A GLOBAL GOVERNANCE IDEA FOR SUPPORTING COFFEE ADAPTATION TO CLIMATE CHANGE

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This virtuous circle must be nurtured and accelerated by increasing product value with quality, differentiation and sustainability.
Consumption is increasing and expected to continue growing; a 2% CAGR would require doubling coffee production within 2050.

Producing countries are the first ring of a long value chain; yet they receive only about 10% of the global retail market value.
CLIMATE CHANGE

- **Climate change** is the most severe threat facing agriculture production and the coffee sector
- **Suitable land** is estimated to be half by mid-century
- Coffee is a **perennial crop** and a few decades represents a very short time frame
- Doubling production with half the suitable land is a challenge

(Source World Resources Institute)
IMPACTS

Failure to solve the problem would lead to a price shock and significant social problems for rural coffee communities.

Probably 80% of the people who grow coffee in over 50 countries will be impacted.
**ARABICA**

*Arabica*, the best quality choice, is very sensitive to high temperature, drought and disease proliferation, whereas Robusta is much less threatened.

First to be impacted by climate change is **quality** of the crop and the second to be compromised is **productivity**.
INVESTMENT

Investment in producing countries is more difficult due to:

Existing **underdevelopment** and the high **volatility** of the coffee market

**Consolidation** of the coffee sector might put even more pressure on the market.
The three steps towards a holistic approach in adapting to climate change are:

I. Changing agronomical practices

II. Developing new resistant cultivars

II. Migrating production areas
Coffee agriculture has been undergoing these changes for at least two decades.

Many projects are in place but the number, scale and timing are largely unknown.

Significant resources are needed – human, knowledge and financial – in order to cope with the rapid acceleration of climate change.

Several organizations are already addressing coffee and climate change, however, competition among them might undermine the capacity to reach the necessary critical mass and the deployment of the holistic approach.
There is a **trade off** in managing such a complex problem: the ‘invisible hand’ approach or try to govern initiatives?
In the past the coffee sector has been successful in addressing other relevant *precompetitive* issues through collaboration, cooperation and coordination.
GLOBAL ARABICA PLAN

The purpose of the possible **Global Arabica Plan (GAP)** would be to organize three critical activities which can accelerate the process:

I. **Fund raising**
   A public/private partnership could mobilize **resources** from the **industry, institutions and philanthropists**

II. **Knowledge transfer**
   **New technologies** such as genomics, artificial intelligence, water management, etc. are critical and require a multi-disciplinary approach

III. **Coordination**
   Coffee producing countries need to coordinate their initiatives and share their **best practices**
GLOBAL ARABICA PLAN

- The GAP approach should be multi-stakeholder involving institutions from consuming and growing countries.

- A dedicated legal entity should be appointed for the GAP governance, whereas projects should continue to be managed by a network of existing and possible future organizations.

- The International Coffee Organization is the intergovernmental representative of the institutions; the Swiss Coffee Trade Association is the representative of the industry; UBS is the representative of philanthropists’
Next steps are:

- To discuss the idea with relevant stakeholders
- To create a **task force** for GAP definition and recommendations, including which organization to appoint – by either selecting among the existing ones or creating a new dedicated one – for the GAP governance