



**INTERNATIONAL
COFFEE
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**Proposal by CPPTF regarding
implementation of the Roadmap:
commitments and targets of
Technical Workstream Market
Transparency**

Background

The International Coffee Council at its 130th Session considered and adopted the following proposal submitted by the Task Force, based on the decisions of its 6th Meeting, held on 30 June 2021: Technical Workstream 2 Market Transparency: Proposal commitments and targets for CPPTF roadmap whereby Members are encouraged and invited to engage proactively in the process and implementation going forward, by establishing measurements and learnings from Cost of Production and Value Distribution Efficiency (farm gate to FOB price) data vital for measuring the gap towards a Living Prosperous Income and starting to design the strategic interventions to close that gap. (Annex I)

PROPOSAL 1:**TECHNICAL WORKSTREAM 2 MARKET TRANSPARENCY: PROPOSAL COMMITMENTS
AND TARGETS FOR CPPTF ROADMAP****Background**

In 2020, the International Coffee Council confirmed its commitments and goals to realize Resolution 465 and the London Declaration by approving the CPPTF Roadmap, which outlines the long-term vision of prosperity across the sector that both public and private sector have agreed upon. The operationalization of this Roadmap is driven by various Technical Workstreams. Specifically, the Technical Workstream on Market Transparency (TW2) has been looking into the topics of cost of production, farm gate price, origin diversity and Futures markets.

TW2 began its work in January 2021, hence there are no specific commitments or goals regarding market transparency in the 2020 CPPTF Roadmap. Around 30 participants across ICO Members, the private sector and supporter organizations have engaged with TW2 in various online meetings and bilateral consultations to draft a proposal of commitments and goals. This proposal was presented at the 6th CPPTF meeting on 30 June 2021 and approved by Task Force sherpas for submission to the 130th ICC for consideration and approval.

Proposal

Transparency is the basis of greater sustainability in a number of ways. With reasonable transparency, we level the playing field, improve business efficiencies, and foster a more equitable sharing of value. It is the basis for an array of new advances, from blockchain to Living Income. Transparency is a public good as both individuals, communities and businesses have access to valuable information and policymakers are better informed. Transparency is, therefore, a foundation for the success of any sustainable practice or initiative. However, transparency is difficult to achieve at the level of farm conditions and transactions, and especially for small farmers. The proposal provides an approach that can provide catalytic public value by opening new possibilities for many coffee-farming communities and that can even be scaled to other market crops if desired.

Enhanced transparency can be delivered in two key areas—value distribution efficiency (farm gate to FOB or further) and cost of production—by following seven tested principles:

1. Apply basic universal standards that balance simplicity with “reasonable” rigor.
2. Align with existing best practice (ICO, World Bank, Global Coffee Platform, Living Income Community of Practice and others.)

3. Data is personal and is owned by producers and others who provide it.
4. Anonymized and aggregated, the data ranges are then controlled by the public sector at origin and shared via the ICO.
5. Participating origins shall receive assistance in capacity building, to help them manage data and ensure reasonable standardization.
6. Simple independent validation processes will help to ensure the credibility of data.
7. Based on the determined data model, with clear guidelines for how data is to be used and presented.

Key features of the proposal to measure and learn from Cost of Production and Value Distribution Efficiency (farm gate to FOB) are:

1. Establish best practice in a collaborative process

- Engage broad sectoral input to establish a fair and open data model, the indicators, and metrology as well as how data will be gathered and how it will flow (governance).
- Establish the data architecture, database, analytic approach, and dashboard needs for the key actors.
- Ensure necessary protocols and processes to ensure data privacy, data security, and data anonymization.
- Establish the protocols for sampling and approach in each pilot country with local institutions.

2. Establishing the work and building local capacity

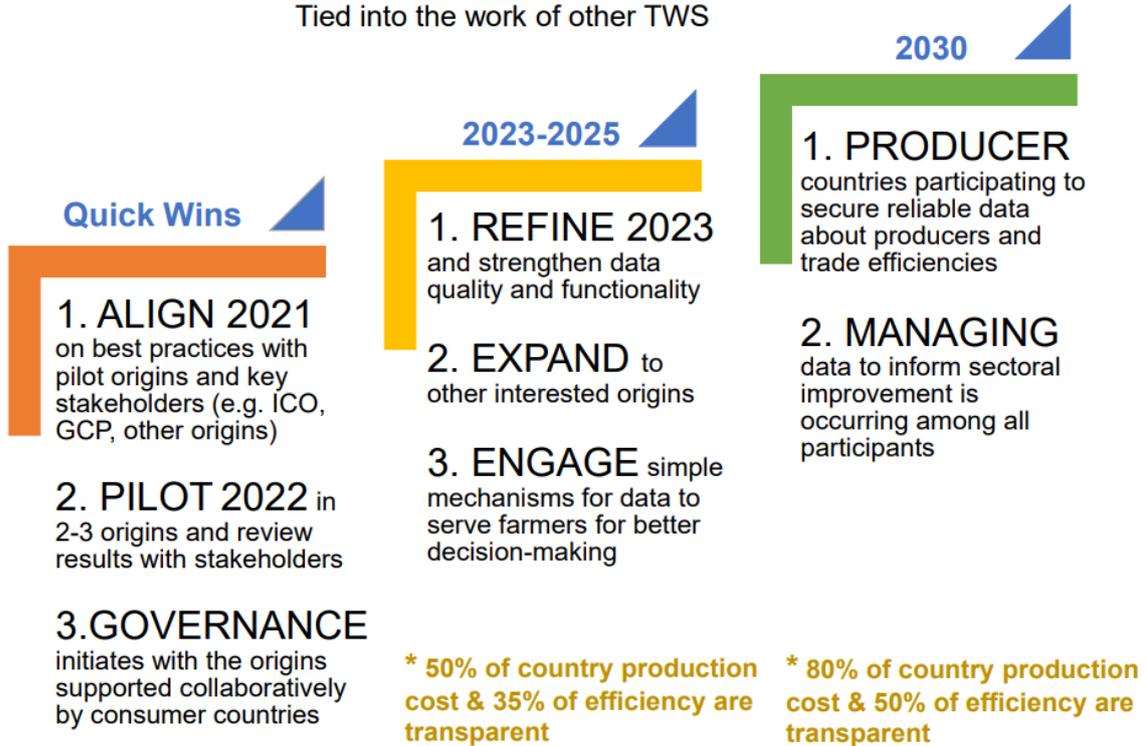
- Secure the appropriate technology to be used (to gather and share data).
- Build capacity of country institutions to ensure reasonable standardization and data quality.
- Execute tests of the field data-gathering processes to ensure methods are consistent.
- Establish and apply simple independent validations to ensure credible data.

3. Sharing and Reporting

- Conduct analytics initially. Automate the analytics if feasible.
- Based on the determined data model, develop guidelines for how data can be used and presented fairly, while acknowledging that aggregated and anonymous data are usually co-owned by the ICO and shared freely.
- Explore the types of learning that the data can be used for, including by the farmer-subjects themselves.

Transparency: Targets and Aspirations to discuss

Tied into the work of other TWS



Transparency aligns with other TWS, providing valuable data

