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CONSULTATIVE BOARD ON THE WORLD COCOA ECONOMY

Twentieth meeting

London, Monday, 14 September 2009 at 10.00 a.m.

DRAFT AGENDA

1. Opening of the meeting
2. Adoption of agenda
3. Work Programme of the Board
4. Guidelines on Best Known Practices for a Sustainable Cocoa Economy
5. Supply and Demand of Total Quality Cocoa
6. Traceability and Tracking of Cocoa in the Supply Chain
7. Other business
8. Date and place of next meeting

ANNOTATIONS TO THE DRAFT AGENDA

1. OPENING OF THE MEETING

The twentieth meeting of the Consultative Board on the World Cocoa Economy will be opened by its Chairman, Dr. José Antonio Martínez (Dominican Republic).

2. ADOPTION OF AGENDA

The Board will consider the draft agenda contained in this document as a basis for adopting its agenda.

3. WORK PROGRAMME OF THE BOARD

The Board will consider an updated Work Programme with reference to document CB/20/2.

4. GUIDELINES ON BEST KNOWN PRACTICES FOR A SUSTAINABLE COCOA ECONOMY

As agreed at its 19th meeting in June 2009, the Board will review a document prepared by Dr. Martin Gilmour on Best Practices in the Manufacturing and Processing of Chocolate, with reference to document CB/20/3. This document will be incorporated in the existing document on “Guidelines on Best Known Practices for a Sustainable Cocoa Economy”

5. SUPPLY AND DEMAND OF TOTAL QUALITY COCOA

As agreed at its 19th meeting in June 2009, the Board will review a document prepared by Dr. Tom Harrison on the Supply and Demand of Total Quality Cocoa, with reference to document CB/20/4.

6. TRACEABILITY AND TRACKING OF COCOA IN THE SUPPLY CHAIN

Mr. Tony Lass MBE will submit a document on Traceability and Tracking of Cocoa in the Supply Chain, for consideration by the Board, with reference to document CB/20/5.

7. OTHER BUSINESS

Matters not on the agenda may be raised for consideration.

8. DATE AND PLACE OF NEXT MEETING

The Board will agree the date and place of its next meeting.

TRACKING OF THE UPDATED WORK PROGRAMME FOR THE CONSULTATIVE BOARD ON THE WORLD COCOA ECONOMY

ANNEX (June 2009)

S/N	ISSUES IDENTIFIED	ACTION NO	ACTION PROPOSED	DATES DISCUSSED	DOCUMENTS	STATUS
1.	<i>Sustainability Mandate</i>					
	“Sustainable Cocoa Economy: A Comprehensive and Participatory Approach”	1	ICCO to develop a concept to achieve and monitor action towards a sustainable world cocoa economy.	December 2005 June 2006 September 2006 December 2006 March 2007 June 2007 January 2009	CB/6/2/Rev.1 CB/6/2/Rev.2 CB/6/2/Rev.3 CB/6/2/Rev.3/Add.1 CB/11/2 CB/11/2/Rev.1 CB/11/2/Rev.2 CB/14/2 RSCE2/4	Document RSCE2/4 “Sustainability Initiatives and the Challenge of Compliance” was completed and presented to the Second Roundtable Meeting on a Sustainable World Cocoa Economy in March 2009. The document was subsequently reviewed in the meeting of the Board in June 2009.
		2	ICCO to prepare and conduct a Round Table on a Sustainable World Cocoa Economy.	December 2006 March 2007 June 2007	CB/11/3 CB/12/CRP.1 CB/13/3	The first Roundtable Meeting on a Sustainable World Cocoa Economy took place from 3-6 October 2007 in Accra, Ghana. The outcome of the meeting, which was deemed a great success, was the adoption of the “Accra Agenda”, with priorities for action to achieve a sustainable world cocoa economy.
		3	ICCO to follow up actions in the Declaration of Trinidad and Tobago and prepare a third Round Table on a Sustainable World Cocoa Economy in The Netherlands.			The Second Roundtable Meeting on a Sustainable World Cocoa Economy (RSCE2) took place from 24-26 March 2009 in Port of Spain, Trinidad and Tobago. The main outcome of the meeting was: 1) agreement to continue work on the 10 Key Elements to enhance the implementation of the Accra Agenda; 2) the creation of a Working Group on a Cocoa Sustainability Fund for projects financing and; 3) agreement to widen the scope of the Guidelines on Best Known Practices in the Cocoa Value Chain. A third Roundtable (RSCE3) is scheduled to be held in The Netherlands at a date and time to be determined.
		4	ICCO to formulate priorities for action to achieve a sustainable world cocoa economy.		EX 139/8	The ICCO Secretariat has drafted document EX 139/8 containing a project proposal on “Production and Trade of Sustainable Cocoa in Africa”. A similar proposal is being prepared for Latin America and Asia.

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1. Ctd	<i>Sustainability Mandate</i>					
	“Sustainable Cocoa Economy: A Comprehensive and Participatory Approach”	5	ICCO to advise the International Cocoa Council on a system of monitoring – through indicators and otherwise – to measure the industry’s progress towards sustainability.			Work has yet to commence.
		6	ICCO to stimulate stakeholders in helping to maintain a database on projects and initiatives to achieve a sustainable world cocoa economy.	December 2005 June 2006	CB/7/CRP.1 CB/9/2	Early efforts have been made to develop a database through an on-line system of reporting. However, this first attempt was not successful.
2	<i>Issues related to cocoa prices, farmers’ income and export revenues</i>					
	Taxes and aid flows	7	ICCO to complete its ongoing review of the incidence of and the revenues derived from indirect taxes on cocoa and chocolate products, for the information of the Board.	June 2005 May 2008 September 2008	CB/5/2 CB/16/3 CB/16/3/Rev.1	In September 2008, the Consultative Board reviewed document CB/16/3/Rev.1. The report concluded that taxes and tariffs applied to cocoa beans and cocoa semi-finished products were relatively low, compared with standard VAT rates and import duties on agricultural products in general.

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2. Ctd		8	ICCO to undertake a study to estimate bilateral and multi-lateral aid flows into the cocoa sub-sector in producing countries.			Work has yet to commence.
		9	ICCO to undertake a study to estimate the optimal range of export taxes in cocoa producing countries.	January 2008	CB/15/3	The study, drafted by the Secretariat, confirmed that large exporting countries can benefit from “optimal” export taxes. The Board took note of the study.
	Value Chain Analysis	10	ICCO to implement the project on an international comparative analysis of the value chain in cocoa producing countries.	June 2005 September 2005 December 2006 March 2007 January 2008 September 2008 January 2009	CB/4/2/Rev.1 CB/4/Rev.3 CB/4/2/Rev.4 EX/129/7 CB/13/2	Following consultations with the Chairman of the Management Committee for the Coffee and Cocoa Sector in Côte d’Ivoire, the Executive Director proposed to the Consultative Board to terminate the project. The Board accepted that proposal.
		11	ICCO to develop a methodology and analysis of the cocoa and chocolate value chain from grinding of the beans to final consumption.			Work has yet to commence.
		12	ICCO to explore the feasibility and methodology of a study on the functioning of the physical markets for cocoa beans.			Work has yet to commence.

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3.	<i>Market Access, Market Information and Market Development</i>					
	Niche cocoas	13	ICCO to continue periodic analyses of the situation and prospects in the markets for niche or speciality cocoas.	June 2005 September 2005 June 2006 September 2006 March 2007 June 2007	CB/5/CRP1 MC/9/2 EX/130/10 MC/5/2 MC/7/4 MC/10/6	<ol style="list-style-type: none"> 1) The CB reviewed the situation of the market for Fair-trade cocoa. Updated statistics on Fair-trade cocoa consumption were presented to the Market Committee. 2) A study on the market for organic cocoa was presented to the Executive Committee. 3) The Market Committee reviewed the situation of the fine or flavour cocoa market. 4) In June 2007, the Market Committee reviewed document MC/10/6 on Cocoa Resources in Consuming Countries.
	Market information systems (MIS)	14	ICCO to continue to support producer Member countries through regional projects, to improve on the functioning of market information systems for farmers.			The ICCO Secretariat requested a Project Preparation Facility to CFC to enlist the services of a consultant to review the status of the MIS in the countries following the completed Marketing Project and the Resolution adopted by the ICCO Council on MIS, and to propose actions to strengthen and modernize existing MIS. The consultant will formulate a project proposal, for submission to the CFC for financing.

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3.	<i>Sustainable Cocoa Production</i>					
	Production of Quality Cocoa	15	ICCO will work on formulating best practices in cocoa farming and post-harvest treatment, based on experiences in the field. The Board will cooperate with the ICCO Expert Working on Quality and members of the Task Force for the Quality Project.	March 2005 January 2008 May 2008 June 2009	CB/4/5 CB/4/5/Rev.1 CB/16/2 CB/16/2/Rev.1	The Board reviewed document CB/16/2/Rev 1. containing “Guidelines on Best Known Practices for a Sustainable Cocoa Economy” discussed during the RSCE2. The Board will enhance this document by developing “Guidelines for Best Known Practices in the Cocoa Value Chain”.
		16	The Board will collect information on simple but effective tools to improve and facilitate the operations by cocoa farmers with the aim to make a “codification” of developed tools and implements readily available to cocoa farmers.			Work has yet to commence.
	Losses from Cocoa Pests and Pathogens	17	ICCO to develop a fully-fledged project proposal on “Preventing and Managing the Spread of Cocoa Pests and Pathogens”, based on the outcome of the International Workshop on “Preventing and Managing the Global Spread of Cocoa Pests and Pathogens”, held in Abidjan from 17-20 July 2007.			The ICCO Secretariat submitted a request for a Project Preparation Grant to the Standard and Trade Development Facility (STDF) to hire a consultant to assess the readiness of African countries to comply with Sanitary and Phytosanitary (SPS) entry requirements for the EU, the USA and Japan markets and to draft a project proposal to reinforce capacity building in Africa.
		18	The Board will explore the feasibility and practicality of establishing principles, procedures and practices to reduce losses from cocoa pests and pathogens.			Work has yet to commence.
	Diversification of the cocoa economy, through crop diversification on the farm, or moving to other crops.	19	The Board to make an inventory of the knowledge and practices of diversification on cocoa farms including potential agricultural products into which cocoa farmers can diversify profitably.	June 2009	CB/19/13	The Secretariat presented to the Board document CB/19/13 on “ Diversification in Cocoa Producing Countries – Lessons from other Commodity Experiences and the Way Forward”. The Secretariat was requested to complement the study with micro aspects of diversification, at the farm level.