

WP Council 273/16

16 September 2016 Original: English

International Coffee Council 117th Session 19 – 23 September 2016 London, United Kingdom Vision 2020 : Background and updated Memorandum of Understanding

Background

- 1. This document comprises i) a pre-read that was circulated to participants ahead of the international stakeholders' workshop held on 16 September at the ICO's headquarters; and ii) an up-dated Memorandum of Understanding (MoU).
- 2. The pre-read contains information on the two Vision 2020 partners (the Global Coffee Platform (GCP) and the ICO); Vision 2020's objectives and approach; and the progress made to date.
- 3. The international experts' workshop was organised following a series of national workshops held between May and August 2016 in eight coffee producing countries. The aim of international workshop was to discuss the findings of the national workshops and convert them into a coherent action agenda for Vision 2020 onwards that would rally and unite stakeholders.
- 4. In particular, participants were able to share their expertise in discussions about i) the Vision 2020 goals and workstreams, and the Sustainable Development Goals (SDGs); ii) how best to align national coffee strategies with Vision2020; iii) the Theory of Change and Global Progress Framework which is being developed to establish concrete steps and measure progress towards a sustainable coffee sector; and iv) the next steps for enhanced public-private cooperation through V2020 and beyond.

- 5. The second part of this document is an up-dated MoU prepared by the ICO and GCP for the Council's approval in March 2017. The reasons for preparing this up-dated MoU are as follows:
- (a) The GCP has recently been created to take over the functions previously performed by the 4C Association and IDH under the previous Vision 2020 MoU.
- (b) The partners belief that the establishment in 2015 of the SDGs to be achieved by 2030, provide a framework to which Vision 2020 could contribute.
- (c) An up-dated MoU presents the partners with an opportunity to rebrand Vision 2020 as Vision 2030. This is necessary in order to reflect the initiative's extended timeframe and bring it into line with the time frame for the SDGs.
- (d) The need for continued collaboration beyond the expiry of the current MoU.

Action

Members are requested <u>to take note</u> of this document and <u>to carry out the necessary consultations</u> in order to be able to discuss, and if appropriate <u>approve</u> the MoU in March 2017.



Reading guide

This is the pre-read for the Vision 2020 international stakeholder workshop that will take place September 16, 2016 in London at the International Coffee Organization's premises.

This pre-read gives you the background information for the day:



ICO history and mission

- ICO was established in 1963 following the entry into force of the first International Coffee Agreement
- Continued to operate under successive Agreements negotiated since then. The latest Agreement is the ICA 2007

Mission

- 1. Strengthen the global coffee sector and promote its sustainable expansion in a market-based environment.
- 2. Practical contributions to the development a sustainable world coffee sector and to reducing poverty in developing countries

Main activities

- Providing a forum for discussion between public and private sector (ICC, WCC, Global Forum, etc.)
- Collecting and statistics on the world coffee market (import, export, production, consumption)
- Coffee Market Report & economic studies
- Coffee development projects
- Promoting coffee quality and consumption



Membership as at September 2016

ICO Members





Exporting Countries

Angola • Bolivia • Brazil • Burundi • Cameroon • Central African Republic Colombia • Costa Rica • Côte d'Ivoire • Cuba • Democratic Republic of the Congo • Ecuador • El Salvador • Ethiopia • Gabon • Ghana Guatemala • Honduras • India • Indonesia • Kenya • Liberia Madagascar • Malawi • Mexico • Nicaragua • Panama • Papua New Guinea • Paraguay • Peru • Philippines • Rwanda • Sierra Leone Tanzania • Thailand • Timor-Leste • Togo • Uganda • Vietnam • Yemen Zambia • Zimbabwe



Importing Countries

European Union (Austria • Belgium • Bulgaria • Croatia • Cyprus • Czech Republic • Denmark • Estonia • Finland • France • Germany • Greece Hungary • Ireland • Italy • Latvia • Lithuania • Luxembourg • Malta Netherlands • Poland • Portugal • Romania • Slovenia • Slovenia • Spain Sweden • United Kingdom) • Japan • Norway • Russian Federation Switzerland • Tunisia • Turkey • United States of America

International Coffee Agreement 2007

Exporting Members	Date of Deposit	Exporting Members	Date of Deposit
Angola	22 September 2009	Liberia	6 October 2009
Bolivia, Plurinational State of	10 April 2012	Madagascar	26 November 2014
Brazil	2 February 2011	Malawi	18 July 2012
Burundi	21 September 2009	(2) Mexico	8 April 2010
Cameroon	17 September 2012	Nicaragua Nicaragua	12 August 2009
Central African Republic	24 August 2010	Panama	12 March 2009
Colombia	2 December 2008	Papua New Guinea	6 November 2009
Costa Rica	11 December 2009	Paraguay	21 August 2013
Côte d'Ivoire	15 October 2008	Peru	14 December 2015
Cuba	4 December 2008	Philippines	29 March 2011
Democratic Republic of the Congo	14 December 2015	Rwanda	17 May 2012
& Ecuador	30 September 2008	Sierra Leone	5 May 2011
El Salvador	4 December 2008	Tanzania	22 September 2009
Ethiopia	8 July 2010	Thailand	4 August 2009
Gabon	25 February 2009	Timor-Leste	5 January 2009
Ghana	17 August 2009	Togo	21 September 2010
Guatemala	23 March 2011	Uganda	1 March 2010
Honduras	7 June 2010	Vietnam Vietnam	28 August 2008
1ndia	22 September 2008	Yemen	14 July 2010
Indonesia	5 February 2009	Zambia	3 August 2011
(Kenya	22 May 2008	Zimbabwe	24 May 2012
Membership as at 31 December	er 2015	Importing Members	Date of Deposit
		European Union	17 June 2008
		(Japan	23 July 2015
(42)		Norway	21 September 2010
44		Russian Federation	24 April 2015
Exporting Members		Switzerland	11 September 2009
		(C) Tunisia	21 September 2010
		Turkey	28 March 2011
		Turkey United States of America	28 March 2011 28 August 2008
8	1		
8	ı	United States of America	28 August 2008
8 Importing Members	1	United States of America Signatory Governments	28 August 2008 Date of Signature



GCP FOCUS: CREATE ENABLING ENVIRONMENT & IMPROVE FARMERS' LIVING INCOME



WE FACILITATE

- Public-private dialogues through national and regional platforms
- The Vision 2020 global agenda
- Actionable, thematic work streams at global and country levels
- Supportive & transparent sourcing
- Co-funding opportunities:
 Business and investment case
- National sustainability curricula

WE OFFER



Globally accepted **Progress Framework** to measure and report on impact



Baseline Common Code as a global reference for basic sustainability practices



Online Portal with state of the art cross-country learning community

JOIN US IN OUR JOURNEY TO SCALE BEST PRACTICES AND CREATE NEW ONES



2015 2016 2017 onwards

Achievements



Common code



Sustainability Curricula



National Platforms

Joined sector results

NOW

- Sector vision / agenda
- Reporting framework
- Innovative producer support projects
- Online learning portal and materials

Actions

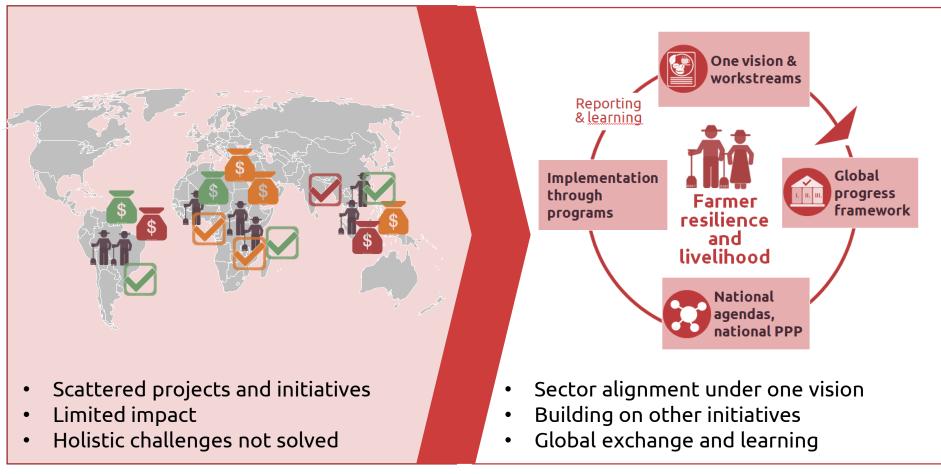
- Programmatic work (Gender, Climate)
- Focused investment via national platforms
- Reporting & measuring via progress framework
- Sharing and learning

Vision 2020 unites the sector stakeholders behind one vision to enable collective impact at farm level

Collective impact is key to sector sustainability

From sector fragmentation...

To collaboration



Vision 2020 has three objectives and a threetiered approach to reach those objectives

GCP and ICO function as a sector secretariat focused on the collective aim



Major challenges of the coffee sector are addressed in 5 workstreams that together contribute to achieving the shared vision



Challenges and workstreams

Underlying challenges in the coffee sector, reflecting the issues addressed in the SDGs





Low yields due to diseases and aging trees
Poor access to infrastructure



Low wages
Child & forced labor
Poor access to social infrastructure



 Lack of opportunities and support for women at farm level



Rising temperaturesDroughtsUnpredictable rain patterns



Soil erosion

Loss of biodiversity
Deforestation
Pressure on natural resources



Policy improvement



Climate Smart Agriculture



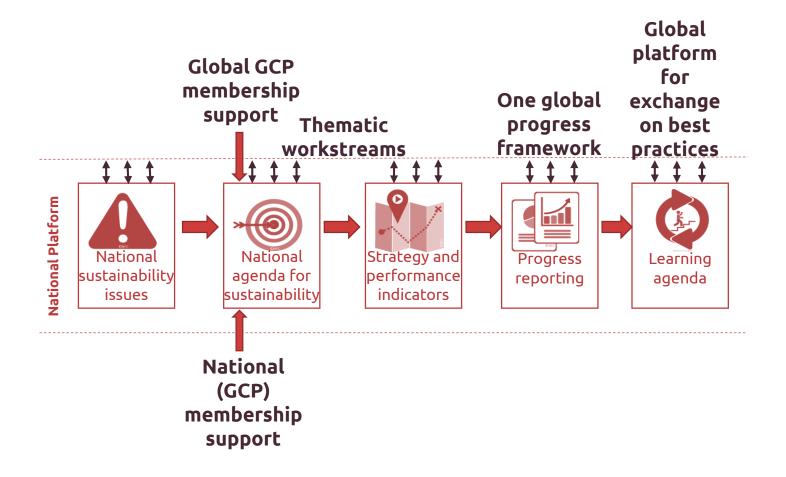
Farming as a business

Increasing demand for sustainable coffee

Vision 2020 enables national platforms to connect national issues to global challenges and experiences

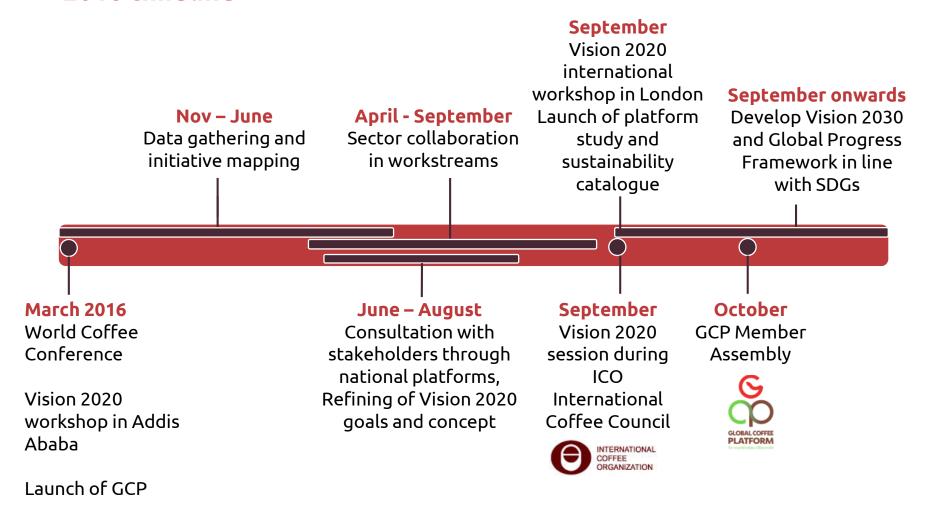


National ownership, global collaboration, local impact



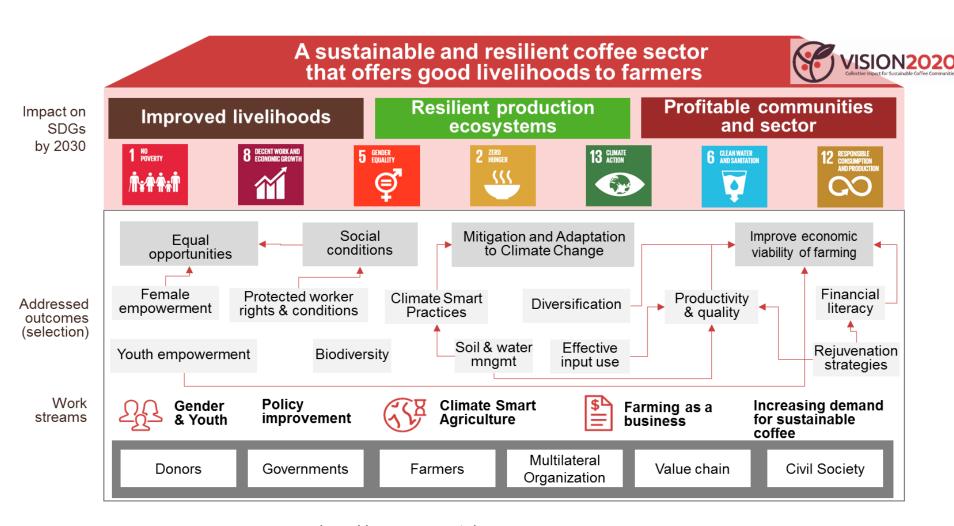
Several milestones have been reached en route to achieving the Sector 2020 vision

2016 timeline



Vision 2030 depends on which SDGs are most important for the coffee sector

Draft for Vision 2030 - for input









MEMORANDUM OF UNDERSTANDING BETWEEN THE THE INTERNATIONAL COFFEE ORGANIZATION, AND THE GLOBAL COFFEE PLATFORM

The International Coffee Organization,

And

The Global Coffee Platform, (hereinafter "the Parties")

Recognizing the International Coffee Organization (ICO) as the main intergovernmental body responsible for addressing the challenges facing the world coffee sector with an aim of achieving sustainability;

Recognizing the role of the Global Coffee Platform¹ (GCP) as a multi-stakeholder membership platform that: (i) unites the coffee community; (ii) increases the alignment of activities of a diverse network of stakeholders and initiatives. All these activities aim to address systemic sustainability issues in a pre-competitive manner, in order to improve the economic, social and environmental conditions of those who make their living from coffee;

Confirming the commitment of the Parties to promote sustainable development as a means of achieving social and economic progress in coffee producing countries while protecting natural resources;

Recognizing that wide public-private cooperation has the greatest potential to promote economic growth, reduce inequalities and improve living standards in coffee producing countries;

Recalling the mandate of the ICO to alleviate poverty, promote rural development, encourage diversification, and develop a sustainable coffee economy;

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¹ Based on the approval of the 4C Membership, the 4C Association and the Sustainable Coffee Program (SCP) joined forces and co-created the Global Coffee Platform in March 2016. The (commercial) verification operations of the 4C Entry-level Standard were spun off into a separate company, Coffee Assurance Services GmbH & Co. KG, while the competitive Field-Level Projects of SCP were absorbed by IDH.

Acknowledging that systemic sustainability issues such as climate change, access to finance for producers, productivity, ageing farmers and ageing coffee trees, require new forms of farmer centric public-private cooperation at a pre-competitive level in coffee producing countries;

Acknowledging the need to globally encourage greater empowerment of a large number of men and women who work in the coffee sector and to provide more incentives to attract youth participation for the long-term sustainability of the world coffee market;

Continuing the active collaboration between the Parties, under the Vision 2020 dialogues with the aim of avoiding duplication of activities, cost efficiently scaling existing initiatives and filling gaps towards collective impact in the coffee sector;

Appreciating the opportunity and significant role that the Parties can play in facilitating publicprivate collaboration, co-responsibility and active contributions to increase resilience in coffee producing countries and assure the long-term viability of coffee as needed in the world market;

Recognizing the recent creation of GCP to contribute to Vision 2020 goals through its members and partners; the establishment of the Sustainable Development Goals (SDGs); and the need for continued collaboration beyond the expiry of the current MoU;

Taking into account the respective mandates, objectives and programmes of the ICO, And the GCP

HEREBY agree:

ARTICLE 1 PURPOSE

To continue the alliance for public-private collaboration in the coffee sector which will work towards a sustainable, thriving coffee community and at the same time enable the coffee sector to contribute to the relevant SDGs such as poverty reduction and climate resilience. This collaboration will be known as Vision 2030.

ARTICLE 2 IMPLEMENTATION

- 1. The Parties shall within the scope of their activities continue their active participation in the multi stakeholder Vision 2030 dialogues, in order to generate collective impact in the coffee sector. In order to further develop Vision 2030, the Parties, in close cooperation with key stakeholders, shall seek advice, input and commitment from key public and private coffee stakeholders both on a national and international level.
- 2. The Parties shall continue to i) share current activities in their respective fields of work; ii) identify collaboration potential and gaps; and iii) increase efficiencies of delivery through practical coordination; iv) cooperate with and support public-private coffee platforms at a national level; v) improve policy; vi) align KPIs towards the achievement of key SDGs; and vii) shall share lessons and best practices in the area of coffee sector sustainability.
- 3. Within the context of the Vision 2030 dialogues, the Parties shall endeavour to offer the effective facilitation of public-private dialogue amongst key coffee stakeholders in producing countries. These dialogues should lead to: i) the prioritization of needs in coffee farming communities at a national level; ii) the definition of action plans and the identification of needs for funding.
- 4. When facilitating these public-private dialogues at a global level the Parties should include funding agencies in order to foster understanding and financial support for the implementation of the agreed priority agendas and strategies at both the national and local level. The identification of priority needs and action plans should focus on areas such as: i) coffee farming as a business; ii) the economic viability of coffee farming; iii) financial literacy and access to finance; iv) climate adaptation/ mitigation and research; v) gender; vi) the next generation of coffee growers; and vii) increasing demand for sustainable coffee.
- 5. The specific objectives, commitments and contributions of the Parties under this Memorandum of Understanding, including the monitoring and evaluation arrangements such as the Global Progress Framework, shall be further elaborated and agreed upon between ICO and GCP. Agreement on all of the above mentioned topics should take into account the progress made to date under Vision 2020, and should incorporate the results of consultations with stakeholders regarding the Vision 2030 agenda and priorities. Furthermore, there should be alignment with the Sustainable Development Goals relevant to the coffee sector.

- 6. Within their capabilities and in accordance with their regulations, the Parties agree to evaluate possibilities to dedicate staff time (in-kind) and/or other resources such as meeting facilities for the Vision 2030 dialogues. Further details will be worked out and agreed between the Parties in writing.
- 7. Within their capabilities and in accordance with their regulations, the Parties shall endeavour to establish mechanisms to support coffee stakeholders. This shall take the form of establishing relationships and collaboration for effective agenda setting, offering services to members, including gathering of and access to knowledge and information, mobilising resources from both public and private organisations to finance the locally agreed and prioritized coffee activities for the benefit of coffee farming communities.

ARTICLE 3 COORDINATION

Under the previous Vision 2020 MoU, the Parties established a joint Secretariat. The Parties to this MoU commit to continuing to serve the coffee sector through this Secretariat for Vision 2030 and to meet at least 6 times a year in person or virtually, to discuss matters of mutual interest. The ICO will be represented by the Executive Director or the person he designates. GCP will be represented by the Executive Director or the person he/she designates.

ARTICLE 4 FINAL CONSIDERATIONS

- 1. This Memorandum of Understanding does not imply any commitment to the transfer of financial resources between the Parties.
- 2. Intellectual property rights, in particular copyright, of material such as information, software and design, made available by ICO and GCP to be used to carry out the activities under this Memorandum of Understanding shall remain with the Party it originated from.
- 3. This Memorandum of Understanding shall enter into force on XX March 2017 and shall remain in force for a period of three (3) years. It may be renewed for equal periods of three (3) years upon written request of any of the Parties six (6) months before its expiration.

- 5 -

4. This Memorandum of Understanding may be terminated fully or in part by written

notification from either of the Parties. Termination shall be effective ninety (90) days after

the date of notification.

5. This Memorandum of Understanding may be modified by mutual consent agreed to

in writing by duly authorized representatives of the Parties.

6. Any dispute regarding the interpretation or application of this Memorandum of

Understanding shall be resolved exclusively through consultations and negotiations. In the

event that a dispute cannot be solved amicably through consultations and negotiations, the

Memorandum of Understanding shall terminate on a date agreed to between the Parties. The

Parties hereby specifically agree not to engage in legal proceedings in court.

Signed in London, on XX March 2017 in English.

For the

International Coffee Organization

For the

Global Coffee Platform