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9th May 2019

TO IACO MEMBER STATES

EXPLANATORY NOTE TO DRAFT REVISED IACO AGREEMENT

Further to the Secretary General’s communication dated 7th September 2018 to Members, on comments on the consultant’s report, the following are highlights of the proposed changes in the new Agreement:

The Proposed Draft Revised IACO Agreement provides a comprehensive document that takes into account comments received from IACO Members on realities of the current global coffee economy, sustainability issues, promotion of intra-African trade, the role of different partners in the development of the African coffee sector, and essentially, bringing on board the African coffee consuming countries. The role of the private sector is also specifically highlighted, recognising its significance in the coffee value chain and the need for policy interventions that positively impact the sector.

The roles of the various technical committees are also clearly defined, while previously these were not included in the IACO Agreement. The current draft examined the previous IACO agreements, as well as inputs from the ICO format, and took into consideration the headquarters agreement between IACO and the Republic of Côte d’Ivoire.

The position of Deputy Secretary General (DSG) which was removed from the 1998 Agreement is now proposed to be re-introduced, in view of the enhanced role of the Organisation and the construction of its own Headquarters. While the Headquarters Agreement between IACO and the Republic of Côte d’Ivoire provided for two senior positions of Head of Mission and Deputy (i.e., Secretary General and a Deputy Secretary General), the latter was hushed during the 1998 revision. This could be explained by IACO’s challenging financial situation that led to its restructuring. However, in view of new initiatives, including the African Coffee Facility and a new IACO headquarters, with other responsibilities that may arise, the position of DSG will have to be re-introduced. However, the recruitment of a DSG is not a priority till the new headquarters is completed.

Most significantly, in line with the practice at the ICO, where the Executive Board was removed from the Agreement, likewise in the proposed new IACO Agreement, all committees will present their reports to the General Assembly and decisions made at the Assembly will be final. The Finance and Administration Committee, like at the ICO, will take charge of liaising with the General Secretariat on administrative issues, and will report to the General Assembly on these matters in the same way as currently done by the Board. This will reduce the duplication of committees reporting to the Board and then to the General Assembly. In line with this, the Proposed Revised IACO Rules of Procedure deals with the way in which the General Assembly and committee meetings are conducted. The revisions also make provision for the entry of African coffee consuming countries, as well as the clarification of voting and issues of membership dues for both categories of Members (producers and consumers).

The General Secretariat avails itself of this opportunity to renew to Members, the assurances of its highest consideration.