



**INTERNATIONAL  
COFFEE  
ORGANIZATION**

**ED 2347/20**

1 September 2020  
English only

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**Annotated Agenda for the 2<sup>nd</sup> Meeting of the  
Coffee Public-Private Task Force to be held on  
3 September 2020**

1. The Executive Director presents his compliments and wishes to remind ICO Members and members of the Private Sector Consultative Board that the 2<sup>nd</sup> Meeting of the Coffee Public-Private Task Force will take place virtually on 3 September 2020. The annotated Agenda and pre-reading material is attached to this document.
2. ICO Members who have sent their credentials will be automatically registered to participate at this meeting. A confirmation email with a link to access the meeting has been sent only to those Members who have sent their credentials.



# COFFEE PUBLIC-PRIVATE TASK FORCE - CPPTF

**Second Meeting (online)**  
**Thursday 3 September 2020**  
**13:00 – 16:00 BST**

## ANNOTATED AGENDA 2020

01 September

Please note: The organizers have allotted up to 3 hours (13:00-16:00 BST) for the meeting of the CPPTF. A Coffee Break will be held as needed.

### **Participants join the Zoom online platform (from 12:45 BST)**

All invited attendees will be able to join the online meeting of the Coffee Public-Private Task Force by connecting via their computers, tablet or phone using this [LINK](#). The meeting will start at 13:00 BST.

### **Item 1: Purpose of the day**

The purpose of this Session is to define the objectives and expected outputs of the second meeting of the Coffee Public-Private 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. 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.

**Sherpas will be further requested to consider and adopt the Agenda of the meeting or suggest changes and additional issues.**

### **Item 2: Technical Workstreams and Quick wins: Where are we now, where are we going to**

The ICO Secretariat and all Leads of TWS and QWs will report on the progress of **Technical Workstreams** (TWS) and **Quick Wins** (QW)/short-term actions, including the THEORY OF CHANGE which provides the common narrative to demonstrate how short-term changes result in achieving the long-term vision.

The Report will also highlight the relation between resources and progress in the work of the TWS and towards the achievements of QW and the need to mobilise additional resources to provide high-quality input to the Task Force and for implementing the Roadmap.

*(Annex 1 - Progress of Technical Workstreams (TWS) and Quick Wins (QW)/short-term actions: it is background information for the Task Force members and will not be shared with the CGLF)*

*(Annex 2 section 1 - Vision in the pre-reading materials).*

*After a short presentation by ICO and Leads of TWS, 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 note** the progress of TWS and QW or suggest amendments and new ideas and allocation of resources.*

***Sherpas are specifically asked to consider the submission of the current version of the Theory-of-Change to the ICC and CGLF meetings for their final consideration and endorsement.***

*All Task Force members and observers will be requested to indicate if they still want to join any TWS or teams implementing QWs and express commitments to allocate resources for the functioning of the TWS to deliver the Roadmap.*

*Duration of TWS is flexible and it depends on availability of resources and funding and on the progress made.*

### **Item 3: The Road Map to implement Resolution 465 and the London Declaration**

*As indicated in the LD and in the decision ICC-125-10 of the ICC a ROAD MAP based on the Vision Statement and Technical Workstreams has been prepared in order to consolidate the shared and individual commitments, clarify roles & responsibilities and provide the basis for a Performance Framework.*

*(Coffee Public-Private Task Force Roadmap and proposed commitments – **Annex 2 section 2** - in the pre-reading materials)*

***Sherpas are asked to consider the submission of the current version of the Road Map to the ICC and CGLF meetings for their final consideration and endorsement.***

### **Item 4: Joint Communiqué for the 127 ICC and 2nd CGLF**

*To reiterate the LD, Resolution 465 and the commitment to the CPPTF, and in view of the current Covid-19 pandemic, which adds an additional shock on both the global economy and the coffee sector as a whole and specifically on smallholder farmers, a joint Communiqué that outlines the progress, achievements and constraints of the process has been drafted.*

*(Draft Joint Communiqué - **Annex 3** in the pre-reading materials).*

***To facilitate the decisions by the ICC and the CGLF a joint Communiqué is presented for approval and then to be submitted to ICC and CGLF meetings for their final consideration, endorsement and resource allocation.***

#### **Item 4: Resource Mobilization**

*The ICO Secretariat will reiterate the need for further resource mobilization for the process of the sector-wide dialogue going forward, especially regarding the functioning of the Technical Workstreams.*

***Sherpas will be requested to convey to the ICC and CGLF meetings the need to consider earmarking additional resources in cash and in-kind.***

# Annex 1: The Coffee Public-Private Task Force TWS Update & Detailed Roadmap

Overview of the activities, progress achieved and next steps per Thematic Area

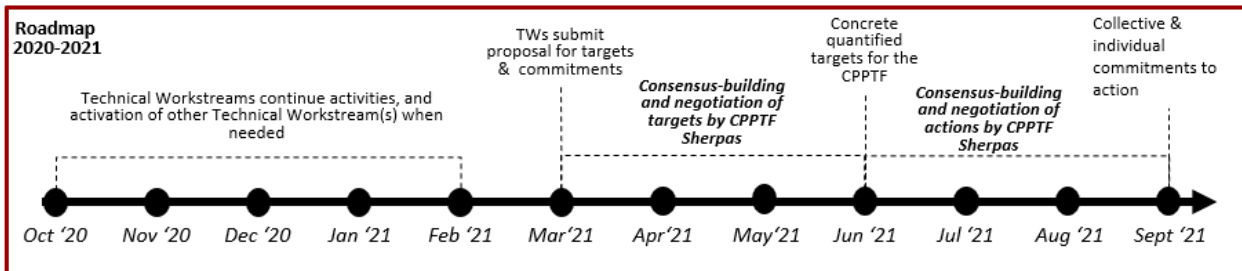
Thematic Area	Activities per Thematic Area	Progress achieved	Next steps
<b>A. Living Income, Resilience and Inclusion of Women and Youth</b>	<ol style="list-style-type: none"> <li>1. Conduct extensive stakeholder outreach to assess understanding and engagement on the <b>Living Income (LI)</b> concept, and to explore possible CPPTF commitments for related to reaching a Living Income in key sourcing regions.</li> </ol>	<ol style="list-style-type: none"> <li>1. Advanced an understanding and engagement of the LI concept &amp; how the reaching a LI links to the CPPTF vision</li> <li>2. Developed CPPTF commitments &amp; preliminary targets</li> <li>3. Reviewed existing initiatives to identify areas of collaboration</li> <li>4. Developed a workplan for next steps</li> </ol>	<ol style="list-style-type: none"> <li>1. Initiate TW and complete consultations</li> <li>2. Create structure for info sharing and capacity building</li> <li>3. Initiate the setup of pilot projects</li> <li>4. Harmonize Living Income methodologies</li> <li>5. Design M&amp;E and impact assessment tool for LI</li> <li>6. Establish funding &amp; implementation structure</li> </ol>
<b>B. Market Transparency</b>	<ol style="list-style-type: none"> <li>1. Upgrade the ICO Market Information System to Agricultural Market Information System ('AMIS') level/Rapid Alert System</li> <li>2. Work towards the establishment of an observatory of costs and margins along the coffee value chain</li> <li>3. Develop/identify a reporting system for roasters on share of sustainably sourced coffee</li> </ol>	<ol style="list-style-type: none"> <li>1. Developed aspirational commitments to be considered by the CPPTF and outlined next steps</li> <li>2. Identified the need for a pilot study on costs and margins</li> <li>3. Published GCP Snapshot (sustainable coffee purchases) for 2018</li> </ol>	<ol style="list-style-type: none"> <li>1. Modify existing volatility tool (ICO &amp; IFPRI); conduct volatility assessment for coffee year 19/20; explore integration of coffee in AMIS reporting</li> <li>2. Develop Terms of Reference (ToR) for the pilot study</li> <li>3. Publish GCP Snapshot for 2019 (open to all London Declaration signatories to participate)</li> </ol>
<b>C. Responsible Consumption</b>	<ol style="list-style-type: none"> <li>1. Review of the 3-regional promotion programmes funded by the ICO Special Fund, promote expansion and additional resources</li> <li>2. Review and update the ICO Step-by-Step Guide to Promote Coffee Consumption in Producing Countries</li> </ol>	<ol style="list-style-type: none"> <li>1. Initial scoping of existing regional programmes to assess their viability for expansion</li> </ol>	<ol style="list-style-type: none"> <li>1. Continue activities, and develop a workplan to develop commitments to be considered by the CPPTF</li> <li>2. Develop a ToR for Reviewing and updating the ICO Step-by-Step Guide will be submitted to ICC</li> </ol>

Thematic Area	Activities per Thematic Area	Progress achieved	Next steps
<b>D. Sustainable Production &amp; Sourcing</b>	<ol style="list-style-type: none"> <li>1. Activity not yet defined</li> </ol>	<ol style="list-style-type: none"> <li>1.No progress achieved yet, to start in Oct 2020</li> </ol>	<ol style="list-style-type: none"> <li>1.Initiate activities, and develop a workplan to develop commitments to be considered by the CPPTF</li> </ol>
<b>E. Market Policies and Institutions</b>	<ol style="list-style-type: none"> <li>1.Conduct a study on how price transfer from farm-level to consumer-level works</li> <li>2.Conduct a study and develop policy recommendations for the CPPTF on moving towards the efficient functioning of futures markets</li> </ol>	<ol style="list-style-type: none"> <li>1. Developed Terms of Reference for the study and development of policy recommendations for the CPPTF on how to move towards the efficient functioning of futures markets</li> </ol>	<ol style="list-style-type: none"> <li>1.Continue activities, and develop a workplan to develop commitments to be considered by the CPPTF</li> <li>2.Finalize Terms of Reference, select consultant, initiate study and present findings to the TW Market Policies and Institutions</li> </ol>
<b>F. Global funding mechanisms</b>	<ol style="list-style-type: none"> <li>1.Feasibility study of multi-stakeholder fund</li> <li>2.Feasibility study for (green) price stabilization fund</li> <li>3.Establish a coffee-related development aid database</li> </ol>	<ol style="list-style-type: none"> <li>1.No progress achieved yet, to start in Oct 2020</li> </ol>	<ol style="list-style-type: none"> <li>1.Initiate activities, and develop a workplan to develop commitments to be considered by the CPPTF</li> </ol>
<b>G. Sector Coordination</b>	<ol style="list-style-type: none"> <li>1.Develop a problem statement, shared vision, and Theory of Change (ToC) of the CPPTF</li> <li>2.Develop a CPPTF Roadmap</li> <li>3.Conduct mapping and a relevance-check of common sustainability performance measurement assets</li> <li>4.Develop CPPTF reporting system</li> </ol>	<ol style="list-style-type: none"> <li>1.A final draft of the problem and vision statement submitted to the CPPTF, an initial draft Theory of Change has been developed and presented to the TW Sector Coordination</li> <li>2.Initial Roadmap developed and tested with TW Sector Coordination</li> <li>3.Developed ToR for the Mapping and relevance-check of common sustainability performance measurement assets</li> <li>4. Explored the development of a CPPTF reporting system to capture individual and shared commitments</li> </ol>	<ol style="list-style-type: none"> <li>1.Further develop Theory of Change based on Technical Workstream output and conduct public consultation</li> <li>2.Revised based on TW Sector Coordination meeting outcomes, to be discussed by the CPPTF</li> <li>3.Select consultant, initiate mapping activities, and present recommendations to TW Sector Coordination</li> <li>4.Determine the additional functionalities required for the SCC Commitments Hub to become the CPPTF reporting system and the timeline until full adoption</li> </ol>

## Detailed activities, progress achieved and next step per Thematic Area

**The purpose of this document** is to provide a comprehensive account of the Thematic Area outcomes, activities per outcome, progress achieved per outcome and next steps. This document will be updated based on input received per Technical Workstream to keep track of ongoing activities and plan for next steps.

The Roadmap below for period 2020-2021 outlines the Technical Workstreams milestones to develop targets and commitments to action and per Thematic area for CPPTF deliberation and



negotiation.

### **Thematic Area A – Living Income, Resilience and Inclusion of Women and Youth**

*Technical Workstream (TW) Outcomes contributing to CPPTF vision elements: economic resilience and social sustainability:*

- 1. Transparency on the living income gap in key production areas, common understanding and collaboration to narrow the living income gap in a sustainable way for the coffee sector*
- 2. Increased resilience of producers against external shocks (environment; market)*
- 3. Human rights, worker health & safety, youth employment and gender equality are promoted and respected throughout the supply chain*

#### Technical Workstream progress achieved and next steps:

*Outcome: Transparency on the living income gap in key production areas, common understanding and collaboration to narrow the living income gap in a sustainable way for the coffee sector*

- Activity: Conducted extensive stakeholder outreach to assess understanding and engagement on the Living Income concept, and to explore possible CPPTF commitments for related to reaching a Living Income in key sourcing regions.
- Progress achieved:
  - Advanced an understanding and engagement of the Living Income concept
  - Determined how the reaching a Living Income links to the CPPTF vision
  - Developed aspirational CPPTF commitments
  - Determined links to other Technical Workstreams
  - Developed preliminary targets
  - Reviewed existing initiatives to identify areas of collaboration
  - Developed a workplan for next steps
- Next steps:
  - Activity 1: Establish Technical Workstreams for Living Income (Confirm members, emails, objectives, agenda etc.) and complete consultations (with ICO members & key stakeholders)



- Activity 2: Create structure for information sharing (e.g. tools, methodologies, data-sets) and capacity building; roll out to stakeholders
- Activity 3: Confirm pilot project countries; reach out to related stakeholders; define roles and responsibilities; prepare & present funding proposals
- Activity 4: Establish structure to build on existing Living Income methodologies to establish the ICO approach, harmonize Living Income methodologies (and begin populating) and to facilitate coordination between Living Income initiatives. (once set-up will be on-going)
- Activity 5: Design monitoring & evaluation and impact assessment tool for Living Income, building on existing frameworks. (to be applied in pilots & promoted in other Living Income initiatives)
- Activity 6: Establish funding & implementation structure to measure benchmarks and actual incomes in target countries and establish public-private partnerships (defining roles, responsibilities and investments) to close Living Income gaps. (begin Q1 2021, dependent on funding).
- Timeline: March 2021

*Outcome: Increased resilience of producers against external shocks (environment; market)*

- Activity: Not yet defined
- Progress achieved: Not yet started
- Next steps: Determine Technical Workstream lead, members, activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: January 2021 (TBC)

*Outcome: Human rights, worker health & safety, youth employment and gender equality are promoted and respected throughout the supply chain*

- Activity: Gender Sensitivity Analysis in the Coffee Market (tentatively)
- Progress achieved: Not yet started
- Next steps: Initiate Technical Workstream, determine activities & develop a workplan
- Timeline: January 2021 (To be confirmed, TBC)



## **Thematic Area B – Market Transparency**

*Technical Workstream Outcomes contributing to CPPTF vision elements: economic resilience, balanced market and diversity of origins:*

- 1. Market information is available to supply chain actors and used to proactively address or prevent price fluctuations and market shocks*
- 2. Sector-wide transparency on production efficiency, cost of production in key production areas, as well as alignment in data collection and reporting*
- 3. Transparency on diverse origins of coffee*

### Technical Workstream progress achieved and next steps:

*Outcome 1: Market information is available to supply chain actors and used to proactively address or prevent price fluctuations and market shocks*

- Activity 1: Upgrading of ICO Market Information System to Agricultural Market Information System ('AMIS') level/Rapid Alert System
- Progress achieved: Developed aspirational commitments to be considered by the CPPTF and outlined next steps
- Next steps:
  - Work with the International Food Policy Research Institute (IFPRI) to modify existing volatility tool to analyse coffee price data Jan-May 2020 (completed; output ICO Coffee Break Series No 2)
  - Conduct volatility assessment for coffee year 2019/20 and publish results
  - Work with ICO Members on integration of coffee in AMIS (Agricultural Market Information System) Reporting
  - Present coffee market information system at UN Food Systems Summit 2021 (side-event)
  - Disseminate & discuss data with CPPTF members and provide recommendations for action
- Timeline: March 2021
- Action 2: Working towards the establishment of an observatory of costs and margins along the coffee value chain
- Progress achieved: Identified the need for a pilot study on costs and margins
- Next steps:
  - Develop a Terms of Reference of Reference for a pilot study on costs and margins along the value chain observatory in selected coffee producing countries (including feedback from TW members)
  - Conduct pilot study
- Timeline: March 2021

*Outcome 2: Sector-wide transparency on production efficiency, cost of production in key production areas, as well as alignment in data collection and reporting*

- Activity: Not yet defined
- Progress achieved: Not yet started
- Next steps: Determine TW lead, members, activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF

- Timeline: March 2021

*Outcome 3: Transparency on diverse origins of coffee*

- Activity: Reporting system for roasters on share of sustainably sourced coffee – sustainable sourcing
- Progress achieved: GCP shared the first edition of the GCP Snapshot 2018 on Sustainable Coffee Purchases.
- Next steps:
  - The next round of reporting on 2019 purchases is envisaged to start in November 2020, and is open to all the signatories of the London Declaration
  - Develop workplan, initiate activities towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: By March 2021

**Thematic Area C – Responsible Consumption**

*Technical Workstream Outcomes contributing to CPPTF vision elements: economic resilience, balanced market and diversity of origins, and environmental sustainability:*

1. *Increased demand for sustainably produced coffee, from a diversity of origins, in traditional and emerging markets, especially in exporting countries*

Technical Workstream progress achieved and next steps:

*Outcome 1: Increased demand for sustainably produced coffee, from a diversity of origins, in traditional and emerging markets, especially in exporting countries*

- Activity:
  - Review of the 3-regional promotion programmes funded by the ICO Special Fund, promote expansion and additional resources;
  - Review and updating the ICO Step-by-Step Guide to Promote Coffee Consumption in Producing Countries.
- Progress achieved: Some initial scoping taken place of existing regional programmes to assess their viability for expansion
- Next steps:
  - Continue activities, and develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
  - Develop a Terms of Reference for Reviewing and updating the ICO Step-by-Step Guide will be submitted to ICC
- Timeline: March 2021

**Thematic Area D – Sustainable Production & Sourcing**

*Technical Workstream Outcomes contributing to CPPTF vision elements: economic resilience, balanced market, and environmental sustainability:*

1. *Sustainable use and protection of natural resources by the coffee sector*

Technical Workstream progress achieved and next steps:

*Outcome 1: Sustainable use and protection of natural resources by the coffee sector*

- Activity: Not yet defined
- Progress achieved: Not yet started
- Next steps: Initiate Technical Workstream, determine activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: January 2021 (TBC)

**Thematic Area E – Market Policies and Institutions**

*Technical Workstream Outcomes contributing to CPPTF vision elements: economic resilience, balanced market and diversity of the origins, and environmental sustainability:*

- 1. Price dynamics are tied to the supply and demand dynamics and reward coffee originating from a diversity of origins*
- 2. Market reward for quality characteristics, and sustainably produced coffee in exporting and importing countries*
- 3. Effective functioning of market institutions (incl. futures markets) maintaining price stability and preventing extreme price fluctuations*
- 4. Policy development in exporting/importing countries to support sustainable production and promotes consumption of sustainably produced coffee*
- 5. National dialogues in exporting countries fostering the development of an enabling environment for the sustainable production of coffee*

Technical Workstream progress achieved and next steps:

*Outcome 1: Price dynamics are tied to the supply and demand dynamics and reward coffee originating from a diversity of origins*

- Activity: Conduct a study on how price transfer from farm-level to consumer-level works
- Progress achieved: Not yet started
- Next steps: Initiate Technical Workstream, develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: March 2021

*Outcome 2: Market reward for quality characteristics, and sustainably produced coffee in exporting and importing countries*

- Activity: Not yet defined
- Progress achieved: Not yet started
- Next steps: Determine Technical Workstream lead, members, initiate Technical Workstream, determine activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: January 2021 (TBC)

*Outcome 3: Effective functioning of market institutions (incl. futures markets) maintaining price stability and preventing extreme price fluctuations*

- Activity: Conduct a study and develop policy recommendations for the Task Force on how to move towards efficient functioning of futures markets

- Progress achieved: Developed Terms of Reference for the study and development of policy recommendations for the CPPTF on how to move towards efficient functioning of futures markets
- Next steps: Finalize Terms of Reference, select consultant, initiate study and present findings to the TW Market Policies and Institutions
- Timeline: March 2021

*Outcome 4: Policy development in exporting/importing countries to support sustainable production and promotes consumption of sustainably produced coffee*

- Activity: Not yet defined
- Progress achieved: Not yet started
- Next steps: Initiate Technical Workstream, determine activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: January 2021 (TBC)

*Outcome 5: National dialogues in exporting countries fostering the development of an enabling environment for the sustainable production of coffee*

- Activity: Not yet defined
- Progress achieved: Not yet started
- Next steps: Initiate Technical Workstream, determine activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: January 2021 (TBC)

### **Thematic Area F – Global funding mechanisms**

*Technical Workstream Outcomes contributing to CPPTF vision elements: economic resilience, balanced market and diversity of origins, as well as environmental sustainability:*

1. *Effective public, private, and blended (impact) investments made, coordinated through global multi-stakeholder funding mechanism(s)*

*Outcome 1: Effective public, private, and blended (impact) investments made, coordinated through global multi-stakeholder funding mechanism(s)*

- Activity 1: Feasibility study of multi-stakeholder fund
- Progress achieved: Not yet started
- Next steps: Initiate Technical Workstream, determine activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: January 2021
- Activity 2: Feasibility study for (green) price stabilization fund
- Progress achieved: Not yet started
- Next steps: Initiate Technical Workstream, determine activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: January 2021

- Activity 3: Establish a coffee-related development aid database
- Progress achieved: Not yet started
- Next steps: Initiate Technical Workstream, determine activities & develop a workplan towards the development of aspirational commitments to be considered by the CPPTF
- Timeline: January 2021

## **Thematic Area G – Sector Coordination**

*Technical Workstream Outcomes contributing to the shared understanding of the CPPTF and target setting process:*

- 1. Joint vision for the sector, Theory of Change, and performance measurement framework of Sector Dialogue developed*
- 2. London Declaration operationalized through coordination of individual and shared action*

### Progress achieved and next steps:

*Outcome 1: Joint vision for the sector, Theory of Change, and performance measurement framework of Sector Dialogue developed*

- Activity 1: Problem statement, shared vision, and Theory of Change
- Progress: A final draft of the problem and vision statement submitted to the CPPTF, a first draft Theory of Change has been developed and presented to the Technical Workstream Sector Coordination
- Next step: Further develop Theory of Change based on Technical Workstream output and conduct public consultation
- Timeline: July 2021
  
- Activity 2: CPPTF Roadmap
- Progress achieved: Developed an initial CPPTF roadmap and tested it with the TW Sector Coordination members
- Next steps: Revised based on Technical Workstream Sector Coordination meeting output and share with the CPPTF
- Timeline: September 2021
  
- Activity 3: Mapping and relevance-check of common sustainability performance measurement assets
- Progress: Developed Terms of Reference Mapping and relevance-check of common sustainability performance measurement assets
- Next steps: Select consultant, initiate mapping activities, and present findings and recommendations to TW Sector Coordination
- Timeline: October 2020

*Outcome 2: London Declaration operationalized through coordination of individual and shared action*

- Activity: CPPTF reporting system
- Progress achieved: Explore the development of a CPPTF reporting system (e.g. based on Sustainable Coffee Challenge (SCC) Commitments Hub) capturing individual and shared Task Force commitments
- Next steps: Determine the additional functionalities required for the Hub to become the CPPTF reporting system and the timeline until full adoption
- Timeline: January 2021

## ANNEX 2: Vision, Roadmap, and proposed commitments

**This document represents a concrete step to operationalize the London Declaration and Resolution 465 by outlining the initial ‘Roadmap’**

The Coffee Public-Private Task Force (CPPTF) and supporting Technical Workstreams are action-oriented mechanisms, to provide the next step to implement Resolution 465 on coffee price levels and the London Declaration. The CPPTF has developed an initial, common understanding of the key problems the CPPTF are addressing in the coffee sector, as well a definition of long-term success. This roadmap is a continuation of this process, to outline the timebound commitments required to realize the vision of the CPPTF.

**This document consists of 3 sections:**

- 1) Theory of Change starting point: Preliminary shared problem statement and long-term vision of the CPPTF
- 2) Roadmap: The initial Roadmap to realize the long-term vision of the CPPTF
- 3) Commitments: The commitments proposed for CPPTF consideration to ensure the realization of the Roadmap

*Please note: The Roadmap and commitments are the result of a process which due to the Covid-19 pandemic has lacked the required forum for negotiation on commitments by the Sherpas. Therefore, the further concrete development of the Roadmap and commitments will need to continue in 2021.*

### **1) Theory of Change starting point: Shared problem and vision statement**

The following initial shared problem and vision statement is a first step towards the objective of the CPPTF to develop a Theory of Change shared between the public and the private sector. It describes the key problems the CPPTF aims to address in the coffee sector, as well as the long-term vision the CPPTF aims to help achieving for the coffee sector.

#### Preliminary shared problem statement

The current green coffee price crisis reveals the environmental, social, and economic issues that persist in the coffee sector, which are exacerbated by: persistently low prices; price volatility and the reoccurring nature of price shocks; insufficient transparency, marketing, and promotion of sustainably produced coffee and of a diversity of origins; decreased competitive advantage of most origins; growing market consolidation; and ineffective enabling conditions for sustainable practices. The externalized nature of the costs related to these issues means they are not reflected in coffee market prices. Therefore, they require deeper levels of collaboration and coordinated actions by public and private actors and by all coffee sector stakeholders.

The CCPTF aims to identify and address the root causes of these issues through the coordination of efforts and funding, facilitation of effective public-private dialogue, and the mobilization of actors and resources to implement commonly agreed solutions. As a first step to address these problems, the CPPTF requires an ambitious shared long-term vision.

#### Preliminary long-term Vision

- A. **Economic resilience and social sustainability:** Coffee producers are economically sustainable, amongst others through improved efficiency, resilience, income diversification and the ability to



earn a Living Income<sup>1</sup>. Human rights and worker health & safety are respected throughout the supply chain<sup>2</sup>, and economic and social sustainability is realized for all coffee producers and communities; including women, men, youth, and marginalized populations. Public investment in coffee communities improve access to quality education and health services, and infrastructure investments lower supply chain costs to the benefit of growers' farmgate prices. Supply management practices ensure a balance between supply and demand.

- B. **Balanced market, responsible consumption<sup>3</sup>, and diversity of origins:** The majority of market demand in exporting and importing countries is for sustainably produced coffee from a diversity of origins. A balanced and competitive market stimulates higher quality and sustainable production, recognizing the true cost of production by integrating externalities (environmental and social cost of coffee production) into the price. Effectively functioning market institutions and policies generate greater price stability, minimize price volatility, and mitigate negative impacts on smallholders during periods of lower prices.
- C. **Environmental sustainability through sustainable production:** Coffee production has a net positive impact on the environment on which coffee production depends, ensuring increased forest cover, reduction and sequestration of greenhouse gasses, improved soil and water quality and richer biodiversity.
- D. **Effective enabling conditions:** Public and private dialogue and actions to realize effective national and international regulations, incentives for sustainable production practices, technical assistance, and investments, all aimed at maintaining a prosperous and sustainable coffee sector.

*Please note: The Problem and Vision statements as well as other (future) elements of the Theory of Change can be further developed through a broader stakeholder engagement and public consultation.*

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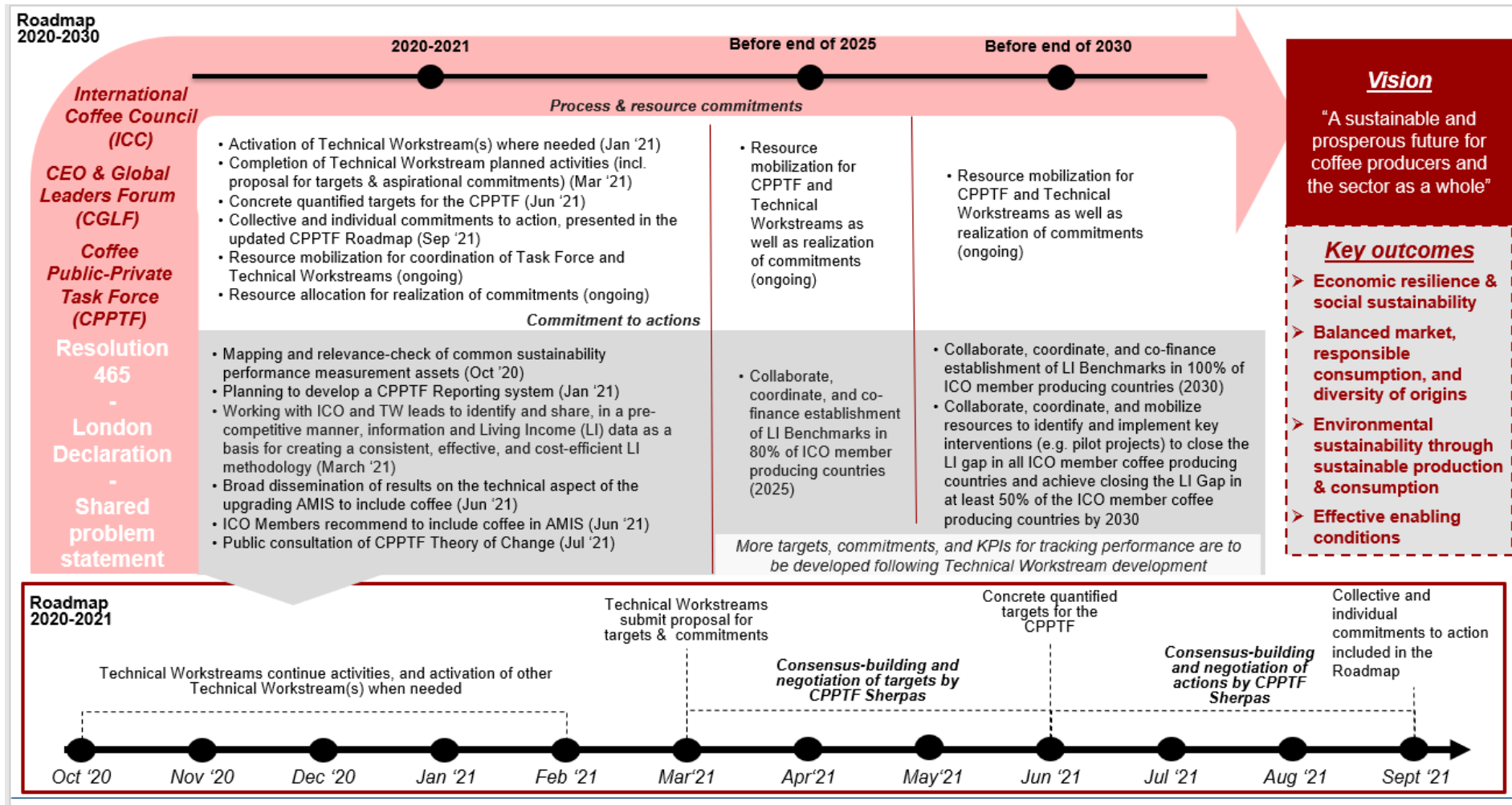
<sup>1</sup> Living income is the net income a household would need to earn to enable all members of the household to afford a decent standard of living.

<sup>2</sup> Operating in line with the UN Guiding Principles on Business and Human Rights.

<sup>3</sup> Consumption of sustainably produced coffee

## 2) Initial Roadmap to realize the long-term vision

This Roadmap for period 2020-2030 outlines the initial commitments required to mobilize efforts towards reaching the Vision which is based on the aspirational commitments proposed by ongoing Technical Workstreams. The Roadmap for period 2020-2021 outlines the Technical Workstreams milestones to develop additional commitments to action and targets per Thematic area for CPPTF deliberation and negotiation.



### **3) Proposed commitments to be considered by the CPPTF, CGLF and ICC**

The proposed commitments are separated between process commitments and commitments to action per Thematic Area. The commitments to actions have been proposed by active Technical Workstreams. These commitments are proposed for consideration of the CPPTF and based on the CPPTF approval, will be captured in the communique which will be presented in the CGLF and ICC meetings.

#### Commitments to the overall process

The Public and Private sector commit to:

- Activation of Technical Workstreams where needed (January 2021)
- Technical Workstreams submit proposal for targets and commitments to action to be considered by the CPPTF (March 2021)
- Concrete quantified targets for the CPPTF (June 2021)
- Collective and individual commitments to action to reach shared outcomes, based on aspirations formulated by the TWs, captured in the next iteration of the Roadmap (September 2021)
- Resource mobilization for the coordination and continued functioning of the CPPTF and Technical Workstreams (ongoing)
- Resource allocation for realization of commitments (ongoing)

#### Commitments to action per Thematic Area (proposed by active Technical Workstreams)

##### ***Thematic Area – Living Income, Resilience and Inclusion of Women and Youth***

The Public and Private sector commit to:

- Working with ICO and TW leads to identify and share, in a pre-competitive manner, information (e.g. examples, case studies, lessons learned, and recommendations) and LI data (Benchmarks and Actual Incomes), as a basis for creating a consistent, effective, and cost-efficient LI methodology.
- Actively participating in initiatives promoting Living Income, as identified and endorsed by the ICC.
- Collaborate, coordinate, and co-finance the establishment of LI Benchmarks in at least 80% of ICO member producing countries by 2025, and 100% of ICO member producing countries by 2030.
- Collaborate, coordinate, and mobilize resources to identify and implement key interventions (e.g. pilot projects) to close the LI gap in all ICO member coffee producing countries and achieve closing the LI Gap in at least 50% of the ICO member coffee producing countries by 2030.

##### **To realize this,**

The Private sector commits to:

- Directly support the development and implementation of LI pilot projects (including benchmarks and assessments to identify the LI gaps and interventions to close it) in 4-6 countries, with 5-year time frames, to be completed between 2026-27.
- Directly support efforts of at least 50% of the ICO member coffee producing countries that have established LI Benchmarks, to further understand smallholder household incomes and ways to improve them, in addition to the pilot projects.

The Public sector commits to:

- Facilitate and participate in the development and implementation of LI pilot projects in 4-6 countries, with 5-year time frames, to be completed by 2026-27.

- Facilitate and support producer organizations and representatives in their countries to effectively participate in LI strategy development and implementation (data collection and closing the gap).
- Directly participate in realizing an enabling environment (through e.g. policy development, access to services and finance, environmental and social service payments as well as other incentives, and PPPs) to facilitate efforts to close the LI Gap of the target producers in their country by 2030.

### ***Thematic Area – Market Transparency***

Public sector commits to directly support:

- ICO to work with IFRPI and FAO on the technical aspect of the upgrading the Market Information System (March 2021)
- Broad dissemination of results to inform sector stakeholders & decisions makers (June 2021)
- ICO Members that are also G-20 Members to recommend including coffee in AMIS reporting (June 2021)

### ***Thematic Area – Sector Coordination***

Public and Private sector commit to directly support:

- Public consultation of the CPPTF Theory of Change (vision, problem statement) (July 2021)
- Development of a CPPTF Reporting system (July 2021)

<b><u>CEO and Global Leaders Forum 2<sup>nd</sup></u></b> <b><u>meeting (virtual)</u></b> <b><u>9 Sept</u></b>	<b><u>ICC 127<sup>th</sup> meeting (virtual)</u></b> <b><u>10-11 Sept 2020</u></b>
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## *Communiqué 2020*

Pursuing economic resilience for a growing sustainable and inclusive coffee sector:

### **OPERATIONALIZATION OF THE LONDON DECLARATION (LD)** **AND ICC RESOLUTION 465**

**We the Signatories of the London Declaration met** at the 2nd CEO and Global Leaders Forum, held virtually on September 9th and we **the Members of the ICO**, both exporting and importing countries as defined in the International Coffee Agreement (2007), met at the 127th Session of the International Coffee Council, virtually held on September 10-11th 2020.

**We reiterate our commitment expressed in the London Declaration and Resolution 465** to jointly identify and address the root causes of environmental, social, and economic issues that persist in the coffee sector through the coordination of efforts and funding, facilitation of effective public-private dialogue, and the mobilization of actors and resources to implement commonly agreed solutions. These are aimed to foster sustainable, inclusive and resilient global coffee value chains, ensuring the livelihood of coffee smallholder farmers and their families, the prosperity for all the stakeholders of the coffee value chain and meet the expectations of coffee consumers worldwide.

**We are** deeply saddened by the tragic loss of life and economic hardship around the world caused by the covid-19 pandemic and **concerned** about additional challenges arising for the coffee sector. Concerted actions must be swiftly taken to protect lives and incomes of those along the coffee value chain and to safeguard previous investments made into the sustainability of the sector and to 'build back better'.

**Mindful of this background**, our joint initiative has strengthened its focus by establishing a unique Public-Private Task Force for the coffee sector that through its participation of key industry stakeholders and ICO Member countries is impactful, inclusive and action-orientated.

**We emphasize and particularly commend** that concrete and tangible outputs have been agreed by our representatives in the Coffee Public-Private Task Force on an initial, common understanding of how to pursue a long-term success for the coffee sector to be sustainable, inclusive and resilient while implementing effective short-term actions and quick wins.

Furthermore, we have drawn a **common Vision for the coffee sector** to address challenges and underlying root causes in order to pursue the economic resilience and social sustainability of farmers, a balanced and expanded coffee market with diversity of origins and also ensuring the environmental sustainability through sustainable production.

We have also developed a **specific Roadmap** outlining the timebound commitments required to realize the shared vision to ensure the livelihood of coffee smallholder farmers and their families and prosperity for all the stakeholders of the coffee value chain and to meet global consumer demand for diverse quality coffee.

### **We hereby jointly commit to**

Adopt the Vision statement of the sector dialogue and the Roadmap detailing the next steps in the implementation drawn up by sector stakeholders in the Task Force.

Strengthen the operationalization of the London Declaration and Resolution ICC/465 on coffee price level by entrusting the Executive Director of the International Coffee Organization to continue supporting the structured sector-wide dialogue and provide a forum for continued public-private dialogue through the Coffee Public-Private Task Force and other complementary initiatives and solutions.

Mobilize and earmark in-cash and in-kind resources for:

- The coordination and continued functioning of the Coffee Public-Private Task Force
- The implementation of the Roadmap
- Ensuring the growth of coffee sector sustainably, inclusive and resilient, providing livelihood for coffee smallholder farmers and their families, and the prosperity for all the stakeholders of the coffee value chain and meet consumer demand.
- Activating all thematic work areas that are part of the Roadmap

Implement a set of initially identified concrete actions in coffee year 2020/21:

- Enhance market transparency in the sector by upgrading the existing ICO Market Information System to increase the availability of relevant coffee price data and analysis to decision makers in the sector including farmers and governments.
- Work towards a Living Income (LI) by creating a consistent, effective, and cost-efficient LI methodology, establishment of LI Benchmarks and identify and implement key interventions (e.g. pilot projects) to close the LI gap in all ICO member coffee producing countries.
- Hold a public consultation of the Theory of Change (vision, problem statement); including engagement of coffee farmers and their associations at the national, sub-regional and regional level.

Continue individually and collectively our efforts to make the coffee sector sustainable, inclusive and resilient in line with the United Nations Sustainable Development Agenda and bring the matter to the attention of world leaders through fora such as the G7, the G20, the World Economic Forum and any other relevant national, regional and international initiative

Engage all development partners, United Nations and its specialized Agencies, international and regional development and commercial financial institutions in the implementation of our common Vision and the Road Map.

Develop a Commitment Reporting System to ensure accountability.