



**INTERNATIONAL
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**Submission by the
Government of Indonesia**

Executive Director of ICO, Mr José Sette,
Director General of IMO, Mr Kitack Lim,
Chairman of ICO Council, H.E. Ambassador Mr Aly Touré,
Regional Director of UN Women for Americas and the Caribbean, Ms Luiza Carvalho
Excellencies,
Distinguished Delegates, Ladies and Gentleman,

First of all, allow me to convey warm regards from the Indonesian delegates and government to all of our friends of delegates of ICO and a warm welcome to London, for all our friends who came from their respective capital.

I would like to take opportunity on this auspicious day, of the 122nd session of ICO Council and other ICO bodies, to convey the Indonesian Government view that we hope could be considered by other colleagues, distinguished delegates, in the occasion of discussion during this session.

Excellencies, Distinguished delegates,

The session for ICO Council and other ICO bodies as we participate today is indeed a regular session that we Members of ICO, has committed to attend, to shown our continuous ownership and commitment toward ICO. However, I would like to call upon all of you colleagues, Members of ICO, not to view this session as just another regular meeting where we can discuss matters that concern our organization in a 'business as usual' manner.

The election of the new Executive Director last year in our view has provide us an opportunity to reflect and to review our organization more thoroughly and comprehensively. As all you have aware our organizations currently facing serious challenges, brought largely by inevitable social, economic and political changes in our global world. "The 5 year Action Plans of ICO", publish last year, has also acknowledge on the challenges that face ICO in term of economic, social and environmental aspects. As we have only limited time, allow me to refresh the council on several issues, that we see are very crucial for ICO's future;

- The current trend of coffee trade shows sluggishness especially the trend of lowering prices since few years back, while we know that prices is an important instrument to provide better income for coffee farmers, as well as a simple formation of supply and demand within the market. This also has been shared by other producers countries. We also aware that coffee industry is a vital sector for rural development and poverty alleviation in many other Members of ICO as well as in Indonesia, due to the fact that small holders' farmers and land owner are still the majority of coffee plantation owner. Certainly then, the continuous lowering trend of the price will bring a severe consequences to our farmers and small landholders livelihood. The major question on this issue then, what will be the role of ICO other then the provision of better statistics, in supporting the price to the level of which coffee farmers and small landholders income could be guaranteed.
- The lowering trend of productivity, as it is also mentioned in "5 Year Action Plan", is certainly another crucial problem for our organizations. The ICO needs to do more in finding ways and means on how to tackle various issues such as capacity building, access to credit and rehabilitation of ageing coffee tree, particularly for the farmers in producing countries
- Coffee is no longer a conventional drink and beverages, but it is becoming a social hub for the younger population. People nowadays could engage and communicate through coffee. This trend, is probably has also shown by the large increase of consumption in various countries in Asia, as reported by the study of "Emerging Coffee Market: South and East Asia" by the secretariat. In our view, this trend has open an opportunity which ICO should make an effort to make use optimally, by among other, initiating a better strategy on promotion, consumption and innovation on coffee sector.

Excellencies, Distinguished delegates

Facing these various challenges, without trying to sound too dramatic, has certainly put the future of ICO at a critical juncture. Without any concrete reform within the organization and if ICO cannot show significant benefits to its Members, a force of doubt could begin to mount on the relevancies and the importance of ICO.

The departure of USA from ICO membership, should be a wake up call for all of us, not only on how to keep the ICO to be as efficient as possible in the face of financial constraint, but most importantly is how to stay relevant in order to prevent the loss of interest and the loss of confidence among Members.

As ICO has been established for almost 55 years, the organization should be mature enough to create a more democratic environment. Therefore ICO should encourage better representativeness of its member's participation in order to reflect more on the diversity of its Members. In this context we are in the view, which mostly also shared by our other colleagues in Asian region, that ICO should give more opportunity for competent personnel from Asia to participate in its organizational structure including the secretariat.

I want to be clear, Indonesia highly appreciates on the role of ICO in supporting the coffee industry and better cooperation among coffee stakeholder both from the production and consumption sides, including the private sectors, towards stability, sustainability and welfare in coffee sector all this years. Indonesia's initiative with other Asian countries Members to establish Asian Caucus within ICO should also be seen as our expression of hope for a better ICO.

We will always acknowledge and support any initiative taken by ICO and the Executive Director in tackling all the challenges that confronted ICO. The initiative to establish Key Performance Indicators, is one example that we highly appreciated, since it is an important step to create a more focus and efficiently programme implementation. Indonesia also acknowledge other recommendations in a "5 Year Action Plan" which provides us with various tools and ways in confronting our common challenges.

Nevertheless, we need to go further and bolder and the time for serious action is now. With this, I would like to end my remark and let us hope that our discussion during the session will be productive and positively contribute to ICO's future.

Thank you.