



**Working Group for the Entry into Force (WGEF)
of the International Coffee Agreement 2022**

5th Meeting

8 April 2024

London, United Kingdom

**Draft terms of reference of the
Economics Committee**

Background

1. The Working Group for the Entry into Force of the International Coffee Agreement 2022 (WGEF) met for the 4th time on 11 March 2024 to consider the draft terms of reference of the future Economics Committee (EC), among other items.
2. Prior to the meeting, two drafts were circulated, as contained in documents [WGEF-07/24](#) and [WGEF-10/24 Rev. 1](#). However, the WGEF could not reach a decision on some paragraphs, particularly those appearing under 'Governance and procedures' with regard to the composition of the Committee. Accordingly, the various options discussed are highlighted in **Annex I** attached.
3. Square brackets indicate areas which require further consideration. A key to the meaning of each colour in the text is set out below:
 - **Blue** denotes the wording proposed by the Chair of the WGEF, as circulated in the abovementioned document [WGEF-10/24 Rev. 1](#), and refers to a fixed composition;
 - **Red** denotes the wording proposed for a Core Group system; and
 - **Purple** denotes the wording proposed for an open system.

Action

The WGEF is requested to consider the draft terms of reference of the Economics Committee.

ECONOMICS COMMITTEE

TERMS OF REFERENCE

SCOPE

1. The Economics Committee shall consider all matters previously dealt with by the Projects Committee, the Statistics Committee and the Promotion and Market Development Committee, as well as those inherent to the Consultative Forum on Coffee Sector Finance.

2. The Economics Committee shall be responsible for carrying out activities and making recommendations to the Council on all matters concerning, but not limited to, the following areas:

2.1 Projects:

- (a) Establishment of priority thematic areas for support through projects, taking into account the Organization's mandate, strategic plans and programme of activities;
- (b) Procedures for submitting and approving projects proposed by Members or by the Secretariat;
- (c) Monitoring and evaluation of projects; and
- (d) Identifying sources of funding for projects and forms of cooperation with relevant agencies and assisting in fund mobilization;

2.2 Statistics:

- (a) Certificates of Origin;
- (b) Statistical information on world production, prices, exports, imports and re-exports, and distribution and consumption of coffee, including information on different market categories, coffee-based products, geographical areas, market structures, niche markets, customs duties, taxes, tariffs, and non-tariff barriers;
- (c) Indicator prices (I-CIP);
- (d) Stocks and inventories;
- (e) Management and maintenance of the ICO World Coffee Statistics Database (WCSD);
- (f) Compliance by Members in providing statistical information;
- (g) Assessment and resolution of discrepancies between ICO data and Members' data;
- (h) Technical assistance and training for ICO Members and their statistical focal points;

- (i) Evaluation of technical definitions;
- (j) Publications and sales of ICO data; and
- (k) Liaison with other organizations, with a view to improving the statistical coverage of the ICO.

2.3 Promotion and market development:

- (a) Coffee trade development;
- (b) Market development plans, promotion of consumption and activities including information campaigns, research, quality improvement, capacity-building and studies related to coffee production and consumption, sustainable coffee consumption and regulations affecting production, transformation, trade, consumption and disposal of coffee;
- (c) Market access and analysis of the regulatory framework and barriers to trade;
- (d) Review of scientific information on coffee and health;
- (e) Analysis of new proposals; and
- (f) Arrangements for financing promotion and market development activities through voluntary contributions from Members, non-members, other organizations, and the private sector.

2.4 Coffee sector finance:

- (a) Facilitating consultations on topics related to finance and risk management in the coffee sector, with a particular emphasis on the needs of small- and medium-scale producers and local communities in coffee producing areas, including the following:
 - (i) Risk management;
 - (ii) Access to credit;
 - (iii) Financial tools and services; and
 - (iv) Sources of finance and partnerships for coffee development;
- (b) Promoting coordination among governments, intergovernmental bodies, non-governmental organizations and the private sector on topics and activities related to coffee sector finance and risk management; and
- (c) Assisting the Council with the assessment of financial conditions in coffee markets, including sharing information on relevant commodity and futures exchanges.

GOVERNANCE AND PROCEDURES

1. [For each coffee year, the Council shall designate eight (8) representatives from among the ICO's exporting Members and three (3) representatives from its importing Members to serve on the Committee. ~~Of the fifteen (15) exporting Members, three (3) shall be from Mesoamerica; three (3) from South America; three (3) from West Africa; three (3) from East Africa; and three (3) from Asia and the Pacific.~~ Other Members whose rights to attend the meetings of specialized Committees have not been suspended shall also be allowed to participate.] [Each coffee year, the Council shall designate a Core Group consisting of [xx] representatives from among the ICO's exporting Members and [xx] from its importing Members. The Core Group will be required to attend meetings of the Committee, but general membership will be open to all Member countries.] [The Committee shall be open to all ICO Members.]

2. ~~[The composition of the [Committee] [Core Group] shall be renewed automatically each coffee year, unless the spokespersons of the Exporting and Importing Members indicate otherwise, or a Member loses their right to participate in the activities of the Committee and needs to be replaced.]¹~~

3. The quorum required for a Committee meeting shall be two (2) representatives from the exporting Members and two (2) representatives from the importing Members [from those designated in paragraph 1].

4. The Committee shall select a Chair and Vice-Chair. The Chair and Vice-Chair of the Committee shall be from different categories of member. Generally, these offices shall alternate each coffee year between the two categories of member, unless Members decide otherwise.

5. Meetings of the Committee shall be held whenever deemed necessary by Members. The Chair of the Committee shall liaise with the ICO Secretariat to determine the agenda and time of its meetings. The Chair shall report to the Council on the deliberations of the Committee and submit recommendations for its consideration and approval at least three weeks prior to the Session.

6. The Committee has the authority to set up ad-hoc working groups to deal with identified matters when required.

7. The Committee has the authority to invite observers to attend its sessions.

¹ This paragraph, originally proposed in [WGEF-07/24](#), was removed in the Chair's proposal contained in document [WGEF-10/24 Rev. 1](#).