

CEO and Global Leaders Forum
2nd meeting (virtual)
9 September 2020

International Coffee Council (ICC)
128th Special Session (virtual)
28 October 2020

Communiqué 2020

PURSUING ECONOMIC SUSTAINABILITY

FOR AN INCLUSIVE AND RESILIENT GLOBAL COFFEE SECTOR

OPERATIONALIZATION OF THE LONDON DECLARATION (LD) ON PRICE LEVELS, PRICE VOLATILITY AND LONG-TERM SUSTAINABILITY OF THE COFFEE SECTOR AND RESOLUTION 465 ON COFFEE PRICE LEVELS OF THE INTERNATIONAL COFFEE COUNCIL

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 International Coffee Organization**, both exporting and importing countries as defined in the International Coffee Agreement (2007), met during the 128th Special Session of the International Coffee Council, held virtually on 28 October 2020.

We reiterate our commitment and aspirations that inspired the London Declaration and Resolution 465 to jointly identify and address the root causes of lack of economic sustainability of coffee farmers which contributes to increasing levels of poverty in producing countries, as well as social and environmental issues that persist in the coffee sector. These include impact of price levels and volatility, through the coordination and alignment of efforts and funding, effective public-private dialogue, and mobilization of partners and resources to implement commonly agreed solutions. These solutions are aimed to achieve sustainable, inclusive and resilient global coffee value chains, ensuring that smallholder farmers will have a 'Prosperous Income' beyond covering just their basic needs. A '**Prosperous Income**' will guarantee that smallholder farmers have enough earnings to enable them to progress in life and remain in the coffee production, ensuring that future generations will commit to a future in coffee. Only true prosperity will allow the next generation of coffee producers to have a better livelihood than the previous ones.

We recognise the significant efforts and investments already undertaken by exporting countries, importing countries and the private sector, and their partners in the civil society and in the development community, towards a more sustainable coffee sector, supported by multi-stakeholder initiatives. Only by an effective public-private dialogue, the mobilization of actors and resources on a regular basis to implement commonly agreed solutions around a shared long-term vision, strategy and road map, can we successfully steer the sector towards a sustainable and prosperous future for all.

We are deeply saddened by the tragic loss of life and economic hardship around the world caused by covid-19. The pandemic has exacerbated the already challenging situation for producers, as coffee prices have remained up to 30% below the average of the past ten years for the most part of this coffee year. Supply has been affected by disruptions of logistics systems and international trade as well as labour shortages due to local lockdowns and other safety measures. The global recession, as well as shifts in consumption patterns, may further impact the coffee sector. The economic and social consequences for producing countries will be severe and might include increased poverty rates, social hardship and migration. Therefore, business-as-usual poses a major risk to the industry and for the

livelihoods of millions of coffee producers and their families. Additional concerted actions must be rapidly taken to protect lives and incomes of those along the coffee value chain, to safeguard previous investments made in the sustainability of the sector and foster a swift, greener and inclusive recovery.

Mindful of this background, we established a unique Public-Private Task Force for the coffee sector, guided by the principles of co-responsibility of importing and exporting countries members of the ICO and the private sector and the engagement of all coffee stakeholders and development partners, that needs to be impactful, inclusive and action-orientated. **We emphasize and particularly commend** that outputs have been agreed by our representatives in the Coffee Public-Private Task Force on an initial, common understanding of ways to pursue long-term sustainability for the coffee sector, while implementing effective short-term and pragmatic actions to achieve the desired targets and outputs and ensure coffee farmers livelihood and prosperity for all coffee stakeholders.

Furthermore, we have drawn up a **common vision for the coffee sector**, which will be further developed, that addresses the sector-wide challenges and underlying root causes in order to pursue the economic resilience and social sustainability of farmers, a better-balanced demand and supply market with diversity of origins and also ensuring environmental sustainability through sustainable production and conservation of natural resource ecosystems in coffee landscapes.

We have also developed a **Roadmap** that whilst regrettably affected by the uncertainties originated by the covid-19 pandemic, does outline the overall timeline for target setting, reporting on progress achieved and next steps per thematic area. Timebound commitments are required to realize the shared vision, to tackle price levels and volatility and to pursue social and economic sustainability and resilience to shocks through sustainable production and expanded consumption.

We hereby jointly commit to

ENDORSE the Vision statement of the sector dialogue and the 2020-2030 Roadmap, and the 2020-2021 work plan detailing the next steps in the implementation of our objectives drawn up by sector stakeholders in the Coffee Public-Private Task Force.

MOBILIZE in-cash and in-kind resources, once specific and quantified targets are collectively agreed, for:

- The coordination and continued functioning of the Coffee Public-Private Task Force.
- The implementation of the Roadmap.
- Ensuring the sustainable, inclusive and resilient growth of the coffee sector, to achieve a real prosperous income for smallholder coffee farmers and their families as well as for the entire coffee sector, through a continuous improvement process that builds on and transcends the living income concept, methodology and experience, while recognizing the conservation of natural areas and landscapes, as well as increase the prosperity of all the stakeholders in the coffee value chain, while meeting the demands of consumers
- Research, development and transfer of knowledge technology and innovation through digitalization to enhance sustainability and efficiency of coffee production, processing, consumption and product end-of-life disposal.
- Enhancing access of small-scale coffee farmers to financial resources and capacity building opportunities.
- Activating all thematic work areas that are part of the Roadmap prioritizing the achievement of economic sustainability of farmers.

IMPLEMENT a set of initially identified actions in coffee year 2020/21, with focus on:

- Promoting economic viability of coffee farming and working towards a living income as a foundation for producers to reach prosperity by creating a consistent, effective, and cost-efficient methodology, establishment of benchmarks and identification and implementation of key interventions (e.g. pilot projects) in order to close the living income gap in ICO member coffee-producing countries.
- Activation of Technical Workstreams, beyond identified quick wins, to update and strengthen the Roadmap regarding interventions and targets on market transparency, including diversity of origins, market policies & institutions, resilience & inclusion, responsible production and sourcing.
- Holding a public consultation of the Theory of Change (vision, problem statement) and the Technical Workstream Proposals on targets & commitments, including engagement of coffee farmers and their associations at the national, sub-regional and regional levels.
- Collaborate with national institutions in producer countries and third sector organisations, leveraging existing initiatives and ICO programmes.

STRENGTHEN the operationalization of the London Declaration and ICC Resolution 465 by entrusting the Executive Director of the International Coffee Organization with providing continuing support for the structured sector-wide dialogue as well as for the ICO member countries initiatives for an ongoing public-private dialogue through the Coffee Public-Private Task Force and other complementary initiatives and solutions while mobilizing necessary resources and public support.

INTENSIFY, INDIVIDUALLY AND COLLECTIVELY, our efforts to make the coffee sector economically sustainable, inclusive and resilient, in line with the United Nations 2030 Agenda for Sustainable Development and bring our concerns and aspirations to the attention of world leaders through fora such as the G7, the G20, the United Nations, and other relevant national, regional and international initiatives.

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

DEVELOP a Commitment Reporting System for the Coffee Public-Private Task Force, based on existing industry standards, to ensure accountability and transparency.

AND FINALLY, WE REITERATE our support for this unique public-private process and the Coffee Public-Private Task Force and WE WILL RECONVENE in September 2021, during the International Coffee Council, or earlier if needed, to review the results achieved and the realization of our commitments, as well as to adopt measures and allocate resources according to the agreed vision in order to promote the successful implementation of the Roadmap.

London, 28 October 2020

Signed by the CEO and Global Leaders Forum

Signed by the International Coffee Council

The London Declaration was signed by:

ECOM Trading

illycaffè S.p.A.

Jacobs Douwe Egberts (JDE)

Lavazza S.p.A.

Mercon

Nestlé S.A.

Neumann Kaffee Gruppe

Olam

Starbucks Coffee Company

Sucafina

Tchibo

Volcafe

And supported by:

Global Coffee Platform GCP

Sustainable Coffee Challenge SCC

CLAC

Fairtrade International

Hanns R. Neumann Stiftung

IDH the Sustainable Trade Initiative

National Coffee Association of the USA

Oikocredit

Rainforest Alliance

Rusteacoffee

Specialty Coffee Association