

# **Discussion on the Modus Operandi of RSCE**

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# **There seem to be Four Potential Models for Organisation of RSCE**

- **International Treaty Organisation**
- **Creation of a Limited Company (say RSCE Ltd) or NGO**
- **Informal Coalition of Interested Stakeholders (ie continuation of the Status Quo) with host/facilitator being ICCO**
- **Informal Coalition of Interested Stakeholders with host/facilitator being an enterprise other than ICCO**

# International Treaty Organisation

- **Perceived Benefits:**
  - **Would be a government to government initiative**
  - **Could produce Governmental commitments to deliver results, though might always be a low priority activity for some Governments**

# **International Treaty Organisation**

- **Perceived Drawbacks:**

- **Creation of such a body would be expensive but could potential receive international funding for such work**
- **Day to day operations would be necessarily complex and would move at the somewhat slow pace typical of inter-governmental bodies**
- **Might not engage private sector and/or NGO's as effectively**

# **Creation of a Limited Company (say RSCE Ltd) or NGO**

- **Perceived Benefits(1):**
  - **Would be created to be legally independent and could be financially independent if a viable long-term funding mechanism established**
  - **Would have perceived independent Governance from any single stakeholder group if Board was made representative of major stakeholder groups**

# **Creation of a Limited Company (say RSCE Ltd) or NGO**

- **Perceived Benefits (2):**
  - **In certain jurisdictions and under certain conditions could be treated by tax authorities as a charitable trust**
  - **Would have freedom to operate as a Company or NGO and make best, timely decisions in line with it's objectives**
  - **Could develop a membership structure and hold a public General Assembly to ensure accountability to paid-up members**

# Creation of a Limited Company (say RSCE Ltd) or NGO

- **Perceived Drawbacks (1):**
  - **Upfront investment, and mature reflection, needed to create best structure, best governance model and select the most cost effective jurisdiction – taking account of external perceptions as well as practical needs and costs**
  - **Prior agreement on secure source of long-term funding and selected jurisdiction would be an essential pre-requisites**

# **Creation of a Limited Company (say RSCE Ltd) or NGO**

- **Perceived Drawbacks (2):**
  - **Would incur:**
    - » **Significant set-up costs**
    - » **Substantial on-going administration expenditure**
  - **Could involve governments as stakeholders in the governance structure but this may encounter complications in the appointment of Officers/Directors as Governments may be reluctant to be involved in such a way**



# **Informal Coalition of Interested Stakeholders (ie continuation of the Status Quo) with host/facilitator being ICCO**

- **Perceived benefits:**
  - **Current momentum maintained**
  - **Capitalises on considerable benefits of being inside ICCO (working in a cocoa environment, office space, contact with governments and cocoa industry experts, accounting, tax status, mailing list etc)**

# **Informal Coalition of Interested Stakeholders (ie continuation of the Status Quo) with host/facilitator being ICCO**

- **Perceived Drawbacks:**
  - **Potential for perceived lack of independence by some observers**
  - **Status of RSCE will need to be regularly re-stated to avoid confusion.**

# **Informal Coalition of Interested Stakeholders with host/facilitator being an enterprise other than ICCO:**

## **– Perceived Benefits**

- Would be truly independent of any stakeholder

## **– Perceived Drawbacks**

- Substantial thought (and thus some cost) would be required to identify the most suitable host organisation

# Next Steps (1)

- **A starting point could be to continue the current informal structure kindly hosted and facilitated within ICCO and re-affirm a 3rd meeting, which should have a well focused agenda and for which sufficient financial resources have been committed**
- **It might also be decided that more work on the options for the future structure of RSCE is required and funds are sought to recruit consultants to develop an action plan for the most effective future model for RSCE from amongst the above mentioned alternatives.**

## **Next Steps (2)**

- **It is also becoming clear that regular contact between the co-ordinators of the various Roundtable initiatives on tropical agricultural raw materials would be helpful – if only to avoid conflicts in the dates chosen for their events. It would seem appropriate for the RSCE to endorse such a step**