



ORGANISATION OF SOUTHERN COOPERATION

منظمة التعاون الجنوبي

ORGANISATION DE COOPÉRATION DU SUD

ORGANIZACIÓN DE COOPERACIÓN DEL SUR

## STATEMENT BY

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Secretary-General of the  
Organisation of Southern Cooperation (OSC)

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**During the Opening of  
the G-25 Africa Coffee Summit**

7th - 10th  
August 2023  
Kampala, Uganda

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Your Excellency, The President of the Republic of Uganda

Your Excellency the President of the Federal Democratic Republic of Ethiopia

Your Excellency the Vice President of the United Republic of Tanzania

The Rt Hon Prime Cabinet Secretary of the Republic of Kenya  
Hon Ministers,

Hon Chairman of the Inter-African Coffee Organisation

Ladies and gentlemen,

It is first my profound appreciation that I should like to express to the Government of the Republic of Uganda and to the Inter-African Coffee Organisation for the invitation to address this Summit today, whose topic is as crucial to the development agenda as its convening is timely.

As the intergovernmental organisation *of* the South and not merely *for* it; as the international organisation *by* the South, and not arrogantly *on behalf* of it; the Organisation of Southern Cooperation (OSC) firmly believes in the importance of a new kind of multilateralism, one that adopts a framework of equality amongst parties, of equity in their relations, and of elevating solidarity, rather than debasing charity.

This new multilateralism demands, on the one hand, North-South partnerships which are equitable in that they acknowledge, respect, and abide by national priorities and local realities; and, on the other hand, it unambiguously calls for the reinforcement and amplification of South-South cooperation, amongst countries and peoples that, whilst extraordinarily diverse in their cultures, histories, and realities, also share systemic challenges and aspirations.

And in order to build mutually beneficial North-South partnerships that achieve self-sufficiency in our countries, as well as to ensure effective South-South cooperation that goes beyond mere aspirations, and achieves tangible results, proper regional exchanges, cooperation, and integration are indispensable.

And this Summit of African coffee producing countries embodies such an aspiration for African integration, which in turn accelerates and reinforces the cooperation amongst our countries of the South, and their integration.

And the very subject matter of our gathering, *coffee*, is perhaps the most appropriate, the most authentic symbol of the South. Because it is a tree whose fruit is absolutely universal, yet whose



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roots only grow within Southern soil – in Latin America and the Caribbean, in Africa, in the Arab World, and in Asia. It also represents the structural, economic injustices that our countries have, and continue to, endure as well as embodying the potential for endogenous development to be materialized into a tangible, prosperous and sustainable reality for our Peoples.

Ladies and gentlemen,

The elements that we must consider, at this Summit, fall under two general categories: short-term measures to address the structural issues with the coffee industry as it currently stands, and medium-term measures in order to transform the coffee sector within our countries.

In 2021 alone, the value of the global coffee trade, not even taking into account the consumer market value of 466 billion dollars, amounted to over 36 billion dollars. Yet, not only do our coffee-producing and exporting countries only benefit from as little as 5% of the end-market prices, but we are also exposed to the whims of the international commodity market, setting the prices, which keep fluctuating, for our produce. Even well-intentioned initiatives to address this issue such as the Fairtrade Foundation, which has recently increased the Fairtrade minimum price per pound to 1.80 USD for washed Arabica and 1.20 USD for natural robusta, do not address the root causes of the problem: when the international commodity market prices for coffee plummet, this does not reduce the costs of coffee growers – 25 million of whom are smallholder farmers – , yet the minimum prices set by the Fairtrade Foundation are the same, everywhere, despite the fact that the costs of production and of living are, obviously, different in each of our countries. In other words, despite appearances, even initiatives that aim to ensure fairness in the profoundly inequitable global coffee trade are, by basing themselves on the whims of the international markets, nothing more than a price guarantee for *retailers* in the North, not an assurance of a living profit margin for *producers* in the South.

This state of affairs is not only abysmal, but it is also intolerable. Our coffee producing countries, not only of Africa, but also of Latin America and the Caribbean, of the Arab World, and of Asia must come together in order to stabilise the markets for our farmers as well as set prices that are authentically fair. We have done it in the past, as countries, in the case of oil – we can do it, today, with coffee.

In this regard, the Organisation of Southern Cooperation (OSC) is committed to work with Member States and other stakeholders – in particular the African Union and the Inter-African Coffee Organisation and their counterparts in the other regions of the South – to make this a reality.



Ladies and gentlemen,

Another set of short-term measures that must be implemented, especially in Africa, are those aimed to address the productivity gap. Whereas Africa accounted for 30% of the global area of 11.3 million hectares harvested in 2021, it only represented 12% of the 175.6 million bags of coffee produced in the same year.

And whilst this staggering dissonance between area harvested and yield realised in the continent undoubtedly speaks to the technology divide that we must bridge, it also forcefully highlights the role and responsibility of our education systems, in particular technical and vocational education and training. Aside from the fertilisers and overall technology to which African smallholder farmers have limited access, there is an abundance of knowledge and skills, both modern and ancestral, that would enable them to increase their yields, improve their livelihoods, and contribute to environmental sustainability.

In the host country of this Summit, Uganda, an agroforestry research project in 2020 demonstrated that pruning, which consists in trimming the dead and young shoots that grow on tree stems, when done deliberately and consistently, ensured less water use, the creation of water reserves in the soil that can be used for other crops, and increased the yield of farmers by 27 to 32%.

Such examples indicate that we must have a more deliberate approach to coffee farming in our countries, not only by inscribing in our policy frameworks a systematic collaboration between our Ministries of Agriculture and our Ministries of Education, but also by investing more comprehensively in transdisciplinary research in these areas of common interest to our countries.

In this regard, the Organisation of Southern Cooperation stands ready to work closely with governments and partner institutions to simultaneously facilitate the review of policy frameworks on the basis of a systemic, whole-of-government approach and in establishing regional transdisciplinary research centres – both aspects already being part of the common Programme of our Member States.

Finally, with regard to short-term measures that we may collectively and respectively consider for implementation, I should like to address the central issue of green bean exports, which regrettably constitute the majority of our total coffee exports as countries of the South.

As stated previously, green bean exports are not only fundamentally unstable sources of income for our countries, but also deeply inequitable for our smallholder farmers. And our shared intention to transform the coffee sector through value addition notwithstanding, at present, green bean exports towards the North, where they are processed, remain an essential source of livelihood for millions of our citizens across the South.



Yet, even when only looking at the data of green bean exports, it is disheartening to see that Germany, which does not grow a single coffee tree, exports *green* coffee beans amounting to a value of 635 million dollars, whereas the value of the green bean exports of Uganda, the second largest coffee exporter in Africa after Ethiopia, amounted to only 559 million dollars in 2021.

Accordingly, as another short-term measure, I move that we consider, as coffee producing countries from across the South, deliberately prohibiting green coffee exports to suppliers in the North that merely re-package and re-sell the green beans at a premium. Their clients should have to re-direct their operations towards the purchase of green beans directly in the country of origin. And whilst the costs of certification, including well-intentioned ones, are often borne by the producers that we are, in such a case, the burden, and cost, of proving value addition would fall on the buyers. And any green beans that we subsequently no longer export must be redirected towards national and regional coffee industries which add value to our production.

For the value of such short-term measures notwithstanding, as an intergovernmental organisation whose mission is to contribute to the collective construction of a Third Way of Development – from the South, by the South, yet for Humanity in its entirety –, the OSC remains adamant that we must, from today, invest in value addition and the structural transformation of the coffee sector which shall bear fruit in the medium term.

At the risk of reiterating the conspicuous, coffee *only* grows in the South. Yet, outrageously, 4 out of the top 10 coffee exporting countries in the world are European – Switzerland, Germany, Italy and France –, each of whom exported more coffee in 2021 than Ethiopia, which is the largest African coffee exporter. As a matter of fact, Europe constitutes 39% of total coffee exports, whereas African coffee exports amount to a mere 7%. In other words, Africa sells, alongside other Southern regions, green coffee beans to Europe, where they are roasted, processed, encapsulated and, in part, sold back to us.

If we are to achieve the endogenous development and shared prosperity to which we aspire, we must ensure, accordingly, that the majority of value addition in the global coffee industry occurs in the country of origin. But this is only possible if we inscribe our initiatives within a broader, systemic, and collective plan of transformation – a Third Way of Development.

Such a plan of action, addressing the structural weaknesses of our economies which generate our dependencies, should focus on seven, strategic and sovereignty-enhancing sectors:



1. High value-added industrialisation;
2. Endogenous technology development;
3. Sustainable Agriculture;
4. Renewable Energy;
5. Balanced and Inclusive Education Systems;
6. Integral Health Systems; and
7. Infrastructure.

High value-added industrialisation because our countries of the South remain, to this day, net exporters of products with low value-added content, of raw materials. And it is no longer sufficient to *produce* in our countries – we must *transform* within them. In the case of coffee, this means investing in roasting facilities, in processing and packaging plants, in capsule factories.

Endogenous technology development, because the techno-digital divide – which has been exacerbated by the COVID-19 pandemic – will not be bridged by donations nor by importing technologies. For these technologies, which are not only costly but generally closed-source and proprietary, will be obsolete in a matter of years, not decades, and we will find ourselves *then* in exactly the same situation in which we find ourselves *now* – that is, passengers, rather than drivers, of the 4<sup>th</sup> industrial revolution. We must develop our own, endogenous – national or regional – technologies, harnessing the creative capacity of our youth and stimulating our economies, that technology may be more contextual, affordable, and enhance our production capacities, including coffee origin traceability and quality assurance.

Sustainable agriculture, because as demonstrated by the exogenous shocks felt by our countries as the result of recent crises, we must be able – beyond food security – to achieve food sovereignty, and to do so in a manner that does not compromise the needs of future generations. In the case of coffee, this requires us to invest in agroforestry research and techniques, which also ensure greater yields for our smallholder coffee farmers.

Energy, because no aspect of development is possible without energy, demanding from us a coherent plan to ensure energy sovereignty. And renewable, because our dependence on fossil fuels is not only profoundly detrimental to the planet, but also exposes our economies to external market shocks, leading to inflation, reduced margins for our industries, and unreliability of energy provision for many of our citizens. In the case of coffee industrialisation, this entails investing in energy efficiency, affordability, and reliability, not only to power our industries, but also to reduce the operating expenditures of our farmers.

Balanced and inclusive education systems, because there is no development possible without education. Yet not any kind of education – we need education which reflects who we are as peoples and individuals to enable us to become who we want to be; education which engages





with the world's complexity and serves as an actor of local development; education which not only prepares our youth for the world, but enables them to change it; an education which adapts to national priorities, local realities, and individual needs. In short, education systems that are transformed in order to become transformative. This calls, in the coffee sector, for the design of courses both in academic and TVET tracks, including advanced coffee roasting and blending courses, to prepare our youth to lead and grow the nascent industries centred on value addition.

Integral health systems, because – beyond the conspicuous – as demonstrated by the COVID-19 pandemic, which may not be the last, we must ensure our capacity to protect the right of our Peoples to quality healthcare. This also means that, beyond curative medicine, we must invest in preventative care, which also includes renewing dialogue with endogenous, Southern epistemologies in health. This entails investing in “one health” policies and programmes, involving the public health, veterinarian and environmental sectors, to account for the interconnected and interdependent nature of our health with that of domestic and wild animals, plants and crops, and the wider environmental ecosystem

And, finally, infrastructure, because we require South-South cooperation and regional integration to realise our development aspirations – there is no walking this arduous path alone. But there is no integration possible without the infrastructure for integration. In the case of transforming our coffee sector, this requires us to invest in transportation and supply routes and cost-effective distribution channels for the required importation of materials and the subsequent consumer product exportation, as well as warehousing and storage facilities.

Ladies and gentlemen,

This direction which we are determined to take, collectively, towards an approach to multidimensional, endogenous, and sustainable development, for which coffee has the potential to act as the catalyst, is one that is not only feasible, but also within reach.

It will, however, require a collective, concerted, sustained and sustainable effort to transform the international financial architecture.

Because we may speak at length of this transformation, we may even develop comprehensive policies and operational plans for its realisation, but if we do not give ourselves the financial means to invest in these sectors that are key to the shared prosperity of our Peoples and the multidimensional development of our Nations, then all that we are discussing today will remain nothing more than eluding, intangible aspirations.

We must, accordingly, work together – as countries of the South – to ensure greater fiscal space for Governments to invest in those strategic areas, but also to secure fresh, highly concessional financing for our development.



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It is with this imperative in mind that the Organisation of Southern Cooperation is actively working with its Member States on the launch, in the course of this year and the next, of a number of new, innovative and solidary financial instruments that will give material substance to our noble discourses.

And in this regard, in continuation of our General Assembly's recent invitation to all countries of the Global South to become Member States of the OSC, I also extend, on behalf of the Secretariat, the hand of collaboration and partnership to all like-minded organisations – that we may confederate our efforts, strive together, and build the future that we want, and that Humanity deserves.

For as this 2<sup>nd</sup> Africa Coffee Summit unfolds, as experiences are shared, as arguments convince, as ideas are concretised to transform the coffee industry, and by extension our development models, we must act with a collective, righteous sense of urgency, striving as one to forge the future, instead of being forged by it.

To that end, we must – through a whole-of-government, a whole of society endeavour – muster the will that is necessary to transform our aspirations into action.

The clock is ticking – and the struggle continues.





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