

## TERMS OF REFERENCE

### Establishment of a Public-Private Task Force and related Technical Workstreams<sup>1</sup> for the implementation of Resolution 465 and the London Declaration

#### 1. Objective

The aim of the *Coffee Public-Private Task Force (CPPTF)* on coffee price levels, volatility and sustainability and its related Technical Workstreams (TW) is to implement ICC Resolution 465 and the London Declaration, thereby actively advancing the work of the Sector-wide Dialogue initiated and led by the International Coffee Organization (ICO). The Task Force is established following [Decision ICC-125-10](#) adopted by the International Coffee Council at its 125<sup>th</sup> Session, which requested the ICO to set up a Coffee Public-Private Task Force (CPPTF) to respond to the London Declaration (LD)<sup>2</sup> on price levels, price volatility and the long-term sustainability of the coffee sector.

The objectives of the Task Force are:

- (i) to drive the discussion on a joint long-term vision beyond 2020 for the sector in order to achieve transformational solutions towards sustainable, inclusive and resilient global coffee value chains;
- (ii) to build consensus among public and private sector coffee stakeholders on a roadmap for the implementation of the commitments and concrete actions contained in the London Declaration and in line with the International Coffee Agreement [2007] to achieve the long-term vision; and
- (iii) to define new joint concrete, practical, actions which build on local initiatives, and resource allocation; and (iv) to monitor and report on progress and measure impact.

The ultimate objective of the Task Force is to build consensus on priority issues and actions to be submitted for consideration to the International Coffee Council (ICC) and the CEO and Global Leader Forum (CGLF).

The CPPTF will be supported by Technical Workstreams, consisting of a wider group of stakeholders, working together to support the work of the Task Force in the relevant thematic areas by:

- (i) providing technical inputs required to transform commitments into concrete actions through, for example, feasibility studies, surveys, , research and innovation, ensuring inclusive, gender- and youth-sensitive approaches.
- (ii) which build on, whenever possible, existing tools and frameworks already available within the sector; and
- (iii) developing a theory of change and shared vision of success for the initiative, again based on what is already available in the sector.

<sup>1</sup> In the initial draft of the Terms of Reference distributed in December 2019, the work of the Coffee Public-Private Task Force was said to be supported by 'Technical Working Groups', however, based on feedbacks received the term 'Technical Workstreams' was chosen instead as umbrella term encompassing existing initiatives of multi-stakeholder sector organizations and ad-hoc Technical Workstreams that would be newly formed as necessary (see also Section 5 of this document.)

<sup>2</sup> The London Declaration was signed by private sector leaders and other sector stakeholders during the 1<sup>st</sup> CEO and Global Leaders Forum, held on 23 September 2019 in London as a Special Session of the ICO's Private Sector Consultative Board (PSCB), <https://www.internationalcoffeecouncil.org/media/LondonDeclaration.pdf>.

- (iv) developing a roadmap that outlines a realistic pathway towards the fulfilment of this shared vision, including clear, quantifiable outputs over a given period of time.

The Technical Workstreams will operate as a reference framework in terms of topics and duration ensuring a flexible structure and process to determine the focus areas.

## 2. Background

At its 122<sup>nd</sup> Session in September 2018 in London, the International Coffee Council (ICC) adopted Resolution 465 on Coffee Price Level<sup>3</sup> to address the impact of low prices on the livelihoods of coffee farmers. This Resolution provides the ICO with a mandate to open a Sector-wide Dialogue to engage all value chain actors as well as the international community in collective and concrete actions. This Dialogue, and especially the direct engagement of the private sector, which formally started in March 2019, culminated in the 1<sup>st</sup> CEO and Global Leaders Forum (CGLF1) held in London on 23 September 2019.

CGLF1 brought together key industry players who signed the “London Declaration”, which sets out commitments by private sector enterprises to work with governments, development partners and civil society, with the objective of implementing practical and time-bound actions to address the current coffee crisis that concerns coffee stakeholders, thereby contributing to the implementation of the 2030 Agenda for Sustainable Development of the United Nations.

Subsequently, during its 125<sup>th</sup> Session held from 23-27 September 2019, the International Coffee Council welcomed the London Declaration and confirmed ICO Members’ commitment to work together with the signatories of the London Declaration and other stakeholders to jointly define detailed and concrete actions<sup>4</sup>.

Specifically, the Council requested the ICO “to set up a taskforce with ICO Members as well as representatives of the private sector and supporting organizations to draw up a roadmap and recommend further actions on price levels and volatility as well as long-term sustainability”, with the outcome of the work of the Task Force to be considered at the 2<sup>nd</sup> CEO and Global Leaders Forum and the International Coffee Council (ICC) during the 5<sup>th</sup> World Coffee Conference and the ICC to be held in September 2020.

To address price levels and volatility and to achieve an economically viable and sustainable coffee sector, the work of the Task Force will base its approach on the six thematic areas for action identified in Resolution 465 and in the London Declaration and through the Sector Dialogue:

1. **Market transparency** (with distinct focus on: market information systems on production cost and Living Income benchmarks, responsible sourcing, environmental sustainability, price, product differentiation on quality, origin and other traits, share value with the base of the value chain, etc.)
2. **Strengthening the policy and institutional environment** (efficient functioning of coffee futures markets, effective policies in exporting/importing countries, national coffee norms/standards)
3. **Global and regional funding mechanisms**
4. **Sector coordination** (individual and shared commitments, theory of change and measurement of impact/progress)

<sup>3</sup> <http://www.ico.org/documents/cy2017-18/icc-res-465e-low-coffee-prices.pdf>

<sup>4</sup> <http://www.ico.org/documents/cy2018-19/icc-125-10e-decision.pdf>

5. **Promoting competitive and sustainable production and expanding sustainable sourcing** (resilience, quality improvement, inclusive, gender- and youth-sensitive approaches)
6. **Promoting responsible consumption.**

Although these thematic areas form the basis for the way forward that the Task Force is exploring, they will be revised in the coming months as they are explored and improved upon by the Task Force and Technical Workstreams.

### 3. A unique consensus-building model

The evolution of the ICO Sector-wide Dialogue to address the current coffee price crisis and long-term sustainability, from ad-hoc consultation events to a continuous process, will be broadly based on the 'G20 Summit'<sup>5</sup> model – a high-level inter-governmental process that was created in response to the 2008 financial crisis. This would allow the reflection of a spirit of co-responsibility of coffee sector stakeholders, both public and private, as well as the urgency and seriousness of both short- and long-term sustainability challenges (economic, social and environmental) faced by the sector.

Similarly to the *G20 model*, the ICO Sector-wide Dialogue is geared towards addressing global challenges faced by the coffee sector through **consensus-driven action**. A ground-breaking innovation of the ICO Sector-wide Dialogue is that consensus is built not only among governments but explicitly between public and private sector stakeholders. The key feature of the consensus-building process is the Coffee Public-Private Task Force that will work towards possible agreements on actions and resources to be adopted by annual 'summits', the CGLF and ICC (Figure 1).

As such, the evolution of the Sector-wide Dialogue and the creation of the Task Force present an unprecedented public-private partnership in the coffee sector and a *unique* multi-stakeholder partnership mechanism to address price levels and volatility and to achieve long-term sustainability in a specific sector in line with the 17 UN Sustainable Development Goals and other global sustainability agendas and events of the UN system.

## 4. Specifics of the Public-Private Task Force (TF)

### 4.1 Membership of the Task Force

The Task Force will be constituted by [32] members (sherpas<sup>6</sup>), of which 16 are representatives of ICO Member countries and 16 representatives of the private sector, observers, with the addition of the ICO Executive Director as ex-officio secretary of the Task Force, and the ICO Head of Operations as his alternate (see Figure 1 for the Task Force diagram).

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<sup>5</sup> The G20 Summit is formally known as the "Summit on Financial Markets and the World Economy," and is an international forum convened annually. Its members (19 countries and the EU) represent more than 80% of the world's GDP. The primary agenda addressed at the Summit meetings is focused on issues related to the global economy. However, the discussions in recent Summits have also included issues such as trade and investment, development, climate change and energy, employment, digitalization, counter-terrorism, as well as migration and refugees (Source: <https://g20.org/en/>). The same model is also utilized by the Group of Seven (G7) which since 1975 emerged as a summit of leaders of major industrialised countries, initially to facilitate shared macro-economic initiatives as reaction to the [1970s energy crisis](#) and ensuing recessions.

<sup>6</sup> A general overview of the concept of Sherpa can be found [here](#).

*Private Sector Sherpas [16]:*

- [12] signatories of the London Declaration (companies)
- [2] the Chair and Vice-chair of the ICO Private Sector Consultative Board (PSCB)
- [2] private sector initiatives (GCP, SCC, mentioned in the London Declaration)

*Public Sector Sherpas [16]:*

- The representation of ICO Member countries in the Task Force matching the number of private sector sherpas:
  - Regional grouping of exporting Members (Africa, Asia, Central America & Mexico, South America) with 2/4 countries per group. ICO Exporting Members nominate their representatives (sherpas) to the Coffee Public-Private Task Force (CPPTF) through sub-regional representation: Africa, Asia and the Pacific, Central America, Caribbean & Mexico, South America with 2/4 countries per sub-region.
  - Importing Members represented by 3/4 countries. ICO Importing Members nominate their representatives (sherpas) to the CPPTF (3/4 Members).
  - Total of ICO Members (exporting and importing) in the CPPTF shall match the number of private sector members.
  - Exporting and Importing Members can appoint/re-appoint sherpas on a 2-year cycle as part of their deliberations in the International Coffee Council (ICC).

*Observers (can attend the Task Force meetings upon invitation, but will not have voting rights):*

- Supporting organizations that signed the London Declaration
- International organizations and International Financial Institutions (IFIs)
- Other organizations involved in Technical Workstreams.

*Expanding the Task Force / Becoming a signatory to the London Declaration*

- Organizations interested in supporting the work of the Task Force and the Sector Dialogue by participating in Technical Workstreams can do so without becoming a signatory to the London Declaration.  
The Task Force welcomes additional technical expertise in the Technical Workstreams -TWS and this should be a very open and flexible process. Any Task Force member or TWS Facilitator or ICO Secretariat can propose to invite relevant external organisations and/or individuals to join a Technical Workstream as a participant.  
New participants are expected to acknowledge and subscribe to the CPPTF Theory of Change with problem & vision statement and the overall Roadmap.
- Becoming a signatory or co-signatory to the London Declaration is a public demonstration of the organization's support for the Sector-wide Dialogue. It does not automatically imply the organization will become part of the Task Force and nominate a Sherpa. Any new signatory or co-signatory is expected to acknowledge and subscribe to the CPPTF Theory of Change with problem & vision statement and the overall Roadmap.
- Organizations interested to join as a member or observer of the Task Force or participant in the Technical Workstreams will be discussed as follows:

- 1) Join as member of CPPTF:
  - a. In case of private sector: present formal letter to the ICO Executive Director and ex-officio Chairperson of the CPPTF; sign London Declaration; acknowledge and subscribe to the CPPTF Theory of Change with problem & vision statement and the overall Roadmap; Assign a Sherpa;  
Contributions to the CPPTF annual operational budget:
    - i. The ICO Secretariat manages and covers the operational and staff costs of the CPPTF and its Technical Workstreams through ICO members countries' assessed contributions to the ICO annual budget or through voluntary contributions. However, the CPPTF annual Operational Budget requires also CPPTF private sector Members contributions in view of the public-private partnership nature of the Task Force.  
Each year the ICO Secretariat will present to the Signatories of the LD an audited report of the previous year budget and a draft operational budget proposal indicating the overall expected private sector contribution to complement the contribution of the public sector or other donors.
    - ii. LD Signatories can choose their annual contribution level according to a scheme which takes the lowest ICO membership fee as entry point. The levels currently are fixed as follows:
      - Bronze: GBP 4,900 – 6,999
      - Silver: GBP 7,000 – 9,999
      - Gold: GBP 10,000 – 50,000
    - iii. Additional in-kind contributions are possible and welcome as well as funds to cover specific actions and activities especially in exporting members.
  - b. In case of ICO members: internal ICO selection procedure through regional consultations to nominate new member, who acknowledges and subscribes to the CPPTF Theory of Change with problem & vision statement and the overall Roadmap and assign a Sherpa;
  - c. In both cases: proposal presented to CPPTF for discussion and approval will be reviewed to ensure overall public and private sector balance and ratio of CPPTF membership is maintained.
- 2) Join as Observer:
 

ICO Members and Secretariat, as well as CPPTF members, have the authority to invite like-minded and interested external organisations/individuals as Observers to extend the reach & coverage of the Task Force.
- 3) Join a TWS:
 

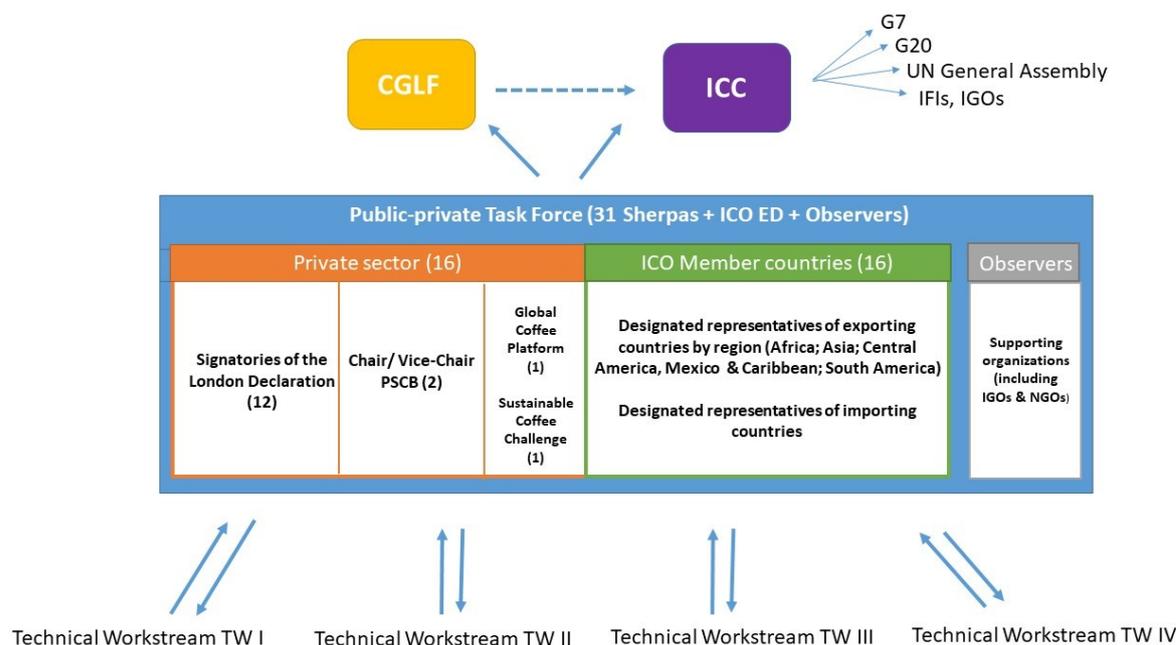
The Task Force welcomes additional technical expertise in the Technical Workstreams -TWS and this should be a very open and flexible process. Any Task Force member or TWS Facilitator or ICO Members or Secretariat can propose to invite relevant external organisations and/or individuals to join a Technical Workstream as a participant.  
New participants are expected to acknowledge and subscribe to the CPPTF Theory of Change with problem & vision statement and the overall Roadmap.

#### *Presidency (Chairmanship):*

- As a deviation from the G20 model, the Task Force cannot effectively assign the Presidency to one of the members on an annual basis due to its membership and size. Therefore, the draft agenda will be set by the ICO Secretariat based on inputs provided by the Task Force, Technical Workstreams, ICO Members and civil society, taking into account issues raised in global forums,

such as the United Nations, G7/G20, World Economic Forum and relevant national and regional entities.

Figure 1: Coffee Public-Private Task Force



#### 4.2 Roles and responsibilities of the Task Force

- Maintaining the public-private dialogue and high-level progress tracking regarding commitments in Resolution 465/London Declaration. The Task Force is the key platform for dialogue between “summits” (CGLF and ICC).
- Driving the further development and operationalization of commitments and building consensus, with the next important milestone being the CGLF2 and ICC in 2020 and beyond.
- Developing a shared definition of the agenda for public-private dialogue in line with Resolution 465/London Declaration, clarifying expectations, and identifying opportunities for shared action.
- Providing directional guidance to the Technical Workstreams.
- Reviewing outputs and recommendations of the Technical Workstreams.
- Recommending a set of actions, commitments and resource requirements that will be shaped in an agreed communiqué to be discussed and considered by the CEO and Global Leaders Forum and the International Coffee Council.
- Provide inputs for the current negotiations of the revision of the International Coffee Agreement (ICA) regarding potential private sector membership.

## What is a sherpa?

The Task Force sherpa is an individual with a mandate to facilitate negotiation on behalf of the organization or grouping she/he represents.

As members of the Task Force, sherpas prepare the annual 'summit' of the Sector-wide Dialogue, the CEO and Global Leaders Forum and the International Coffee Council. Between summits there are multiple Task Force meetings where possible agreements are laid out.

The continuous dialogue enables the sherpas to identify areas of consensus as well as areas where further debate and negotiation is required, track progress on commitments, thereby reducing the amount of time and resources required at the final summit. While sherpas are influential in driving consensus between summits, the authority to make a final decision on any proposed agreement is reserved for the summits (CGLF/ICC).

### 4.3 Meetings of the Task Force

The Task Force meetings form a part of the negotiation and consensus-building process among and between public and private sector stakeholders. The main purpose of these meetings is to achieve consensus on the set of actions, commitments and resource allocation to be proposed to the CEO Global Leaders Forum and International Coffee Council.

The meetings will be held physically<sup>7</sup> in order to promote engagement, substantive discussion and negotiation leading to decision making by public and private sector representatives. Approximately four meetings per annum, one per quarter are envisaged. If physical meetings are not possible due to *force majeure*, virtual meetings will be scheduled. The ICO will be holding consultations between Task Force Meetings to ensure a continuous engagement of Task Force Members and observers towards reaching consensus.

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<sup>7</sup> The ICO is committed to mobilizing voluntary contributions also to facilitate the participation of exporting countries' sherpas in the work of the Task Force, taking into account travel budgets and the frequency of its physical meetings, which will be reviewed on an annual basis.

## 4.4. Task Force meeting management

<i>Issue</i>	<i>Rules</i>
<b><i>Decision-making</i></b>	Decisions take place once the Task Force quorum is met and consensus is reached (consensus in this case meaning “the absence of sustained opposition” which is determined by the ICO Executive Director as ex-officio secretary of the Task Force).
<b><i>Quorum</i></b>	The quorum at each of the Task Force meeting is that 20 out of 32 Sherpas should be in attendance. This includes a minimum of 10 private sector sherpas and 10 public sector sherpas.
<b><i>Proxy</i></b>	Any private sector TF Member may authorize in writing any other private sector member, and any public sector member may authorize in writing any other public Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Task Force.
<b><i>Agenda</i></b>	Sherpas, supporting organizations, and members of Technical Workstreams can submit topics for discussion/decision to the ICO, which will evaluate and coordinate development of the Task Force meeting agenda, as well as required documentation and pre-read materials.
<b><i>External experts</i></b>	Invited experts will only attend the parts of the meeting for which their inputs are needed. They may not need to attend all meetings or the entire duration of a meeting and will be required to leave the meeting at times of voting or decision-making.
<b><i>Conflict of Interest</i></b>	All participants in the Task Force, except sherpas and observers, must declare any conflict of interest any matters on the agenda and/or matters arising at the beginning or during the meeting. Should a conflict of interest exist, the sherpas concerned must recuse themselves from the decision-making process or sensitive discussions.
<b><i>Non-disclosure</i></b>	Members, observers or invited experts who have been privy to the discussions shall not use their position on the Task Force/Technical Workstream and/or information obtained to obtain monetary gain.
<b><i>Operation</i></b>	Meetings will observe Chatham House rules.
<b><i>Membership</i></b>	Reselection of inactive Sherpas will be discussed on an annual basis.
<b><i>Reporting</i></b>	Summary minutes of the meeting and clarifications of decisions made by the Task Force are will be shared by the Secretariat no more than one month after the meeting.