responsible and accountable for the decision-making process and negotiation of the Agreement. However, he stated that Members should consider the feedback of the private sector (including NGO's and other organizations) and raise their concerns and ideas within the Working Group.

88. The Executive Director reminded delegates that when the Council established the Working Group, Members had decided that proposals from the private sector would be channelled through official delegations. In the interest of time, he suggested taking note of the proposal from Brazil and approving in principle the incorporation of the private sector. He also suggested that the Working Group should sort out the details of the proposal.

89. The delegate for Indonesia agreed that it was important to integrate the private sector into the work of the ICO in order to cope with the current challenges. Regarding, the incorporation into the Working Group, he suggested intensifying the contributions of the private sector in Member countries. Domestic consultation in Members' respective countries would accommodate for the voice of the private sector, which could subsequently be channelled through the government delegations.

90. The Chair of the Council stated that all comments had been noted. The Council approved in principle Brazil's proposal, subject to further discussion on operational modalities within the Working Group on the Future of the ICA.

Item 7: Report of meetings of committees and other bodies

91. The Head of Operations reported on meetings of committees and other bodies. He noted that the the meeting of the Committees and the summary of the discussion had been consolidated due to the online nature of the Council session..

92. The Projects Committee reviewed the project on building the post-covid-19 resilience in Africa's coffee sector (document [PJ-140/20](#)) presented by the Chief Economist as Secretary of the Committee and which involved market disruption, food nutrition and income security. It had been prepared by the ICO in conjunction with the Inter-African Coffee Organization (IACO) and CAB International. Participating countries responded to the invitation. The project received support from the African Union Commission, and had then been submitted to the European Commission, for co-funding, following the discussion in the previous session of the Council.

93. The Projects Committee had praised the Secretariat and all the engaged parties for developing this project. The Committee further requested a similar proposal to be developed for the other regions and the Executive Director took note. Further to that, it was stressed that the other regional projects need the involvement of their respective existing region organizations, such as IACO and the African Union Commission for Africa. Finally, the ICO invited Members to contact the Secretariat after the Council to define the development of such initiatives for other regions. The Committee recommended the project for approval by the Council. The Head of Operation suggested to interested Members in developing covid-19 initiatives in other regions to contact the ICO right after the Council.

94. Within the Promotion and Marketing Development Committee, the core of the discussion was the proposed terms of references for the preparation of coffee market development tool kit, based on the updating of the ICO Step-by-step Guide to Promoting Coffee Consumption in Producing Countries as presented by the ICO Statistician in her capacity as Permanent Secretary of the Committee. The Committee supported the project and the Executive Director called upon all Members to identify resources to contribute to the implementation of this very important project for the promotion of coffee consumption.

95. Finally, the Statistics Committee also received a presentation by the Chief of Statistics Section as Permanent Secretary of the Committee. The compliance indicator, using the new system approved by the Council two years ago was presented. The Head of Operations added that the ICO was finalizing the upgrading of the statistical database, which would be available online from October onwards. This would be a revolution for ICO Members, since it would be a full online platform allowing them to directly access

data online, analyse data and produce reports by themselves. Secondly, it would allow an increase in fees from subscriptions, which would increase the income for the Organization in these extremely challenging times. The Committee was also informed on changes to the system for collection of the daily indicator prices due the changes in the availability of the three agents currently working for the ICO. Therefore, the ICO was developing new partners and a new scheme to do so more effectively and with savings. Finally, the Committee reviewed the proposal received from Colombia to modify the Rule on Statistics – Certificates of Origin (document [SC-100/20](#)). The proposal was approved by the Committee and then recommended for approval by the Council.

96. The Head of Operations noted that the representative of Côte d'Ivoire, chairing the group of the 10th Consultative Forum on Coffee Sector Finance, has led a discussion through an email exchange to define the theme for the next forum and approving the report of the previous meeting. The forum should be held in spring 2021. The team proposed, given the covid-19 situation that causes significant challenges to the coffee sector, the theme to focus around “building back better”, financing options for the coronavirus recovery of the coffee sector, with a special focus on the needs of young farmers and entrepreneurs. The Committee recommended for approval by the Council, the date and the team for the 10th Consultative Forum on Coffee Sector Finance.

97. The Chair of the Council thanked the Head of Operations. The Council approved the report.

Item 7.1.1: Project proposal on Building the post-covid-19 resilience of Africa's coffee sector to market disruptions, food, nutrition and income security

98. The delegate for Côte d'Ivoire thanked the Head of Operations for his presentation. He thanked the ICO, IACO, and CAB International for the initiative led in Africa and hoped that the Council could support the project 'Building the post-covid-19 resilience in Africa'. He asked the Council to study with great attention the implementation of the project in other regions (South America, Central America and Asia), as all coffee producing countries are greatly affected by the same challenges faced with covid-19.

99. The delegate for Honduras congratulated the Head of Operations and the Secretariat for the excellent report that gave a global vision on the areas that need to be addressed within the Organization.

100. The delegate for Uganda commended the partnership between the three institutions and the initiative led in Africa. He asked the Council to approve the project.

101. The delegate for Côte d'Ivoire stressed the importance to implement similar projects in South America, Central America and Asia.

102. The Chair noted that the Council approved the report from the Projects Committee regarding the African initiative contained in document [PJ-140/20](#).

Item 7.1.2 Changes to the Rules on Statistics: Certificates of Origin

103. The delegate for Brazil supported Colombia's proposal. However, Brazil would submit some suggestions for further improvement of Certificates of Origin and would present a document in the next meeting of the Statistics Committee.

104. The Council approved in principle the proposal of the Statistics Committee regarding the Rules on Statistics: Certificates of Origin, contained in document (document [SC-100/20](#))¹

Item 7.2: Report of the Chair of the Private Sector Consultative Board

105. The Chair of the Council invited the Chair of the Private Sector Consultative Board to present the report under this item 7.2 and asked the Council to note the report.

106. The Chair of the Private Sector Consultative Board presented the report for the meeting held on 8 September 2020.

107. Regarding, Item 3: Coffee Public-Private Task Force (CPPTF), members of the PSCB received a report by the Chair on the progress of the CPPTF and the roadmap for the implementation of the London Declaration. Members of the PSCB stressed the importance of the involvement of the private sector in the process of reiterating the economic sustainability and the key challenges faced by the coffee sector, in particular funds that need to be addressed with the budget.

108. In Item 4, members of the PSCB discussed the role of the private sector in the new International Coffee Agreement. Members were asked to note the presentation given by the Head of Operations and subsequent discussions, on possible new governance structure inspired by the ITU. It was recommended to the PSCB to provide input on the deliberations of the Working Group on the Future of the Agreement.

¹ Subsequently published as [ICC-102-9 Rev. 2](#).

109. The Chair of the PSCB suggested noting that during the PSCB meeting on September 9, the Secretariat had received the communication from the permanent representative of Brazil to the ICO. The Brazilian proposal was to include the PSCB and other representatives of the private sector and civil society, in meetings of the Working Group on the Future of the Agreement.

110. Regarding Item 5: Communication by the European Coffee Federation, the members of the PSCB received the presentation of the European Coffee Federation on the revision of the EU regulating the framework of pesticides on minimum residue levels of green coffee. They provided an estimate on the impact of changes, the framework on international trade and recommending mitigating actions, including reinforcing good agricultural practices in origin countries. Members took note of the presentation.

111. Concerning Item 6: The Coffee Exporters Guide, the International Trade Centre, reported on the progress of the update of the very successful exporter's guide that has emerged as a key resource for the coffee sector stakeholders. The ICO provided key data and knowledge during the process. The representative invited members of the PSCB to support the process. Members of the PSCB took note.

112. The Chair of the Council thanked the Chair of the PSCB and stressed the importance of the continuing work of the future of the International Coffee Agreement and the integration of the private sector.

Item 8: Promotion of coffee consumption

Item 8.1: International Coffee Day

113. The Head of Operations presented this item. He noted that covid-19 affected the preparation of the International Coffee Day. This year's International Coffee Day would emphasise the impact of covid-19 and the persistently low prices, with a general focus on young people that see fewer prospects for themselves in the coffee sector. The ICO has been trying to develop a coordinated programme that would address the effect of the coffee price crisis and the covid-19 pandemic, to have a very strong call on advocacy and action among all the coffee community.

114. There would be a strong emphasis on the next generation, since many young people were leaving farming households and moving away from their family businesses, but were also drivers of change and should be celebrated in the spirit of the International Coffee Day.

115. International Coffee Day would be a platform to launch a fund where resources can support all the young generation to be part of the coffee sector, as a coffee entrepreneur, farmers, baristas, roasters and more. In order to bring the fund to life, the

ICO has collaborated with a number of organizations such as the ILO and FAO, through network or business incubators with a presence in the ICO Member countries, and private foundations.

116. The 'Coffee's Next Generation' youth fund would support the development and growth of the next generation of coffee talent and build a scheme for knowledge transfer through training and coaching.

117. He noted that the ICO was also trying to engage a number of celebrities to promote the campaign.

118. The delegate for Uganda thanked the Head of Operations for his presentation. He addressed his concerns regarding the relevancy of the theme. He suggested that the theme focus on the impact of covid-19, since the coffee sector had suffered from the pandemic.

119. The Chair of the Council noted Uganda's suggestion and recommended the ICO adjust the focus of the ICD to make it more relevant to the current situation.

Item 8.2: Special Fund

120. The Chair of the Council invited the spokesperson of exporting Members to present the use of the Special Fund.

121. The spokesperson of exporting Members, Ambassador Farani from Brazil, presented a report on the use of the Special Fund. The Secretariat was monitoring the implementation of the development of the domestic coffee consumption programme financed by the ICO Special Fund, as decided by Members and the Resolution 459. The aim was to use this fund as a catalyst to encourage countries to develop coffee consumption, to serve as a safety net for farmers, in case of falling world prices of green coffee and to make the coffee industry in these countries more dynamic and less vulnerable to external shocks, such as declining world prices.

122. Activities were underway in Africa with close monitoring of the ICO Secretariat. A team of consultants was collecting these fine details on coffee consumption in local processing selected countries. A regional conference on coffee and health, with the participation of international and African experts, as well as coffee roasters and traders, had been scheduled to take place in Cameroon last April but was postponed due to the covid-19 pandemic. Most activities are ongoing but have slowed down due to the pandemic.

123. For the Asia and Oceania region, funds had been released to Viet Nam and Papua New Guinea. The Secretariat had just received a request for funding from India. The Secretariat had also written to the remaining exporting Members in the region, asking them to send in applications for the implementation of the programme.

124. As for the Latin American region, PROMECAFE had been successfully implementing the programme, and the Council had approved an extension without financial implications in June. He congratulated PROMECAFE for successfully implementing the programme.

125. The Chair of the Council thanked the spokesperson of exporting Members for the report and encouraged Members to use the Special Fund. The Council took note of the report.

Item 9: Financial and administrative matters

126. The Chair of the Finance and Administration Committee (FAC), Mr N. Narendra, of India, presented a report on the meetings of the Committee held on 7 and 9 September.

Item 9.1: Finance and Administration Committee

127. Under Item 3 of its agenda, the FAC had received a presentation from the Head of Finance and Administration on the financial situation, as contained in document [FA-254/20](#), as well as a forecast of monthly cash balances from August to December 2020, based on the current activities contained in the 2019/20 budget. She had emphasized that the Organization's cash balance was expected to fall below £850,000 by the end of November, if no contributions were received before then.

128. The Executive Director had noted that the ICO's current financial situation indicated a serious cash shortage in the near future and stressed the need for Members to pay their contributions to the Organization promptly in order to assure its financial sustainability.

129. Several Members also emphasized the need for Members in arrears to pay their contributions to the Organization promptly in order to assure its financial sustainability though the economic situation has been very severe throughout the world due to covid-19 pandemic.

130. The Committee had noted the importance of the cash balance situation and restated its commitment to continue monitoring the situation in future meetings.

Item 9.2: Report on the implementation of Resolution 466, Members in persistent arrears

131. The Chair introduced communications from two Members requesting reductions in their contributions for coffee year 2019/20 and others with similar requests for 2020/21.

132. The Executive Director explained that, in the past, the Committee had received similar requests from Members for reductions in outstanding contributions. However, the Committee had not recommended that any of these requests be granted. Requests for reductions in contributions for 2020/21 needed to be analysed within the context of the new budget.

Item 9.3: Programme of Activities for coffee year 2020/21

133. The Head of Operation presented a summary of the document [FA-255/20](#), highlighting the main features and allocation of ad-hoc funding to support with consultancies/services the work of the professionals in the Operations Division. He emphasized the expectation that significant resources would be mobilized from donors in the form of in cash and in kind extra-budgetary contributions. In 2019/20, around £200,000 had been mobilized, enabling the preparation of the Coffee Development Report 2020, the assessment of impact of covid-19 on the coffee sector and the work of the Coffee Public-Private Task Force. A similar amount was expected in 2020/21.

134. Members of the FAC decided that the Programme of Activities would need to be reassessed due to the ongoing discussion on the budget.

Item 9.4: Draft Administrative Budget for the financial year 2020/21

135. The Head of Finance and Administration presented the revised draft Administrative Budget contained in document FA-231/20 Rev. 4. Overall, the budget provided for a 16.5% reduction in contributions in comparison with 2019/20. Proposed contributions were now £2,178,000, a reduction of £430,000 from the previous year's budget, as a consequence of the application of [ICC Resolution 470](#) and other changes. The expenditures and revenue breakdown were presented to the Members in comparison to actual expenditures in 2018/19 and the authorized budget for 2019/20.

136. The Committee noted that the budget contained in FA-231/20 Rev. 4 needed further review as a result of several requests for reductions in contributions made by Members. In light of the number of requests received, the Committee recommended the adoption of a provisional budget, based on FA-231/20 Rev. 4, for the first three months of coffee year 2020/21. Meanwhile, a small working group should be launched to discuss the possibility of further reductions in the 2020/21 budget.

137. In the ensuing discussion, some Members noted that the adoption of a provisional budget for the first three months was likely to aggravate the precarious cash flow situation of the Organization.

138. With regard to the composition of the Small, High-level Working Group on budgetary issues, the Council decided that the names of Members should be transmitted to the Secretariat by the spokespersons of exporting and importing Members.

139. As a result, Members approved a Special Session of the Council, to be held in late October, to deliberate on budgetary issues. In the meantime, a Small, High-level Working Group would work under Terms of Reference proposed by the Chair (later circulated as [SHLWG-2/20](#)) to seek convergence on outstanding issues.

140. Finally, the Chair of the FAC reported that the Executive Director had made a verbal presentation on the status of the relocation of premises. The Landlords had not shown any flexibility with regard to a reduction in rent or a surrender of the lease. However, they had offered that the six-month period of half-rent from April to September 2022 be moved up and spread across the next two years, while also allowing monthly instead of quarterly payments. This would provide temporary relief to the Organization's cash flow, which would be offset in the following year. It would have no impact on the overall level of rent payments. Nor would it have any effect on the budget, since for budget purposes the Organization was diluting an earlier benefit of the same type over 60 months until March 2022.

141. The Council approved the change in the lease agreement.

Item 10: Officeholders and committees

Item 10.1: Chair and Vice-Chair and composition of committees

142. The Chair of the Council asked the Council to consider and if appropriate approve the following composition of the committees for 2020 and 2021: The Finance and Administration Committee composed of six exporting five importing Members. The Project Committee composed of eight exporting and three importing Members. The Promotion and Market Development Committee consisting of eight exporting and three importing Members. The Statistics Committee composed of eight exporting and three importing Members.

143. The Chair of the Council invited the spokesperson for importing Members to comment.

144. The spokesperson for importing Members and delegate for the European Union noted that the composition for the Finance and Administrative would be the European Union, the Russian Federation, Japan, Norway and Switzerland.

145. The spokesperson for exporting Members noted, because of difficulties with online meetings, many delegates had been unable to attend the two coordination meetings that he had organized. Therefore, he suggested that decisions on the composition of Committees and appointment of office-holders be postponed until the next Council session. Another meeting of the exporters' group would be convened and he would report back to Council in its next session.

146. In light of the continuing need for consultations, deliberations on the composition of Committees and appointment of office-holders were postponed until the next Council session.

Item 10.2: Chair and Vice-Chair of the Council

147. The Chair of the Council invited the spokespersons for exporting and importing Members to present nominations.

148. In light of the continuing need for consultations, deliberations on the appointment of the Chair and Vice Chair of Council were postponed until the next Council session.

Item 10.3.1: Chair and Vice-Chair of the Consultative Forum

149. The Chair of the Council invited the spokespersons for exporting and importing Members to present nominations.

150. The delegate for Côte d'Ivoire suggested postponing all items concerning elections.

151. The Chair of the Council suggested therefore moving on. Item 10.3.2: Core group advisors was skipped.

Item 11: Credentials

152. The Executive Director stated that the credentials received were found to be in good order, he noted that the Secretariat would issue a list of delegates attending at a future date.

Item 12: Future meetings

153. The Chair of the Council welcomed the Executive Director to note the dates of future meetings for 2020 and 2021 were contained in document [WP-Council-311/20](#), for the Council to approve.

154. After discussion, the Chair of the Council suggested 28 October for the Special Session of the Council on budgetary issues. The Council noted and approved the date.

155. The Chair of the Council noted that the Council approved the document [WP-Council-311/20](#), containing dates of meetings in coffee years 2021/2022 and 2022/2023.

156. The Chair of the Council recommended that Members send in their suggestions regarding topics for future meetings.

Item 13: Other business

157. The Executive Director mentioned that the briefing notes prepared for the Chair by the Secretariat had omitted the fact that this session was the last meeting with the participation of Ambassador Subedi, of Nepal, and thanked him for all the dynamism he brought to the Organization.

158. The delegates for Honduras and Uganda congratulated and thanked the Ambassador of Nepal

159. The delegate for Nepal congratulated the Chair for the successful holding of the 127th session of the Council, he noted that the Chair had proved leadership and skills. He addressed his sincere congratulations to the Executive Director for his outstanding work. He expressed gratitude to all Members. He added that he would remain associated with the ICO although in another capacity.

160. The Chair of the Council expressed gratitude for the contributions of the Ambassador of Nepal.

161. The delegate for Côte d'Ivoire shared the pleasure of working with the delegate for Nepal, who made great contributions to the debate. He congratulated him for the promotion to the government. He suggested that the ICO write a letter of appreciation to the Ambassador of Nepal.

162. The delegate for Côte d'Ivoire congratulated the Chair of the Council for his patience in chairing the Council.

Item 14: Closing session

163. The Chair of the Council thanked all Members for their presence. He was grateful for the two days of Council, which allowed the Organization to make good progress, despite the challenging times. He expressed his gratitude and appreciation to the Vice-chair of the council, the Members of the Mommittees and Consultative Forum, the Task Force, the spokespersons, the ICO partners and all Members of the ICO. He thanked the whole ICO team for their incredible effort. Additionally, he thanked his team in Jakarta. He then invited the Executive Director to give his closing speech.

164. The Executive Director thanked Members for their constructive attitudes in a very difficult situation. Although he would have preferred to have moved forward with the question of a budget, the solution that was adopted was the best one under the circumstances. He thought there was a lot of work to be done in the next few weeks. He stated that the ICO Secretariat would be at the disposal of Members, and he looked forward to a successful result in the extraordinary session of Council in October.

165. The Executive Director thanked the Chair's team for being very helpful throughout the process. Finally, he expressed his appreciation to the Chair; his performance showed all his experience in other maybe even more complicated forums on the international scene as a leading trade negotiator for Indonesia.

166. The Chair of the Council declared the 127th Session of the International Coffee Council closed.



**INTERNATIONAL
COFFEE
ORGANIZATION**

ICC Resolution 471

11 September 2020
Original: English

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International Coffee Council
127th Session
Virtual Session
10 and 11 September 2020
London, United Kingdom

Resolution Number 471

APPROVED AT THE SECOND PLENARY MEETING,
11 SEPTEMBER 2020

EXTENSION OF THE INTERNATIONAL COFFEE AGREEMENT 2007

WHEREAS:

The International Coffee Agreement 2007 is due to expire on 1 February 2021;

Sufficient time is needed for countries to negotiate a new ICA and to complete the procedures for the entry into force of a new Agreement; and

Under the provisions of paragraph (3) of Article 48, the Council may decide to extend this Agreement beyond its expiry date for one or more successive periods not to exceed eight years in total. Any Member which does not accept any such extension of this Agreement shall so inform the Council and the Depositary in writing before the commencement of the period of extension and shall cease to be a Party to this Agreement from the beginning of the period of extension.

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

To extend the International Coffee Agreement 2007 for a period of one year from 1 February 2021, in accordance with the provisions of paragraph (3) of Article 48.



**INTERNATIONAL
COFFEE
ORGANIZATION**

ICC Resolution 472

11 September 2020

Original: English

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International Coffee Council

127th Session

Virtual Session

10 and 11 September 2020

London, United Kingdom

Resolution Number 472

APPROVED AT THE SECOND PLENARY MEETING,
11 SEPTEMBER 2020

International Coffee Agreement 2007

Extension of the time limit for ratification, acceptance, approval or accession

WHEREAS:

Paragraph (3) of Article 40 of the International Coffee Agreement 2007 stipulates that the Council may decide to grant extensions of time to signatory Governments that are unable to deposit their instruments by 30 September 2008;

Under the terms of paragraph 1 of Resolution 467 the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2007 is further extended to 30 September 2020;

Under the terms of paragraph 2 of Resolution 467, Governments eligible for membership in accordance with Article 43 of the Agreement may accede by depositing an instrument of accession with the Organization no later than 30 September 2020 or such other time as the Council may decide; and

A number of Governments have indicated that they require additional time to deposit the required instruments,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To extend the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2007 with the Depositary under the provisions of Article 40 of the Agreement and of Resolution 467 from 30 September 2020 to 1 February 2022.
2. To extend the period for the deposit of instruments of accession to the International Coffee Agreement 2007 with the Depositary under the provisions of Article 43 of the Agreement and of Resolution 467 from 30 September 2020 to 1 February 2022.



Council of the European Union
General Secretariat

Brussels, 28 September 2020

WK 8585/2020 REV 3

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WORKING PAPER

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INFORMATION

From:	General Secretariat of the Council
To:	Working Party on Commodities
Subject:	PROBA / Coffee : Agendas for the 127th International Coffee Council and associated meetings (virtual, 2-11 September 2020) - Decisions and Resolutions

Delegations will find attached for information the Decisions and Resolutions adopted at the 127th session of the International Coffee Council, held virtually on 10 and 11 September.