INTERNATIONAL COFFEE ORGANIZATION

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29 June 2020
English only

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**Official launch of the Coffee
Public-Private Task Force First
Meeting on 30 June 2020**

1.   The Executive Director presents his compliments and wishes to invite Members, observers and members of the Private Sector Consultative Board to participate as observer in the official launch of the Coffee Public-Private Task Force (CPPTF) that will take place on Tuesday 30 June at 11:30 (BST). Registration can be done by filling in the [registration form](#) and any party interested in participating in the meeting should also sign up for access to the online platform by clicking on this [link](#). Once completed an email will be sent with details as to how to join the meeting.

2.   The following documents are attached to this communication:

- Letter addressed to the Sherpa or observer of the CPPTF
- Draft Annotated Agenda for the meeting
- Terms of reference for the establishment of a Public-Private Task Force and related Technical Workstreams for the implementation of Resolution 465 and the London Declaration.
- CPPTF Thematic Technical Workstreams and 'Quick Wins'
- Discussion paper: Towards a shared vision and roadmap for the CPPTF – Theory of change
- Communication from the Government of Brazil: Brazil's position regarding the issues to be addressed in the first Sherpas meeting of the CPPTF
- Technical Guidance on how to participate in the virtual first meeting of the CPPTF

INTERNATIONAL COFFEE ORGANIZATION

JOSÉ SETTE
Executive Director

29 June 2020

Dear sherpa or observer of the Coffee Public-Private Task Force,

Official launch of the Coffee Public-Private Task Force
First Meeting on 30 June 2020

I have the honour to refer to the International Coffee Council (ICC) Decision ICC/125-10[1] adopted at its 125th Session, which mandated the ICO to facilitate the establishment of a Coffee Public-Private Task Force as well as to mobilise resources and identify strategic options following the London Declaration[2]. In pursuance of the Sustainable Development Goals (SDGs), the Task Force is established to draw up a roadmap and recommend further actions on price levels and volatility as well as long-term sustainability and to jointly define and implement concrete actions.

Further to previous correspondence, I would like to share with you the draft **annotated agenda for the first meeting of the Task Force**. Taking into account that the Task Force is a novel mechanism and the necessity to hold it online with time constraints, especially for those attendees located in a wide range of time zones, the meeting is technically scheduled from 11:30 – 16:30 BST. Tentatively, we estimated a duration of each Session as follows: Introduction (20 min), Item 2 (30h), Item 3 (1h) and Item 4 (1h). Item 5 and 6 (1h in total). In view of the actual progress of the meeting of the Task Force the timing will be adjusted as required. The overall duration should not go beyond 16:30 BST.

If you have not yet registered, please <u>fill in the registration form</u> (<u>link</u>) and <u>access to the online platform</u> (<u>link</u>). Documentation for the Meeting, already forwarded by email, will be also available through the online platform 'gotowebinar'.

I sincerely hope that, despite the limitations of holding the Task Force meeting online, all participants will be able to join and share their views, inspired by a true spirit of international cooperation and partnership. Working together towards a consensus will greatly contribute to make the coffee sector the most sustainable commodity value chain, capable of responding to the demands of farmers and their families as well as of consumers.

Again, the Coffee Public-PrivateTask Force represents a unique and extraordinary opportunity to bring together, around the same table, government representatives of coffee-exporting and -importing countries with the private sector as well as all other coffee

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1 http://www.ico.org/documents/cy2018-19/icc-125-10e-decision.pdf
2 https://www.internationalcoffeecouncil.org/media/LondonDeclaration.pdf

stakeholders. Coffee-exporting and -importing countries already interact within the ICO, while coffee companies in the private sector also have effective platforms and schemes for cooperation and individually enjoy important commercial and cooperation ties with producing countries and their coffee actors. Likewise, international organizations, financial institutions and NGOs are also offering financial and technical assistance to coffee-producing countries. Neverthless, the opportunity offered by the Taks force is to work together, while avoiding duplication of existing initiatives, and to build a shared vision making the coffee sector more efficient and inclusive in line with the Sustainable Development Goals 17 - "Partnership for the Goals".

The current covid-19 pandemic adds an additional shock on both the global economy, the coffee sector as a whole and specifically on smallhoder farmers already struggling for their livelihoods. Therefore, the Task Force as a public-private platform may also help the sector to find joint and shared solutions to mitigate the impact of the pandemic, engaging coffee stakeholders, development partners and civil society.

Let me also add that since the end of last year the ICO held an intensive consultation process, with a series of webinars (December 2019/January 2020 and March/April 2020) and bilateral consultations with the assistance of the consultancy NewForesight. This process, greatly supported by the generous contribution by some ICO member countries, namely Germany (BMZ/GIZ) and Switzerland (SECO), and the private sector, enabled the ICO carry out preparatory work for the estabishment of the Task Force that I hope will be considered in the forthcoming meeting.

Finally, I would also like to share with you a Technical Note on how to connect through the gotowebinar online platform, and a note from the Permanent Representation of Brazil to International Organizations in London.

Looking forward to a productive and inspiring Task Force meeting, with kindest regards.

Yours sincerely,

José Sette

INTERNATIONAL COFFEE ORGANIZATION

COFFEE PUBLIC-PRIVATE TASK FORCE

First Meeting (online)
Tuesday 30 June 2020
11:30 – 16:30 BST

DRAFT ANNOTATED AGENDA

Please note: The organizers have allotted up to 5 hours (11:30-16:30 BST) for the meeting of Coffee Public-Public Task Force but depending on the progress with individual agenda items the meeting may close early. Coffee breaks will be inserted in between the agenda items as needed.

Participants join the gotowebinar online platform (from 11:15 BST)

All invited attendees will be able to join the online meeting of the Coffee Public-Public Task Force by connecting via their computers, tablet or phone using this link. The meeting will start at 11:30 BST.

Item 1: Purpose of the day

The purpose of this Session is to define the objectives of and kick off the first meeting of the Coffee Public-Public Task Force.

- *The Executive Director of the ICO, in his capacity of ex-officio Chair of the Task Force, will give an update on the CPPTF process and timeline. He will provide an overview of the origin, scope of and opportunities related to the Coffee Public-Private Task Force. This includes the current Task Force structure, the resources available and needed for its functioning and its links with the International Coffee Council and the CEO and Global Leaders Forum.*
- *The Head of Operations of the ICO, as alternate Chair of the Task Force, will provide information on housekeeping and on modalities for effectively participating in the meeting.*

> *All the participating sherpas and observers will be briefly presented by the Chair*
>
> *The sherpas will be further requested to consider and adopt the agenda of the meeting or suggest changes and additional issues to be discussed under 'Other business'.*

Item 2: Terms of Reference of the Task Force

Building on the objectives of the London Declaration and those set by the International Coffee Council in Resolution 465, and in order to define the objectives and governance of the Task Force, an initial version of the Terms of Reference (ToR) was drafted and circulated in December 2020.

Inputs received through webinars and direct consultations were incorporated in the revised version of the Draft ToR, which has been shared with all attendees as part of the pre-reading package.

> *After a short presentation, the floor will be open for additional comments by sherpas and observers on the ToR (structure and governance, the role of sherpas and observers, working modalities and measures of success). The sherpas will be requested to consider the ToR or suggest final changes to be incorporated in the final version to be circulated after the Meeting of the Task Force.*

Item 3: Technical Workstreams and Quick wins

*Specific **Technical Workstreams** (TWS) have been identified based on the Sector-wide Dialogue which was initiated by the ICO in October 2019, Resolutions of the International Coffee Council and the London Declaration (detailed in Annex II, included as part of the pre-reading materials). The Workstreams, which involve a wide group of stakeholders and build on existing sector initiatives, aim to provide technical inputs to the Task Force so as to facilitate its deliberations. In order to achieve tangible results, a number of **Quick Wins** (QW) have been identified within the technical workstreams taking advantage of work already ongoing in the sector and resources currently available.*

> *After a short presentation by ICO, the floor will be opened for additional comments and recommendations by sherpas and observers on the Technical Workstreams and the Quick wins.*
>
> *Sherpas will be requested to approve the TWS and QW or suggest final changes before approval.*
>
> *All Task Force members and observers will be requested to confirm which TWS their company/country/region would like to join/support at national/corporate level.*

Item 4: Sector Coordination: Theory of Change

Workstream V – Sector Coordination will provide the Task Force with inputs that seek to facilitate the building of consensus among public and private sector sherpas and also align the work of all coffee stakeholders, development partners and civil society.

The basis for discussion within the Task Force, given its multi-stakeholder nature and the complexity in addressing the key issues in the coffee sector, is a common understanding of the problems the CPPTF will take on and a definition of success. This will inform the roadmap to achieve the commonly set objectives.

The consensus built by the CPPTF on the Theory of Change and roadmap will be provided for the consideration of the CEO and Global Leaders Forum (CGLF) and the International Coffee Council (ICC), representing the private sector and ICO Member countries, respectively. The CGLF and ICC will decide on commitments, actions and additional resources allocated towards a sustainable, inclusive and resilient coffee sector that will contribute to the realization of the

2030 Sustainable Development Agenda and the Sustainable Development Goals. In addition, it is envisaged that the work of the Task Force will provide valuable inputs to the ongoing process of revision of the International Coffee Agreement (2007).

A presentation on the concept of "Theory of Change" and how it can apply to the coffee sector and the work of the Task Force will be made by the strategy consulting firm NewForesight (NF) assisting the ICO and the Task Force. The services provided by NewForesight to ICO and the Task Force are funded by Germany (BMZ/GIZ) and Switzerland (SECO).

(Annex 3 in the pre-reading materials).

- *After the presentation, the floor will be open for additional comments and recommendations by sherpas and observers on the initial draft of the Theory of Change including (i) the overall objective of the Sector Coordination Technical Workstream; (ii) the Theory of Change components and methodology; (iii) progress achieved and next steps; (iv) the long-term vision of the CPPTF; (v) roles of the public and private sectors; and (vi) resources. This process will be part of the continuing work of the CPPTF.*

- *Sherpas will be requested to deliberate on the work of the Sector Coordination Technical Workstream, with focus on the Theory of Change components and methodology and the roles of the public and private sector in achieving the Task Force overall vision.*

- *Please note that the further refinement of the problem and vision statements based on the feedback received during the outreach process will take place in the Sector Coordination Technical Workstream. There will be time in the agenda to express interest to be involved in this process by joining the Sector Coordination Technical Workstream.*

Item 5: Discussion on resources, next steps and future meetings

Shared understanding of the next steps.

The Task Force will consider the following issues:

- Stakeholder outreach and engagement
- Operation of the Technical Workstreams
- Resource mobilization
- Operation and monitoring
- Next meeting of the Task Force
- Meetings of the CGLF and ICC

Item 6: Other business and closure

- *Other business*

- *Closure of the first meeting of the CPPTF*

TERMS OF REFERENCE

Establishment of a Public-Private Task Force and related Technical Workstreams[1] for the implementation of Resolution 465 and the London Declaration

1. Objective

The aim of the *Coffee Public-Private Task Force (CPPTF) on coffee price levels, volatility and sustainability* and its related Technical Workstreams (TW) is to implement ICC Resolution 465 and the London Declaration, thereby actively advancing the work of the Sector-wide Dialogue initiated and led by the International Coffee Organization (ICO). The Task Force is established following Decision ICC-125-10 adopted by the International Coffee Council at its 125th Session, which requested the ICO to set up a Coffee Public-Private Task Force (CPPTF) to respond to the London Declaration (LD)[2] on price levels, price volatility and the long-term sustainability of the coffee sector.

The objectives of the Task Force are:

(i) to drive the discussion on a joint long-term vision beyond 2020 for the sector in order to achieve transformational solutions;

(ii) to build consensus among public and private sector coffee stakeholders on a roadmap for the implementation of the commitments and concrete actions contained in the London Declaration and in line with the International Coffee Agreement [2007] to achieve the long-term vision; and

(iii) to define new joint concrete actions and resource allocation; and (iv) to monitor and report on progress and measure impact.

The ultimate objective of the Task Force is to build consensus on priority issues and actions to be submitted for consideration to the International Coffee Council (ICC) and the CEO and Global Leader Forum (CGLF).

The CPPTF will be supported by Technical Workstreams, consisting of a wider group of stakeholders, working together to support the work of the Task Force in the relevant thematic areas by:

(i) providing technical inputs required to transform commitments into concrete actions through, for example, feasibility studies, surveys and research, which build on, whenever possible, existing tools and frameworks already available within the sector; and

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[1] In the initial draft of the Terms of Reference distributed in December 2019, the work of the Coffee Public-Private Task Force was said to be supported by 'Technical Working Groups', however, based on feedbacks received the term 'Technical Workstreams' was chosen instead as umbrella term encompassing existing initiatives of multi-stakeholder sector organizations and ad-hoc Technical Workstreams that would be newly formed as necessary (see also Section 5 of this document.)

2 The London Declaration was signed by private sector leaders and other sector stakeholders during the 1st CEO and Global Leaders Forum, held on 23 September 2019 in London as a Special Session of the ICO's Private Sector Consultative Board (PSCB), https://www.internationalcoffeecouncil.org/media/LondonDeclaration.pdf.

(ii)   developing a theory of change and shared vision of success for the initiative, again based on what is already available in the sector.

2. Background

At its 122nd Session in September 2018 in London, the International Coffee Council (ICC) adopted Resolution 465 on Coffee Price Level[3] to address the impact of low prices on the livelihoods of coffee farmers. This Resolution provides the ICO with a mandate to open a Sector-wide Dialogue to engage all value chain actors as well as the international community in collective and concrete actions. This Dialogue, and especially the direct engagement of the private sector, which formally started in March 2019, culminated in the 1st CEO and Global Leaders Forum (CGLF1) held in London on 23 September 2019.

CGLF1 brought together key industry players who signed the "London Declaration", which sets out commitments by private sector enterprises to work with governments, development partners and civil society, with the objective of implementing practical and time-bound actions to address the current coffee crisis that concerns coffee stakeholders, thereby contributing to the implementation of the 2030 Agenda for Sustainable Development of the United Nations.

Subsequently, during its 125th Session held from 23-27 September 2019, the International Coffee Council welcomed the London Declaration and confirmed ICO Members' commitment to work together with the signatories of the London Declaration and other stakeholders to jointly define detailed and concrete actions[4].

Specifically, the Council requested the ICO "to set up a taskforce with ICO Members as well as representatives of the private sector and supporting organizations to draw up a roadmap and recommend further actions on price levels and volatility as well as long-term sustainability", with the outcome of the work of the Task Force to be considered at the 2nd CEO and Global Leaders Forum and the International Coffee Council (ICC) during the 5th World Coffee Conference and the ICC to be held in Bengaluru, India, in September 2020.

To address price levels and volatility and to achieve an economically viable and sustainable coffee sector, the work of the Task Force will base its approach on the six thematic areas for action identified in Resolution 465 and in the London Declaration and through the Sector Dialogue:

1. **Market transparency** (with distinct focus on: market information systems on production cost and living Income benchmarks, responsible sourcing, environmental sustainability, price, etc.)
2. **Strengthening the policy and institutional environment** (efficient functioning of coffee futures markets, effective policies in exporting/importing countries)
3. **Global and regional funding mechanisms**
4. **Sector coordination** (individual and shared commitments, theory of change and measurement of impact/progress)
5. **Promoting competitive and sustainable production and expanding sustainable sourcing**

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[3] http://www.ico.org/documents/cy2017-18/icc-res-465e-low-coffee-prices.pdf
[4] http://www.ico.org/documents/cy2018-19/icc-125-10e-decision.pdf

    6. **Promoting responsible consumption.**

Although these thematic areas form the basis for the way forward that the Task Force is exploring, they will be revised in the coming months as they are explored and improved upon by the Task Force and Technical Workstreams.

3. A unique consensus-building model

The evolution of the ICO Sector-wide Dialogue to address the current coffee price crisis and long-term sustainability, from ad-hoc consultation events to a continuous process, will be broadly based on the '*G20 Summit*[5] model – a high-level inter-governmental process that was created in response to the 2008 financial crisis. This would allow the reflection of a spirit of co-responsibility of coffee sector stakeholders, both public and private, as well as the urgency and seriousness of both short- and long-term sustainability challenges (economic, social and environmental) faced by the sector.

Similarly to the *G20 model*, the ICO Sector-wide Dialogue is geared towards addressing global challenges faced by the coffee sector through **consensus-driven action**. A ground-breaking innovation of the ICO Sector-wide Dialogue is that consensus is built not only among governments but explicitly between public and private sector stakeholders. The key feature of the consensus-building process is the Coffee Public-Private Task Force that will work towards possible agreements on actions and resources to be adopted by annual 'summits', the CGLF and ICC (Figure 1).

As such, the evolution of the Sector-wide Dialogue and the creation of the Task Force present an unprecedented public-private partnership in the coffee sector and a *unique* multi-stakeholder partnership mechanism to address price levels and volatility and to achieve long-term sustainability in a specific sector in line with the 17 UN Sustainable Development Goals.

4. Specifics of the Public-Private Task Force (TF)

4.1 Membership of the Task Force

The Task Force will be constituted by [32] members (sherpas[6]), of which 16 are representatives of ICO Member countries and 16 representatives of the private sector, observers, with the addition

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[5] The G20 Summit is formally known as the "Summit on Financial Markets and the World Economy," and is an international forum convened annually. Its members (19 countries and the EU) represent more than 80% of the world's GDP. The primary agenda addressed at the Summit meetings is focused on issues related to the global economy. However, the discussions in recent Summits have also included issues such as trade and investment, development, climate change and energy, employment, digitalization, counter-terrorism, as well as migration and refugees (Source: https://g20.org/en/). The same model is also utilized by the Group of Seven (G7) which since 1975 emerged as a summit of leaders of major industrialised countries, initially to facilitate shared macro-economic initiatives as reaction to the 1970s energy crisis and ensuing recessions.

6 A general overview of the concept of Sherpa can be found here.

of the ICO Executive Director as ex-officio secretary of the Task Force, and the ICO Head of Operations as his alternate (see Figure 1 for the Task Force diagram).

Private Sector Sherpas [16]:

- [12] signatories of the London Declaration (companies)
- [2] the Chair and Vice-chair of the ICO Private Sector Consultative Board (PSCB)

- [2] private sector initiatives (GCP, SCC, mentioned in the London Declaration)

Public Sector Sherpas [16]:

- The representation of ICO Member countries in the Task Force matching the number of private sector sherpas:
  - Regional grouping of exporting Members (Africa, Asia, Central America & Mexico, South America) with 2/4 countries per group.
  - Importing Members represented by 3/4 countries.

Observers (can attend the Task Force meetings upon invitation, but will not have voting rights):

- Supporting organizations that signed the London Declaration
- International organizations and International Financial Institutions (IFIs)
- Other organizations involved in Technical Workstreams.

Expanding the Task Force / Becoming a signatory to the London Declaration

- Organizations interested in supporting the work of the Task Force and the Sector Dialogue by participating in Technical Workstreams can do so without becoming a signatory to the London Declaration.
- Becoming a signatory to the London Declaration is a public demonstration of the organization's support for the Sector-wide Dialogue. It does not automatically imply the organization will become part of the Task Force and nominate a Sherpa.
- Organizations interested to join as a member or observer of the Task Force or participant in the Technical Workstreams will be discussed on an ad-hoc basis.

Presidency (Chairmanship):

- As a deviation from the G20 model, the Task Force cannot effectively assign the Presidency to one of the members on an annual basis due to its membership and size. Therefore, the draft agenda will be set by the ICO Secretariat based on inputs provided by the Task Force, Technical Workstreams, ICO Members and civil society, taking into account issues raised in global forums, such as the United Nations, G7/G20, World Economic Forum and relevant national and regional entities.

Figure 1.
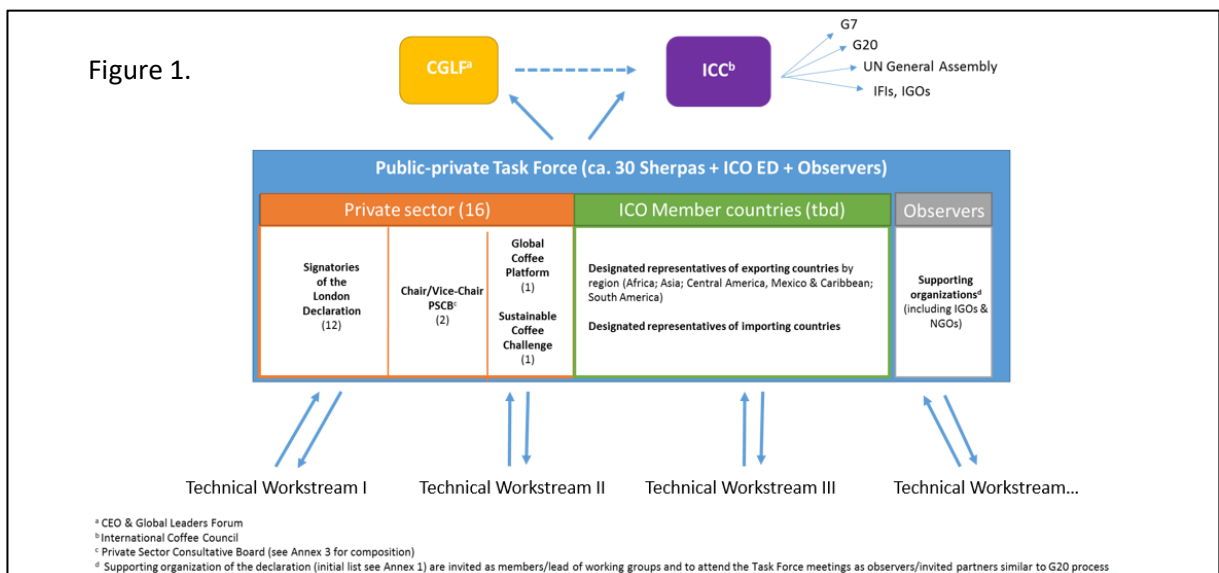
4.2 Roles and responsibilities of the Task Force

- Maintaining the public-private dialogue and high-level progress tracking regarding commitments in Resolution 465/London Declaration. The Task Force is the key platform for dialogue between "summits" (CGLF and ICC).
- Driving the further development and operationalization of commitments and building consensus, with the next important milestone being the CGLF2 and ICC in 2020 and beyond.
- Developing a shared definition of the agenda for public-private dialogue in line with Resolution 465/London Declaration, clarifying expectations, and identifying opportunities for shared action.
- Providing directional guidance to the Technical Workstreams.
- Reviewing outputs and recommendations of the Technical Workstreams.
- Recommending a set of actions, commitments and resource requirements that will be shaped in an agreed communiqué to be discussed and considered by the CEO and Global Leaders Forum and the International Coffee Council.

Box: What is a sherpa?

The Task Force sherpa is an individual with a mandate to facilitate negotiation on behalf of the organization or grouping she/he represents.

As members of the Task Force, sherpas prepare the annual 'summit' of the Sector-wide Dialogue, the CEO and Global Leaders Forum and the International Coffee Council. Between summits there are multiple Task Force meetings where possible agreements are laid out.

The continuous dialogue enables the sherpas to identify areas of consensus as well as areas where further debate and negotiation is required, track progress on commitments, thereby reducing the amount of time and resources required at the final summit. While sherpas are influential in driving consensus between summits, the authority to make a final decision on any proposed agreement is reserved for the summits (CGLF/ICC).

4.3 Meetings of the Task Force

The Task Force meetings form a part of the negotiation and consensus-building process among and between public and private sector stakeholders. The main purpose of these meetings is to achieve consensus on the set of actions, commitments and resource allocation to be proposed to the CEO Global Leaders Forum and International Coffee Council.

The meetings will be held physically7 in order to promote engagement, substantive discussion and negotiation leading to decision making by public and private sector representatives. Approximately four meetings per annum, one per quarter are envisaged. If physical meetings are not possible due to *force majeure*, virtual meetings will be scheduled. The ICO will be holding consultations between Task Force Meetings to ensure a continues engagement of Task Force Members and observers towards reaching consensus.

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7 The ICO is committed to mobilizing voluntary contributions also to facilitate the participation of exporting countries' sherpas in the work of the Task Force, taking into account travel budgets and the frequency of its physical meetings, which will be reviewed on an annual basis.

Task Force meeting management

Issue	Rules
Decision-making	Decisions take place once the Task Force quorum is met and consensus is reached (consensus in this case meaning "the absence of sustained opposition" which is determined by the ICO Executive Director as ex-officio secretary of the Task Force).
Quorum	The quorum at each of the Task Force meeting is that 20 out of 32 Sherpas should be in attendance. This includes a minimum of 10 private sector sherpas and 10 public sector sherpas.
Proxy	Any private sector TF Member may authorize in writing any other private sector member, and any public sector member may authorize in writing any other public Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Task Force.
Agenda	Sherpas, supporting organizations, and members of Technical Workstreams can submit topics for discussion/decision to the ICO, which will evaluate and coordinate development of the Task Force meeting agenda, as well as required documentation and pre-read materials.
External experts	Invited experts will only attend the parts of the meeting for which their inputs are needed. They may not need to attend all meetings or the entire duration of a meeting and will be required to leave the meeting at times of voting or decision-making.
Conflict of Interest	All participants in the Task Force, except sherpas and observers, must declare any conflict of interest any matters on the agenda and/or matters arising at the beginning or during the meeting. Should a conflict of interest exist, the sherpas concerned must recuse themselves from the decision-making process or sensitive discussions.
Non-disclosure	Members, observers or invited experts who have been privy to the discussions shall not use their position on the Task Force/Technical Workstream and/or information obtained to obtain monetary gain.
Operation	Meetings will observe Chatham House rules.
Membership	Reselection of inactive Sherpas will be discussed on an annual basis.
Reporting	Summary minutes of the meeting and clarifications of decisions made by the Task Force are will be shared by the Secretariat no more than one month after the meeting.

CPPTF Thematic Technical Workstreams and 'Quick Wins'

Overview

The purpose of the Technical Workstreams, which comprise a wider group of stakeholders, is to provide the Public-Private Task Force with technical expertise required for negotiation and decision making by closing knowledge gaps and elevating existing research on the thematic areas outlined in the Resolution 465/London Declaration. They also act as mechanisms for broader stakeholder involvement in the Sector-wide Dialogue. The Task Force identifies concrete actions, individual and joint commitments to be recommended to the CGLF and ICC.

Given the timing and urgency to deliver on the objectives of the Resolution 465 and the London Declaration, **there is a need to coordinate and streamline the activities in the form of 'quick wins'.** These 'quick wins' have been identified along the thematic areas/technical workstreams, with a strong emphasis on the work already ongoing in the sector and resources currently available. The table below presents the thematic technical workstreams, their specific outcomes and quick wins for 2020.

Thematic Technical Workstream (TWS)	Overall outcomes per Workstream	Quick wins 2020 per TWS outcome	Lead organization to coordinate quick win
Market Transparency	**Market information** is available to supply chain actors and used to proactively address or prevent **price fluctuations** and market shocks	**Upgrading of ICO Market Information System to AMIS level/Rapid Alert System**	ICO in cooperation with FAO and IFPRI
	Sector-wide transparency on Efficiency, Cost of production and the **Living income gap** in key production areas	**Living Income concept considered by the Task Force for submission to the ICC and the CGLF**	Sustainable Food Lab[1] (with focus on the Living Income gap)
	Transparency on **diverse origins of coffee**	**Reporting system for roasters on share of sustainably sourced coffee – sustainable sourcing**	GCP & ICO
Market policies & institutions	**Price dynamics reward a diversity of origins, quality, and sustainability**	TBD	
	Effective functioning of **market institutions** (incl. futures markets) to prevent adverse effects of extreme price fluctuations	**Study and policy recommendations for the Task Force on how to move towards efficient functioning of futures markets**	GCP & ICO
	Policy development in exporting/importing countries supports sustainable production	TBD	ICO through CCPTF
	National dialogues in exporting countries foster the development of an **enabling environment** for sustainable production of coffee	TBD	ICO through CCPTF, GCP National Platforms
Global funding mechanisms	Effective public, private, and blended (impact) investments made, coordinated through global **multi-stakeholder funding mechanism(s)**	• **Feasibility study of multi-stakeholder fund** • **Feasibility study for (green) price stabilization fund**	ICO

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[1] Through support of GIZ/BMZ

Thematic Technical Workstream (TWS)	Overall outcomes per Workstream	'Quick wins' 2020 per TWS outcome	Lead organization to coordinate 'quick win'
Responsible consumption	**Increased demand** for sustainably produced coffee in traditional and emerging markets, especially in exporting countries	**Review of the 3 regional promotion programmes funded by the ICO Promotion Fund, promote expansion and additional resources**	ICO (Promecafe, IACO, CABI, Asia-Pacific region)
Sustainable production & sourcing	**Improved social sustainability** and respect for human right, youth employment and gender equality	TBD	Sustainable Coffee Challenge and others
	Sustainable use and protection of natural resources by the coffee sector	TBD	Sustainable Coffee Challenge
	Increased resilience of the coffee value chain against external shocks	**Preliminary assessment in the 2020 Coffee Development Report**	ICO
	Living income gap addressed/narrowed in key sourcing regions		
Sector Coordination	**London Declaration operationalized** through coordination of individual and shared action	**TF reporting system (e.g. based on SCC Commitments Hub) capturing individual and shared TF commitments**	Sustainable Coffee Challenge
	Joint vision for the sector, Theory of Change, and performance measurement framework of Sector Dialogue developed	- **Theory of Change, problem statement, and shared vision** - **Development of measurement framework guided by the Delta Project**[2]	NewForesight[3]

Specifics of the Technical Workstreams

1. Membership of Technical Workstreams

- Membership of the Technical Workstreams is voluntary and should be based on the expertise required. Membership should, where possible, be balanced in public and private sector representation. Membership can be drawn from all stakeholder groups: industry, platforms/associations, intergovernmental organizations, international financial institutions, government representatives, producer organizations, academia, etc.
- Technical workstreams will be led by a neutral party, which by default will be ICO.
- To ensure that the outcomes of the Technical Workstreams are practical, each Workstream should include industry 'champions' who are willing to drive the topic forward and provide a strong link to the market.
- Ad-hoc expertise may be required to produce technical inputs through studies, surveys and research, for which additional resources and voluntary contributions may be required.
- Participation in the Technical Workstreams can be physical or virtual through online connection.

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[2] The Delta Project develops a measurement and reporting framework on sustainability performance at farm level across commodities that enables the public and private to track the progress towards achieving SDGs in coffee. The project is a collaboration between the Better Cotton Initiative (BCI), the Global Coffee Platform (GCP), the International Cotton Advisory Committee (ICAC) and the International Coffee Association (ICO). It is funded by the ISEAL Innovation Fund.

[3] The services provided by NewForesight to assist ICO and the CPPTF is funded by GIZ/BMZ and SECO

2. Roles and responsibilities of the Technical Workstreams

- Producing the technical inputs (e.g. feasibility studies or concept design) required to support the implementation of commitments and concrete actions under the guidance of the Task Force.
- Building on existing initiatives of the coffee industry and other relevant sectors.
- Presenting technical reports in Task Force meetings to provide sherpas with relevant information to build informed consensus.
- Establishing linkages with other Technical Workstreams in order to ensure coherence.
- Workstreams cover specific thematic aspects as identified by the Resolution 465/London Declaration. In forming Workstreams, existing work/initiatives carried out by sector stakeholders will be considered in order to minimize duplication and the number of groups to be newly formed.

3. Technical Workstreams and Thematic Areas

Technical Workstreams are formed in the key thematic areas for action identified by Resolution 465/London Declaration to respond to coffee sustainability challenges. These thematic areas form the basis for the way forward that the Task Force is exploring, they will be revised as they are explored and improved upon by the Task Force and Technical Workstreams.

Discussion Paper

Towards a shared vision and roadmap for the Coffee Public-Private Task Force – Theory of Change

The Coffee Public-Private Task Force (CPPTF) and supporting Technical Workstreams are envisioned as action-oriented processes, to provide the next step to the structured Sector-Wide Dialogue as part of the implementation of Resolution 465 on coffee price levels and the London Declaration. Given their multi-stakeholder nature and the complexity in addressing the key issues in the coffee sector, there is a need for a common understanding of the problems the CPPTF will take on, the definition of success and the road to achieve this success.

This requires an approach that is:

- **Shared** by all public and private sector sherpas so as to be submitted for consideration to the International Coffee Council and the CEO and Global Leader Forum;

- **Consistent** across all thematic areas (e.g. strengthening institutional environment and market transparency);

- **In line with existing and newly developed agreements and initiatives** by the coffee sector, including those led by associations, companies, non-governmental organizations, and governments, and including the new International Coffee Agreement under negotiation;

- Built to reach **long-term outcomes** but ready to deliver **short-term results**, contributing to the 2030 UN Agenda for Sustainable Development.

To conceptualize this approach, the Coffee Public-Private Task Force should develop a Theory of Change. A Theory of Change is a strategy that provides a common narrative to demonstrate how short-term changes result in achieving the long-term vision that is set out in Resolution 465/the London Declaration. It provides an unprecedented opportunity for public-private alignment around a common vision for the coffee sector and is the basis for identifying joint actions as well as mobilizing and allocating resources.

The process and next steps in developing the CPPTF Theory of Change

As a first step to assist the CPPTF to develop the Theory of Change, the components of Resolution 465 and the London Declaration were translated into two main components:

- **A shared problem definition**: What is the Coffee Public-Private Task Force trying to address? Finding a solution for the structurally low-price levels and volatility and the issues that come with it, requires public-private alignment on the *root causes* that underlie these problems.

- **A shared long-term vision:** What does the Coffee Public-Private Task Force aim to achieve? After having set the vision and key outcomes, actions can be determined and resources can be allocated to realize the vision

To gain an initial understanding on the consensus areas and additional elements to be added, the draft problem and vision statement have been tested by the majority of public and private sector sherpas. **The next step** is to further refine the priority problems to address and the long-

term vision to achieve by the CPPTF, the Sector Coordination Workstream will incorporate the feedback obtained during the outreach process.

For both components, **as soon as consensus is reached on the shared problem definition and the long-term vision**, it will be used as a basis to develop the Roadmap which will contain the timebound shared and individual commitments to action. This process will be subject to discussion by the CPPTF**.**

It is important to note that the Task Force will then submit its recommendations and deliberations for consideration by the International Coffee Council and by the CEO and Global Leaders Forum.

1. Shared problem definition – draft, to be further refined in the Sector Coordination TWS

The current green coffee price crisis reflects a set of underlying root causes the CCPTF aims to address and to identify commonly agreed solutions.

What are the root causes driving the key issues in the coffee sector?

a) **Structurally low prices**: The structurally low prices for coffee, currently aggravated by the current green coffee price crisis, leave many coffee producers unable to meet their cost of production;

b) **Insufficient demand and market return for *sustainably produced coffee*,** in part due to a lack of transparency and promotion of sustainably produced coffee;

c) **Insufficient demand and market return for a *diversity of origins***, in part due to a lack of transparency and promotion of specific origins, and distorted market signals for origin-specific supply and demand due to price setting practices;

d) **Decreased competitive advantage of specific origins**: Lower efficiency and insufficient differentiation in terms of quality and sustainability of certain origins results in lack of competitive advantage compared to highly efficient origins, resulting in further concentration of production origins;

e) **Ineffective enabling conditions**: In exporting countries, there is a need for additional investment in improved infrastructure, farmer support and access to finance, in order to enable more sustainable practices; importing *and* exporting countries need to create a policy environment that stimulates and rewards sustainable production of coffee and promotes the consumption thereof;

f) **Price volatility and the reoccurring nature of price shocks**: Coffee prices are relatively volatile, which is potentially exacerbated by the growing financialization of coffee futures markets and supply/demand dynamics linked to size and market positioning of the different origins.

2. How are these problems persisting?

a) **Fragmentation of efforts and funding**: Current sustainability efforts and funding mechanisms are fragmented, requiring sector-level, global coordination of private, national and

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international public sector efforts to propel current efforts and implement new solutions that address root causes;

b) **Lack of effective public-private dialogue**: There is a lack of structured dialogue between public and private sector actors in the coffee sector. Policy instruments, regulations, incentives and development assistance programmes are not used to the fullest extent to address sustainability issues and to promote the sustainable production of coffee and the consumption thereof;

c) **Lack of a shared implementation mechanism**: There is a lack of a clear Roadmap that sets out the strategy to reach short-, medium- and long-term targets through shared actions.

3. These root causes result in the following unsustainable outcomes:

a) **Economic unsustainability:** Across the coffee sector, many coffee producers do not earn enough to reach a Living Income or even stay above the poverty line and are vulnerable to the effects of external shocks (market, environment); coffee production is not seen as an attractive career for younger generations, which threatens the future supply of coffee.

b) **Social unsustainability:** Risk of human rights issues is present throughout the sector, such as illicit labor practices, child labor, and high levels of gender inequality.

c) **Environmental unsustainability:** Coffee production can lead to negative environmental outcomes, such as deforestation, land degradation, and greenhouse gas emissions, while climate change threatens the future of many coffee-producing regions.

> *Additional elements to be considered by the TWS on Sector Coordination based on stakeholder feedback:*
>
> - **Low prices:** Account for the disequilibrium between supply and demand, which is caused by a growing over-abundance of coffee, beyond which the market can absorb, instead of focusing only on insufficient demand.
> - **Concentration of industry:** Emphasize the implications of the growing concentration in the coffee roasting and trading sectors.
> - **Economic sustainability as a priority area:** Address farmer profitably more directly, i.e. determining ways to reduce cost of production.
> - **Defining sustainability:** Determine definition of "sustainability' and apply consistently throughout, especially to differentiate social, environmental and economic (un)sustainability (see also feedback on vision statement)

4. Shared vision statement & intermediate outcomes[1] – draft, to be further refined in the Sector Coordination TWS

As a first step to address these problems, the Task Force requires an ambitious shared long-term vision, as well as concrete intermediate outcomes.

Long-term vision for the Coffee Private Public Task Force (CPPTF)

a) **Economic resilience and social sustainability:** Coffee producers are resilient and can earn a living income[2], human rights are respected throughout the supply chain[3], and the supply chain is inclusive by achieving gender equality and providing attractive employment opportunities for youth.

b) **Balanced market**: Consumption of sustainably produced coffee is promoted and there is increased market demand for coffee from a diversity of origins, while the market stimulates higher quality and sustainable production.

c) **Sustainable production**: Coffee production has a net positive impact on the environment, with increased forest cover, sequestration of greenhouse gasses, and improved land and water quality.

The **long-term vision** sets an ambitious, transformational goal for the coffee sector. As a first step towards achieving the long-term vision, the **intermediate outcomes** provide the Task Force with a more concrete and realistic ambition. The intermediate outcomes serve as an introduction to the Roadmap, which will set out targets to be reached by the coffee sector within the coming years.

Intermediate Outcomes

a) **Economic resilience and social sustainability:** Economically viable coffee farmers become more efficient, earn an income above the national poverty line where they can cover their cost of production and are more resilient to external shocks. There is sector-wide consensus on the definition of the living income gap and the measurement methodology thereof, and how a living income will be achieved in the long-term.

b) Human rights, as per international agreements, are respected throughout the supply chain, and the supply chain increasingly offers women and youth equal opportunities for employment and capacity development.

c) **Balanced market**: Price dynamics are tied to the supply and demand dynamics of a *diversity of origins*, and market demand for diversity, quality and sustainability characteristics is strengthened in exporting and importing countries, while effective market institutions are in place to promote the consumption of sustainably produced coffee.

d) **Sustainable production:** Coffee production is environmentally sustainable with zero deforestation, decreased land and water degradation and reduced greenhouse gas emissions.

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[1] The problem and vision statement have been aligned where possible with the SCC/GCP Sustainability Framework and intervention pathways.

[2] Living income is the net income a household would need to earn to enable all members of the household to afford a decent standard of living.

[3] Operating in line with the UN Guiding Principles on Business and Human Rights.

Key points of discussion during the CPPTF meeting

During the CPPTF meeting, there will be a presentation on the following:

  (i)   the overall objective of the Sector Coordination Technical Workstream;
  (ii)   the Theory of Change components and methodology;
  (iii)   progress achieved and next steps;
  (iv)   the long-term vision of the CPPTF;
  (v)   Roles of the public and private sectors; and
  (vi)   resources.

This process will be part of the continuing work of the CPPTF.

The sherpas will be requested to deliberate on the work of the Sector Coordination Technical Workstream, with focus on the Theory of Change components and methodology and the roles of the public and private sector in achieving the Task Force overall vision. Ffurther refinement of the problem and vision statements based on the feedback received during the outreach process will take place in the Sector Coordination Technical Workstream. There will be time in the agenda to express interest to be involved in this process by joining the Sector Coordination Technical Workstream.

Rebraslon-0X/2020

Brazil's position regarding the issues to be addressed in the First Sherpas Meeting of the Coffee Public-Private Task Force

Brazil presents its compliment to the Secretariat of the International Coffee Organization (ICO) for the creation of the Coffee Public-Private Task Force (TF) and recognizes the importance of the initiative for both the international coffee sector and the Organization itself. In the Brazilian view, this is a crucial space for the revitalization of the ICO, as it has the potential to produce efficient solutions to the demands brought by the private sector and the governments of the member countries. Thus, it is envisaged that the TF will be constituted in a privileged space, within the ICO, to accept and react promptly to the most different claims of the member countries and to topics of global interest that permeate the issues of the organization, such as the issue of sustainability, in its social, economic and environmental aspects. Brazil understands that, through the TF, the ICO will be able to find agility of action and the path to its modernization, above all through an open and direct contact with the private sector.

Terms of Reference

With regard to its terms of reference, we understand that the model presented by the Secretariat for discussion at this first meeting is presented in a convoluted, unnecessarily prolix. We suggest that the TF consists of an open and spontaneous exchange space between the parties and in all its modalities (private-private, private-public, and public-public).

The model presented involves a rigidity of procedures that, according to the Brazilian government, does not contribute to the flow of work. We believe that the TF

should serve as a space for frank exchange of ideas, where fruitful partnerships may take place. Therefore, it would be sought to create a platform for consultation between actors of different levels in the production chain, without the tutelage of the organization.

In this sense, Brazil proposes the TF to be a forum made available by the ICO for the resolution of specific problems that persist in all coffee producing and consuming countries, covering topics such as cultivation, research, marketing and all possible issues of interest to participants, through initiatives based on practical actions to be undertaken by the actors involved, either through cooperation projects or through simple partnerships based on mutual interests between the parties involved.

In Brazil's view, the TF should be an open space for creativity and innovative actions which focus on initiatives to strengthen the sector. The sharing of good practices and the promotion of coffee from the grain to final consumption should be the focus of the actions. The more open and permeable to ideas, the more productive the Task Force will be and, therefore, the greater its contribution to the dynamism of the ICO itself.

Thus, Brazil maintains a position contrary to the rigid and hierarchical structure presented in the terms of reference, which is based on a three-level process, namely, i) "workstream", ii) Task Force's sherpas meetings, and iii) deliberation by the International Coffee Council/ Coffee Leaders Forum.

A structure in which specific problems arise and are solved in the workstreams and in sherpas meetings is preferred, without the need to take matters to other levels, such as the Council. Exceptions would be made in relation to more holistic issues, such as sustainability and the global economy, which could be brought to the Council/Global Leaders Forum. Other matters must be dealt with and resolved in the workstreams themselves, by the participants, without interference from the Organization. The themes and solutions would be the responsibility of the actors and funded by them.

In order to maintain the fluidity of the work and the open character of the initiative, it is suggested that the Task Force's participants are defined by each country/institution for each meeting, being considered *ad hoc* members of the delegation, rather than observers.

Workstreams

Brazil is in agreement, from a conceptual point of view, with the suggestions presented about the workstreams. In relation to its operation, it is suggested that they are always open to any entities and companies that express interest in participating. The contribution of each member must be defined by the entity itself. Brazil is particularly interested in including the theme of research and innovation to reduce rural producer costs, but understands that new issues can be added as workstreams develop their work. Once new themes are included, it is necessary that they are approved by the Task Force and, from then on, a maximum period is defined, perhaps around three months, for the participants of the various workstream to present results and solutions. Such responses from the workstreams would not need approval from other instances and would be implemented by the parties themselves.

Theory of Change

In view of the fluid and open character that Brazil seeks for the TF, in which new themes are constantly proposed and new participants have the possibility of integrating interest groups at any time, it is unnecessary to create the theory of change. A preferable approach would be that the workstream and TF members themselves introduce punctual issues, which would be solved by stakeholders. In this context, there is no need for these actions to be limited by the conceptual framework of a long-term vision.

London, 26 June 2020

INTERNATIONAL COFFEE ORGANIZATION

Technical Guidance on how to participate in the virtual

First Meeting of the Coffee Public-Private Task Force

Step 1: Register here:

https://attendee.gotowebinar.com/register/2346557232751933197

Step 2: Email Confirmation of Registration

You will receive an email from GoToWebinar with some technical instructions on how to test your internet connection, your audio and your microphone. This email will include a request to download the GoToWebinar (free 1GB) software to your computer, please download the software in advance. This email will also include a link to join the online meetings. A reminder email will be sent to you the day and hour before the meeting.

Please join the webinar 15 minutes before the start time. This will help us support you if you have any technical issues joining.

Step 3: Use a Computer

You can attend a GoToWebinar from anywhere, anytime using a compatible computer or mobile device. Please join the virtual meetings using a computer, if you do not have access to a computer you can use a Smartphone and download the GoToWebinar app for mobile devices.

Step 4: Check internet connection/ audio and microphone

- Check that you have a strong internet connection. Test your internet connection by clicking here.
- Check that you have an **audio headset that includes a working microphone**. The old iPhone headphones or similar can work very well.
- When joining the webinar make sure that you are in a quiet location.

Step 5: Join virtual meeting/webinar (Reminder email 1hr before the webinar)

On the day of the meeting, you will receive a reminder email from GoToWebinar 1 hour before the meeting. **The reminder email will include the 'join webinar' link for the webinar.** Please join the webinar 15 minutes before it starts, this will allow us time to assist you if you have any technical issues.

Step 6: Procedure on how to ask a question or make a statement during the online meeting

1. All attendees will enter the meeting on 'mute' meaning that your microphone will be automatically set to silent, this is to reduce noise interrupting the meeting.
2. If you are a **Sherpa** and would like to intervene, ask a question or make a statement, you can **raise the hand 'virtually'** and the organizer will unmute your microphone

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and give you the floor. Instructions for interventions will be explained again at the opening of each meeting.

3. If you prefer, questions can also be sent by text to the organizer in the GoToWebinar 'question' function. Please see the image below where the 'Chat' function is highlighted in red.

4. **Observers and other invited attendees** can also intervene as above (2, and 3.), however, the Chair will seel the Task Force Sherpas agreement. All written questions will be submitted to the Chair so as to be brought to the Task Force Sherpas's attention.

Raise hand here.

Chat function here.