



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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London, United Kingdom

Post of Executive Director

Presentation by Mr G.V. Krishna Rau, India

Background

A copy of the presentation made to the 107th Session of the Council by Mr G.V. Krishna Rau of India, is attached.

Action

The Council is requested to take note of this document.

ICO PRESENT AND FUTURE ROLE



**A PRESENTATION TO THE 107th SESSION OF
INTERNATIONAL COFFEE COUNCIL**

G V KRISHNA RAU, INDIA

Contents

- ICO Present Role: ICA 2007 Objectives and Development Strategy
- ICO Future Role
- What do I bring to the Post of Executive Director, ICO



ICO Present: ICA 2007 Objectives

Strengthen global coffee sector and promote its sustainable expansion on the basis of three pillars of sustainability: economic, social and environmental

- Through international cooperation between governments, other organizations and private sector
- Facilitating and expansion of transparency in international coffee trade
- Developing and dissemination of technical research, statistics and market information
- Promoting coffee quality to increase consumer satisfaction
- Development of consumption and markets for coffee
- Promote Capacity Building, transfer of technology and organize and empower small farmers and contribute to poverty alleviation
- Help develop proposals and secure finances for the projects



Development Strategy

- The approved development strategy aims to develop a sustainable coffee economy on the basis of three pillars of sustainability: economic, social and environmental
- It largely to meet the requirements of CFC, in the context of project financing
- It is also aimed at achieving the Millennium Development Goals:
 - Halving extreme poverty by 2015
 - Promoting gender equality
 - Reducing bio diversity loss etc



Development Strategy

Promoting Sustainable Coffee Economy

- Encouraging stability and reasonable living standards through adequate returns to producers
- Adoption of appropriate mitigating strategies to cope with the climate change
- Promoting environmentally friendly technologies in production and processing throughout the coffee chain
- Preservation of germplasm of wild coffee species
- Promoting and collaborating with other agencies to find alternate sources of income to the small coffee growers



Development Strategy

Increasing consumption and market development

- Quality improvement and promotional and educational programs are the main planks
- Promoting the use of step by step guide in emerging markets and producing countries
- Development of markets especially in emerging markets and exporting countries
- Increased consumption in emerging markets will help
 - Gain experience in producing value added products
 - Enable producers aware of the consumer requirements and improve the quality
 - And Stimulate SMEs and job creation



Development Strategy

Quality enhancement

- The enhancement of coffee quality to be targeted through
 - Awareness building and through appropriate preparation methods
 - Eco-friendly practices in the entire coffee chain
 - Adherence to Coffee Quality Improvement Programme

Diversification

- To overcome the extreme vulnerability of the small coffee growers in most regions
- Encourage horizontal diversification through mixed cropping and vertical diversification through differentiated and quality coffees and value addition



Development Strategy

Improvement of Marketing System thorough

- Encouraging grower collectives and building their capacities
- Encourage flow of credit and with strong legal framework
- Enhancing market transparency with statistics, research studies and accurate and timely data
- Exploring new instruments of international cooperation etc

Research & Development

- Research and Development of new technologies along with dissemination of the results and capacity building
- Exchange of information and technology among producers
- Encourage development of eco-friendly cultivation and post harvest processing, improved value addition processes and plant breeding etc



Development Strategy

Rehabilitation of Production Capacity

- Countries which suffered large drop in production due to *force majeure* need special assistance to help them recover the production
- Technical assistance and capacity building are the key areas
- It helps sustain the livelihoods and preserve the unique coffee varieties

Identification of Beneficiaries

- The assistance to be directed towards the most vulnerable target groups / populations
- To provide stable rural employment and improved livelihoods
- To prevent illegal migration to socially harmful crops/products



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ICO Future Role

- Approved Development Strategy remains the main guiding framework
- It is a dynamic strategy and amenable for review and improvements
- Demand - Supply imbalance and coffee price volatility remain main challenges.
- A strong market is crucial for the development of sustainable coffee economy.
- Strengthen linkages with other international bodies
- Factoring Quality and differentiation into standardization
- Undertake a review of ICO finances and improve the ICO resources and their efficient application.



Demand Supply Imbalance

- Demand supply imbalance remains a concern
 - Various scenarios presented at the WCC 2010 flagged the potential increase in the gap
 - Experience of growing demand even in the recent recession reinforces the understanding on demand
 - Increase in labour costs and other input costs and also climate change make any dramatic increase in supply difficult
 - Need to encourage improved production systems where they are weakest and the potential for sustained improvement exists



Institutional Development

- Organizing and empowering the small grower collectives in vulnerable regions is a priority
- This needs presence of strong institutions
- The challenge of Building empowered institutions in LDCs need to be addressed collectively
- This can be an important element of cooperation and collaboration between members, ICO and other International Organizations – to be tapped by ICO



Financing the Coffee Sector

- CFC's view and approach will not be a constraint in meeting the needs of the coffee sector projects and financing models
- ICO to actively and imaginatively engage other funding agencies and leverage the Consultative Forum for Coffee Sector Finance
- Encourage development and adoption of risk management tools.



Private Sector

- PSCB will be an active partner in all activities and more particularly in
 - Research and Development
 - The efforts to strengthen institutions
 - Devising financing models and avenues
 - Market development and capacity building
 - Promotion of coffee quality and technology



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My Experience

- 33 years of rich experience with the Government,
- 20 years as Chief Executive of the organizations;
- 5 years in Coffee Sector as head and Chief Executive of organization
- The experience ranged from general administration to social sectors like rural development, health, food, welfare etc and economic sectors like Urban Land, Industry, Coffee& Irrigation
- Trained in Administrative Law, WTO and Foreign Trade, Public Private Partnerships, Public Finance, Infrastructure finance, World Bank Procurement Procedures, e governance, Global Warming, Green Technologies and Carbon Trading etc.



What do I bring to the Post of ED?

My Strengths

- A strong understanding of coffee economy, Coffee trade, Coffee Ecology, Sustainability and Environmental issues
- Ability to formulate strategic plans and implement them
- Ability to lead organizations and heterogeneous groups,
- Ability to collaborate with NGOs and private sector
- Ability to identify financing opportunities, raise resources and address risk management issues
- High degree of analytical skills and man management skills
- Ability to Manage consultancies and monitoring
- Ability to address the capacity building issues and working with vulnerable communities



Thank you for your attention!

