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TO IACO MEMBER STATES

Honorable Members,

The Secretary General presents his compliments to all Members, and has the pleasure to present the report of the Consultant hired to carry out the two tasks in line with the decisions of the 57th AGA:

1. In view of the resolution of the 56th AGA to invite African non-coffee producing countries to join the organisation, the decision of the 57th AGA was to hire a consultant to produce a draft of a proposed revised texts (IACO Agreement) that considers the current realities in the global coffee economy and future orientation of the Organisation to meet the current and expected needs in the African coffee value chain;
2. Considering the socio-economic changes since the IACO Staff Terms and Conditions were revised in 1998, it was resolved that these were to be reviewed by a consultant so as to provide a proposal that is in line with current realities.

Accordingly, the Secretariat requested for expressions of interest, received several offers and evaluated them to select the best in terms of affordability as well as technical competence. The Ivorian consultancy firm *Disting Inter Consultants*, accredited by the FDFP (FONDS DE DEVELOPPEMENT ET DE LA FORMATION PROFESSIONNELLE), was selected to carry out the above assignment, and provided the following documents which include recommendations for review by Members and appropriate action:

1. **Proposed Revised IACO Agreement:** This document provides a comprehensive draft of the proposed draft Agreement for consideration of IACO Members with the view to include realities of the current global coffee economy, sustainability issues, promotion of intra-African trade, and the role of different partners in the development of the African coffee sector, including the producing and consuming countries. The roles of the various technical committees are also clearly defined. The draft considered the previous IACO agreements, as well as ideas from the ICO format, and also took into consideration the headquarters agreement between IACO and the Republic of Côte d'Ivoire. The position of Deputy Secretary General which had been removed in 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.
2. **Proposed Revised IACO Rules of Procedure:** In view of the need to accommodate the entry of African coffee consuming countries, as well as the clarification of voting and issues of membership dues, the Rules of Procedure were revised accordingly.

3. **Report of the IACO Institutional Review:** The consultant highlighted a number of discrepancies that need correction, including the staff categories, non-alignment between the Staff Terms and Conditions and the Ivorian laws, which needed urgent redress. A new structure of allowances is also proposed.
4. **Proposed Revised IACO Organigram:** The consultant proposed a new organizational chart to provide clear lines of responsibilities and accountability.
5. **Proposed Terms of Reference for the Deputy Secretary General:** 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 was made necessary by IACO's challenging financial situation that led to the restructuring of the Organisation. In view of new initiatives, including the African Coffee Facility and a new IACO headquarters, with several other responsibilities that will arise, the position of Deputy SG will have to be re-introduced. However, this is not an immediate action but will be taken when the new headquarters is completed.
6. **Proposed IACO Salary Structure:** In view of the need to revise the salary structure and to ensure alignment with current economic trends, the consultant proposed a new structure that is in line with best practice and how IACO, as a respectable international organisation, should be structured in terms of bands and categories.

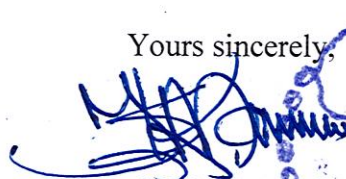
The Secretary General proposes that the process for the revision of the agreement could proceed as follows:

1. Members to study the draft Agreement and draft Rules of Procedure and make their recommendations during the next meeting of the Consultative Group (CG) in Libreville, during the 2018 Annual Meetings. The CG will then make recommendations to the Board and General Assembly at the 58th AGA.
2. This will be followed by further consultations and reviews, in the course of 2019. It is hoped that the new Agreement could be finalised during the 2019 Annual Meetings, thus taking at least one year of discussions and consultations.

The Secretary General is also of the view that with regards to the proposed salary structure and allowances, the new salaries will only apply when the new IACO headquarters is finished and new income streams can allow for this shift. Nonetheless, other allowances could be implemented in line with budget provision, once approved.

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

Yours sincerely,


Frederick S.M. KAWUMA
Secretary General

