



**INTERNATIONAL
COFFEE
ORGANIZATION**

ICC 127-4

10 September 2020
English only

E

International Coffee Council
127th Session
Virtual Session
10 and 11 September 2020
London, United Kingdom

**Statement by the Chair of
the International Coffee Council,
H.E. Mr Iman Pambagyo, made at the
opening ceremony of the 127th Session
of the Council**

Your Excellencies, Ambassadors of the ICO Member Countries
Mr José Sette, Executive Director of the International Coffee Organization
Distinguished delegates, ladies and gentlemen,

I have the honour of welcoming you all to the 127th Session of the International Coffee Council, which is once again, being held virtually.

In September last year, I had the honour to be elected as the 67th Chair of the International Coffee Council. This will be the second Council that I have Chaired and I am proud that Indonesia is again occupying this important position.

Of course, I must acknowledge the strange and difficult times that we exist in. Covid-19 has still not finished with us, all around the world we are enduring this relentless disease. I hope that you and your families are healthy and coping well with the pandemic and all the shutdown measures that were necessary to contain it. I also want to send my condolences to anyone around the world, and to the coffee community in particular, who is suffering from Covid-19 or who has lost a loved one or a friend to the pandemic.

Furthermore, I'm sure you have all felt it: hovering stress, anxiety, more weight on our shoulders, the heaviness of knowing that we are entering what will be a painful economic crisis. Much of the world is now officially in recession and we know that it is the most vulnerable who will feel the harshest impacts of an economic crisis.

This is one of the major reasons why now is a time for universal and collective action on low coffee prices, the negative impacts of climate change, rising input costs, the economic crisis – these are just some of the challenges that we must confront.

But through hardship comes the opportunity to rise to the occasion. We must work together to safeguard the futures of the most vulnerable in our sector. They say that “a friend in need is a friend indeed,” and today, as friends of the global coffee sector, we need each other, we need to collaborate as governments and with the private sector, and we need to work together to get through this. The pressing need for global cooperation highlights the importance of the International Coffee Organization—the ICO—a body that through international cooperation convenes all stakeholders to tackle the challenges facing the sector.

This week, we will discuss the challenges and opportunities facing the global coffee sector in the context of this new reality. As ICO analysis clearly shows, the pandemic has aggravated issues such as coffee price volatility, thus generating instability and uncertainty. In June this year, the ICO conducted a survey on the impacts of Covid-19 on exporting Member countries, many of you here today may have participated in this survey.

Through activities like this, this organization helps to highlight the collective needs and concerns of our global coffee community. The partnership of national governments, the coffee industry, the international development community and civil society are required to provide emergency reliefs and to ensure a sustainable recovery of the coffee sector from this global crisis. ICO data, analysis and studies are often used by experts, researchers, investors and the media, as a reference point and benchmark for the whole coffee sector.

Yesterday the ICO convened the 2nd CEO and Global Leaders Forum, where we saw dialogue from leaders and influencers across the private sector. They based their deliberation on the outcome of the Coffee Public-Private Task Force, a unique mechanism that the ICO established for consensus-building between the public and the private sector. The Task Force includes representatives called ‘Sherpas’ who participate with equal representation and with a shared vision.

Private companies are indeed a key part of this puzzle and they cannot be ignored. During yesterday’s CEO and Global Leaders Forum, representatives of the private sector discussed potential joint actions to create a more sustainable and fair global coffee

sector. For those who took part in the meeting, we thank you for your comments and valuable insights and we look forward to jointly putting into practice some of the fruitful recommendations that arose. The engagement of international financial institutions in the Forum is a step in the right direction towards a sustainable, inclusive and resilient coffee value chain, today and into the future.

A major effort of the ICO and its Members is working towards the revision of the International Coffee Agreement 2007. The Working Group on the Reform of the Agreement has met eight times since its inception and all its members are deeply engaged in exploring proposals for change, to make the ICO more efficient, effective and relevant in supporting the global coffee sector. During this meeting, we would encourage the Council to approve the Draft Resolution extending the existing ICA while the text is being negotiated.

This extension is necessary to allow Members a proper time and space to consider how to best shape the future of the organization and best enable the ICO to support the sector. I encourage all ICO Members to participate actively in the Working Group on the Future of the Agreement, so as to draft a text that is modern and takes into account the many changes and challenges in our operating environment since 2007.

I also wish to commend the ICO for the excellent “discussion paper” which shall facilitate discussions within the Working Group on the Future of the Agreement. The discussion paper refers to existing models of international commodity bodies and the overall multilateral system, particularly focusing on better integration of the private sector into the operation and financing of the new International Coffee Agreement. This discussion paper was also positively received by the Private Sector Consultative Board.

Excellencies, Distinguished Delegates, Ladies and Gentlemen,

Effective solutions to mitigate the impacts of Covid-19 and the economic crisis that it brings about can only be realized if we continue to work together—public and private sector, exporting and importing countries, development partners and consumers—to address the root causes of the persistent coffee price crisis. In recognition of the urgent need to address the coffee price crisis, ICO Members have initiated actions to reduce the negative impacts on coffee-producing countries and farmers.

Resolution 465 on coffee price levels mandated that the ICO takes immediate actions to engage all links of the coffee value chains and the international community to address

the impacts of low coffee prices on the livelihoods of coffee farmers and their families and the long-term sustainability of the coffee sector. The Secretariat has worked tirelessly to implement Resolution 465 and to identify solutions in a spirit of shared values and responsibility in line with the UN Sustainable Development Goals.

I welcome the fact that the industry and the international community have been mobilized for international cooperation in achieving a sustainable global coffee economy. This is one of the main objectives of the International Coffee Agreement 2007, further strengthened by the ICO's Five-Year Action Plan.

In these difficult times, as the Covid-19 represents an unprecedented simultaneous supply and demand shock to the global coffee sector, we shall build on the opportunities identified by the Coffee Public-Private Task Force that has now held two very constructive meetings, and whose recommendations helped inform the 2nd CEO & Global Leaders Forum. During this Council we will be sharing with you a communiqué, drafted by the Task Force, to define a shared vision and commitments, between the private and public sectors while pursuing important progress.

I want to take this opportunity to congratulate the Executive Director and his able team for their hard work and dedication, especially at a time when the Organization itself is working in challenging circumstances with limited resources, both in term of staff and particularly in term of funding.

I take my role as Chair extremely seriously and am fully committed to doing all I can to nurture a clear consensus in order to deliver concrete solutions to the challenges that we face.

In this virtual meeting, we all come together to represent the sources of coffee production and consumption across the world, including my own home country Indonesia. We share the responsibility to make the coffee sector efficient and sustainable by pursuing a living income for our farmers and prosperity for all stakeholders in the coffee value chain.

Indonesia is committed to ensuring that the goals of Resolution 465 are realised. We are one of the oldest Members of the ICO as coffee has been of great importance to us. Indonesia is the fourth largest coffee producer in the world, producing between 9 and 11 million bags every year, and is among the top 10 consuming countries globally and continues counting.

In this world of increasingly inter-connected, the prosperity of the Indonesian coffee sector is important to global supply and demand. A priority is that we have a sustainable and internationally competitive coffee sector – this requires stronger collaboration and effective coordination between the public and private sectors, and this applies to the coffee sector throughout the world.

As Members of the ICO and the global coffee community, we all have a duty to ensure the fulfilment of the mandate of the International Coffee Agreement to foster the sustainable development of the coffee sector. We must support the ICO in its role of administrator of the Agreement, not only for the ever-increasing number of consumers across the world but also most importantly for the millions of people whose livelihoods depend on coffee.

In closing, I want to thank you all again for the privilege of selecting me as Chair of the International Coffee Council and for your trust in me.

I look forward to a constructive Council's discussion and deliberation. They say that the strongest bonds are forged in the fire. I know that we are feeling the heat, but this is a rare opportunity for us to forge the strongest of bonds and to overcome these unprecedented challenging conditions together.

Thank you.