



International Coffee Council
125th Session
23 – 27 September 2019
London, United Kingdom

**Draft London Declaration on price levels,
price volatility and the long-term
sustainability of the coffee sector**

SUBMITTED BY THE CEO & GLOBAL LEADERS
FORUM OF THE COFFEE SECTOR

Background

1. Resolution 465 on coffee price levels approved during the 122nd Session of the International Coffee Council (ICC) in September 2018 requested the ICO, *“to promote dialogue among all stakeholders in the coffee value chain to ensure the economic sustainability of the coffee producers...”*, and the ICO Executive Director to *“further strengthen ties with the international roasting industry as a matter of urgency, in order to gain support for the implementation of this resolution...”*.
2. To implement the Resolution, the ICO held a series of informal consultations with key coffee stakeholders and launched a Structured Sector-wide dialogue with five consultative events (March-June 2019), leading to the CEO and Global Leader Forum (CGLF) as a special session of the Private Sector Consultative Board (PSCB) to be held on 23 September 2019 in London.
3. Through this consultative process, private sector organizations, with the support of the ICO, have converged to a series of commitments that have been consolidated in the attached draft declaration. The Declaration will be discussed at the CGLF to be further presented to the 125th Session of the International Coffee Council by the Chair of the PSCB for consideration and endorsement.

Action

The Council is requested to endorse the London Declaration.

**Draft London Declaration on price levels,
price volatility and the long-term
sustainability of the coffee sector¹**

Following the CEO & Global Leaders Forum of the coffee sector held on September 23, 2019²,

THE UNDERSIGNED ORGANIZATIONS;

RECOGNIZING the economic and social importance of coffee as a vital source of income and employment for millions of people, and as a source of enjoyment for consumers across the globe;

BEING DEEPLY CONCERNED about the current coffee price crisis, including price fluctuations and the reoccurring nature of price shocks, and the impact this has on the economic viability of coffee growers, the social and environmental sustainability of the value chain in most producing countries, and the sector's ability to secure and maintain diversity of origins;

TAKING INTO ACCOUNT existing and newly developed initiatives by the coffee sector including those led by international, regional, and national associations, voluntary sustainability schemes, individual companies, non-governmental organizations, and governments;

RECOGNIZING that the complex nature of the issues requires joint efforts by both private and public entities, each within their own areas of intervention according to their role in the coffee sector in line with and contributing to the 2030 Agenda for Sustainable Development of the United Nations;

RECOGNIZING the role of the International Coffee Organization (ICO) as the inter-governmental body for coffee with membership of both exporting and importing countries as defined in the International Coffee Agreement (2007);

HAVING BEEN ENGAGED in the Structured Sector-Wide Dialogue led by the ICO as part of the implementation of the Resolution 465 on coffee price levels adopted by the International Coffee Council at its 122nd Session in September 2018; and

¹ *The London Declaration is a non-legally binding public commitment of the undersigned organizations.*

² *The Forum is held as a Special Session of the Private Sector Consultative Board established under the International Coffee Agreement (2007).*

BEING AWARE of the various laws and regulations regarding anti-trust;

COMMIT TO

concrete shared and individual time-bound actions aligned with this Declaration, as well as the extension of the coffee sector dialogue on long-term and transformational solutions, focusing on:

- **Promoting competitive and sustainable production**, through increasing resilience of farmers against shocks, improving access to finance, promoting research and development in new varieties, supporting further improvements in quality and differentiation, improving production technologies, supporting efficiency improvements among smallholders, promoting sustainable use of natural resources, and preventing deforestation and forest degradation in the supply chain;
- **Fostering responsible and equitable growth** through contributing to increased market transparency regarding the Living Income gap, sourcing origins, and cost of production considering the diversity of producers and specific geographies, expanding responsible sourcing of sustainably produced and traded coffee from a diversity of origins, fostering the protection of human rights, fighting child labour and illicit labour practices, and enabling a Living Income for coffee producers;
- **Promoting responsible consumption** by taking measures to stimulate demand for sustainably sourced coffee from diverse origins in traditional and emerging markets, especially in producing countries; and
- **Promoting public-private dialogue regarding policy development** in exporting and importing countries to ensure efficient functioning of market institutions in order to prevent price distortion.

FURTHER COMMIT TO

take immediate action, before the next meeting of the CEO & Global Leaders Forum, towards:

- **Further development and alignment of individual, concrete, time-bound action plans** in line with this Declaration;
- **Establishment of market and supply chain information systems** to support transparency efforts on Living Income, cost of production and living, use of natural resources, and the risks of coffee contributing to deforestation and forest degradation;

- **Active participation in national (producing and consuming country) dialogues** to ensure the further development and operationalization of this Declaration; and
- **Allocation of resources** towards the realization of shared actions in line with this Declaration, and towards exploring the set-up of a global multi-stakeholder funding mechanism with the goals of: leveraging investment in the coffee sector through blending of public and private sector funding, incentivising environmental and social stewardship, fostering development of sustainable coffee regions, supporting transparency efforts and policy reform, building additional capacity for relevant policy development and enforcement in producing countries, and reducing poverty.

AND TO

- **Hold** a second meeting of the CEO & Global Leaders Forum preferably during the fifth World Coffee Conference to be held in Bengaluru, India, 10-12 September 2020,
- **Ensure** active participation (through attendance of their representative, or “Sherpa”) in follow-up mechanisms and meetings to be facilitated by the ICO in the period October 2019 – August 2020 to foster the further development and operationalization of this Declaration, in an inclusive and participatory manner, through the alignment of individual action plans, the development of additional joint action, and to review progress;
- **Ensure** alignment with coffee sector organizations and associations in the implementation of this Declaration;
- **Engage** their networks, with the goal of fostering the representation and input of key sector stakeholders in the development and operationalization of the process in the period October 2019 – August 2020; and
- **Present** further concrete, time-bound individual and shared commitments towards long-term and transformational solutions, in combination with the outcome of the immediate actions that follow from this Declaration, at the next meeting of the CEO & Global Leaders Forum.

In conclusion, THE UNDERSIGNED ORGANIZATIONS;

CALL ON

All coffee sector stakeholders to sign and support this Declaration and contribute to its further development and full realization;

Development partners to support the realization of the commitments contained in this Declaration by providing technical and financial resources to ensure that the coffee sector continue its efforts to implement the 2030 Development Agenda and the Sustainable Development Goals;

Governments of all countries to collectively and individually act on the following:

- **Committing to and further developing** joint solutions to address economic sustainability and diversity of production across the coffee sector, pursuing a Living Income for households depending on coffee cultivation as a major source of income and a Living Wage for workers in the coffee supply chain, based on the principle of shared responsibility for addressing economic inequality and realizing equitable growth;
- **Respecting and promoting** human rights through inter-alia fighting child labour and all illicit labour practices, the further inclusion and empowerment of youth and women in the coffee sector, and access to education;
- **Ensuring** the environmental sustainability of the sector through inter-alia preventing coffee production driven deforestation and forest degradation, increasing the sustainable use of natural resources like soil and water, mitigating greenhouse gas emissions, and increasing the resiliency of coffee production to the impact of climate change; and
- **Strengthening the policy environment** for sustainable production and consumption, through government policies in exporting and importing countries regarding efficient functioning of market institutions, responsible sourcing and trade, processing, commercialization and disposal, public-private partnerships, development of supply management tools, and improved infrastructure and producer support in producing countries.

And specifically **REQUEST**

the International Coffee Council to endorse this Declaration and instruct the ICO to continue its efforts, in close cooperation with coffee sector organizations including the Global Coffee Platform, the Sustainable Coffee Challenge, and the World Coffee Producers Forum, **to:**

- Identify drivers of positive change on the ground at a farmer level and ensuring that farmer voices are integrated into the process;
- Increase transparency in the coffee sector through the provision of world-class data and analytics and develop new tools and mechanisms in partnership with public and private sector representatives and organizations;
- Explore the set-up of a global multi-stakeholder funding mechanism, and, in accordance with the outcomes of the exploration, mobilise stronger political support and resources from multilateral mechanisms such as G7, G20, and United Nations General Assembly, international organizations as well as multilateral and regional financial institutions, and the private sector towards the creation of such a global multi-stakeholder funding mechanism to address the short- and long-term sustainability of the coffee sector;

- Facilitate the dialogue between governments of exporting and importing countries with industry stakeholders, the donor community and development partners as well as civil society at large;
- Engage all the coffee-sector national, regional and international private-sector associations to ensure a high level of harmonization and coherence of action;
- Pursue its structured sector-wide dialogue with all relevant stakeholders in order to formulate long-term and transformational solutions for the structural issues faced by the sector and hold the next meeting of the CEO & Global Leaders Forum during the fifth World Coffee Conference scheduled for September 2020 in Bengaluru, India;
- Mobilise additional resources to carry out its leadership role in coordinating and aggregating the commitments from all the coffee stakeholders including meeting of undersigned organization representative (“Sherpa”); and
- Set up a framework to monitor the progress in the realization of the commitments set in this Declaration by all involved parties and their impact on the sustainability of the coffee sector and specifically on farmers.

London, 23 September 2019

Undersigned organizations:

[tbd]

Supporting organizations:

[tbd]