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**Statement by the Executive Director of
the International Coffee Organization,
made at the opening ceremony of the
128th Special Session of the Council**

Mr Iman Pambagyo, Chair of the International Coffee Council
Excellencies, distinguished delegates, colleagues, ladies and gentlemen,

Welcome to the 128th Session of the International Coffee Council, which is again being held online for reasons of which we are all aware.

I want to share with you some reflections about the difficult and sad times we are living in, and I send my deepest condolences to all those who have lost loved ones and friends to this devastating disease, but also in the hope that we all succeed together.

Today I want to talk about the importance of making the right choices and the need to understand the meaning, the challenges, but, above all, the opportunities of being gathered here today; with delegations that are up to 16 hours apart, representing industrialized, middle-income and least developed countries, large and small coffee producers and importing and consuming countries.

We are here to see that working together is the only way to succeed, to overcome this crisis and to show to the world, to consumers, to development partners, to industry that, in spite of differences, we have a common goal. We must be able find common solutions to mitigate the impact of the pandemic, we must be able to effectively mobilize additional resources to help achieve the prosperity of the farmers and we must be capable to build a profitable and sustainable coffee sector for all coffee stakeholders.

Despite all the limitations, values matter for global governance bodies like the ICO, seeking to solve—or at least contain—conflicts or find solutions through multilateral engagement, by finding compromise among different interest groups. We must reform the Organization and this is the right time. All your concerns can be addressed in the Working Group on the Future of the Agreement, in order to build the new ICO you want. We must become even more efficient, but we must show commitment and overcome individual and isolated views and focus on common positions, on consensus. Let's not forget that what happens at the ICO has also a larger impact on international cooperation and that we are part of a large family of organizations. We must be an example for the others and learn from them, cocoa, sugar, cotton and others.

Dear Iman, dear delegates, Excellencies,

I want to start on a positive note, to show that in spite of the crisis, your ICO is a well-respected and key organization for the overall global community and is working hard to support all of you.

First, the government of the United Kingdom, as part of their review of those organizations they consider important to join after Brexit, held long discussions with the ICO Secretariat and we have been successful! We have been informed that as of January 1st the UK will sign the International Coffee Agreement and join the ICO! More resources and another key Member. A long process that enables us to show that it is important for the UK to be part the international coffee community at the ICO, to join all of you.

Second, coffee is the only agro-industrial sector that, thanks to your vision and the decision of the Council in September last year, established a unique coffee Public-Private Task Force. As you have requested, the Secretariat succeeded in convincing leading industry actors to join in and sit together, around the same table (unfortunately only a virtual one for the time being) with you, government representatives. Leading third sector representatives and international organizations and financial institutions are also joining in. For your information, I received last night a communication by the United Nations Development Programme, the largest UN development organization. The UNDP has asked to participate in the workstreams and join the task force as observers. The same is expected shortly by the World Bank and other International organizations. In cash and in-kind contributions received as a result of the generous support of ICO Members, Germany and Switzerland, as well as the private sector, have enabled us to move this initiative forward. The Communiqué to be discussed later today and its road map have

been agreed by your representatives in the Task Force, incorporated important contributions from ICO Members (especially exporting countries) and the industry. We have found common ground and I understand you, like the industry, are ready to jointly sign this communiqué. Then earmarked resources will be made available to work towards a prosperous income for coffee farmers! This was unthinkable just a few months ago and it will give a huge visibility to the coffee sector as being the most advanced sector where the public and private sectors work together towards reaching economic sustainability for farmers. It is just the beginning of a process but industry and development partners are ready to work within the ICO and with all of you for the betterment of the coffee sector.

Third, last year, ICO launched its first Coffee Development Report, not just some short papers on the coffee sector but a flagship report. The specialized media, industry leaders and stakeholders have praised it. We have been invited by many of you and by international organizations, such as FAO, UNCTAD, UNDP and others to present it in order to advocate for the coffee sector and the needs of coffee farmers and to mobilize more resources. This year, we have teamed up with top research centres, such as the Kiel Institute for the Global Economy, the London School of Economics, the International Food Policy Research Institute, the University of California at Davis, UN agencies and others. We will present the highlights of the report on the value of coffee today. Again, unprecedented analysis of the Global Value Chain for coffee, and relevant policy recommendations, including how to build resilience to shocks like the covid-19 pandemic, will be highlighted.

Fourth, we are about to launch the new ICO statistical online platform and will train all of your staff to access data and reports directly. This will also enable us to increase our subscriptions and revenues. Being a Member of the ICO you decide the rule of statistics, you decide what you need. ICO data are still a benchmark used by industry and investors and we have improved the quality of our services, as is recognized by industry.

Fifth, we are progressing on the African Coffee facility and the Africa covid-19 response programme. Together with IACO, CABI and the support we facilitated with both the African and the European Union we are moving it forward. As you requested in September, we have started to work on extending it to other regions.

I know that some of you are sceptical, and would like to see more, especially for your farmers, but we must understand that the commitment is there and that industry, UN, academia, third sector are all are working together with us NOW: because they believe in the ICO, and that your organization is a unique multilateral space.

I have read some of the statements made by your Heads of State in celebration of the 75th anniversary of the UN and was happy to see that they are all reiterating their commitment to international cooperation. Being an active Member of the ICO is definitely a right way to honour that commitment.

*Before I address the main question of today, the budget, let us be inspired by Nelson Mandela, he said: **"It always seems impossible until it's done."** I wish that today we can find a consensus and decide how your Organization, I repeat this is your Organization, should continue to support the coffee sector. You have defined and agreed on its objectives, procedure and structure in the Agreement and its rules and my staff and I are here to serve you.*

We are here not to think only about individual perceptions or agendas, but we must work in the context of the Agreement and its objective of promoting international cooperation. Of course, ICO donor members and ICO recipients of development aid are here sitting together. You negotiate your bilateral cooperation and funding elsewhere, but I believe that a coherent approach is also important. For example, the African covid-19 mitigation project was submitted to the European Commission after the discussions held in the ICO coffee and covid-19 seminar in June. Likewise, after we produced a Coffee-GEF Guide, new projects for the coffee sector have been negotiated.

Now on the budget. We have been spending a lot of time in negotiations on the budget. I think that the most realistic option was agreed in the Small High-Level Working Group and hope we can finally reach a consensus in today's Council session. No further delays are feasible.

I fully understand the need to cut costs, but cuts have an impact on staff and services and the ability to maintain the integrity of the Organization and its services. The 50% cut in contributions requested by some of you was not considered to be realistic by the Working Group since it would leave the Organization with only a skeleton staff that would be unable to provide the services required by Members. I would like to remind you that, since last year and also for 2020/21, staff have already voluntarily accepted reductions in their contractual entitlements, especially contributions to the Provident

Fund. These reductions generated savings on Personnel costs of 5% last year and another 6% this year. Under the proposed budget, some posts will unfortunately be frozen and contract duration reduced, a very sad and difficult decision to accommodate your wishes, especially during a pandemic. From 21 posts in 2016/17, the ICO will be operating this year with **9 staff only!** This is below the critical mass required and justifiable only as an emergency measure but not sustainable in the long run.

I wish to make an appeal to you, for the interest of the sector. I wish to invite all members to:

- Do not forget that they you are the ICO and that we, the Secretariat, are committed to helping you to implement the ICA you signed.
- Focus on substance and allow staff to concentrate on producing the most reliable and independent statistics and analysis in order to influence the sector's trade and investment decisions.
- Allow the ICO to continue its success in advocating for the coffee sector and the need of coffee farmers, to project a positive image of the coffee sector, which is VERY IMPORTANT FOR COFFEE CONSUMPTION, and to mobilize support and funds from the coffee industry, donors, international organizations, development banks and academia.
- Continue working on project development and fund mobilization in order to address pressing issues and mitigate the impact of the pandemic.

Again, leading industry players were never interested in the ICO before. Why do they commit to fund more activities and to work hand in hand with you now? Why do development partners want to work within the ICO? Because this Organization is important, is a credible and a reliable interlocutor. You must not allow this Organization to be destroyed!

We need to focus on finally signing the agreement with the FAO. We need to focus on mitigating the impact on covid-19, on the African Coffee Facility, on finalizing an agreement with the G-20 youth initiative for the coffee sector, on working with UNIDO on technology transfer to the coffee farmers, on the UN to recognize the ICO as observer and advocate for coffee farmers in the General Assembly, to finalize agreements with IFAD, WB, AfDB and other regional organizations.

This year, the world has been turned upside down by the coronavirus pandemic. We all hoped that this would be a passing phase and that normality would quickly return;

however, it is becoming increasingly clear that covid-19 is not a short-term phenomenon. Those who were in a financially precarious position before the pandemic are quite likely to be in a worse position now. The future of the coffee industry was already at risk due to persistently low coffee prices and the impact of climate change, the ICO is the space to attract resources and joint solutions.

I want you to think long and hard about the consequences of the disappearance of this Organization. The coffee sector would be weakened and lose a unique forum that brings together exporters and importers, producers and consumers. This is especially true now that we are entering a promising phase of dialogue between the public and private sectors, following the London Declaration and the establishment of the Coffee Public-Private Task Force. If you do not believe in public-private partnerships, in innovation, in new forms of integration of stakeholders and in the UN development agenda, how exactly do you intend to make the coffee sector more sustainable?

Without the ICO, the private sector will retreat from engagement and we will have no chance to find a common vision and reach common ground. Without the ICO, governments, industry, the research community and media will no longer have access to neutral data statistics and analysis, weakening the visibility of coffee and the capacity to advocate on its behalf in the multilateral system. Coffee risks losing the support of key financial institutions and supporting development partners, as well as consumers, if we show that we are divided and unable to work together.

I know that the coronavirus has had a massive impact on all countries, big and small, coffee exporters and importers. I sympathize with all your predicaments, especially the many exporting Members who are Least Developed Countries. In times such as these, it is tempting to turn inwards and push the outside world aside. However, we must think in the long term and preserve the ties that bind us together in the coffee family, here inside the ICO.

Mr Iman Pambagyo, Chair of the International Coffee Council

Excellencies, distinguished delegates, colleagues, ladies and gentlemen,

I am confident that a sense of responsibility and solidarity will prevail and that we can close successfully this 128th Session of the International Coffee Council.

Thank you.