



## SUSTAINABLE COFFEE PARTNERSHIP: OUTLINE OF STRUCTURE AND APPROACH

### 1.0 Rationale and Overview

As one of the most important commodities in terms of value traded globally, coffee plays a crucial role in the livelihoods of millions of rural households across the developing world. In addition to the estimated 25 million small coffee farmers and their families who depend directly upon coffee as their primary source of income, coffee contributes significantly to foreign exchange earnings and plays a leading role in determining opportunities for employment and infrastructure development in more than 50 developing countries. The breadth and intimacy of the relationship between coffee producers and a host of intermediary institutions along the coffee supply chain makes the sector of critical importance to sustainable development at the local, regional and global levels.

Growing instability in global coffee markets combined with intensification of production and trading practices around the world over the past several decades has placed producers and their communities in a state of unprecedented vulnerability. In response to this, a number of initiatives addressing specific sustainability issues along the coffee supply chain have been launched over the past decade and a half. Although the mechanisms used by these initiatives vary considerably, there has been a notable growth in the use of supply chain management and related market-based instruments for improving:

- market information and communication along the supply chain
- overall supply chain efficiency
- capacity building among producers
- infra-structure development for producers
- environmental conditions related to production
- economic returns for producers

The growth in the number of such initiatives has clearly had a beneficial impact on the sustainability of the coffee sector. The development of new consumer markets around specific sustainability concepts is but one example of how such initiatives have brought new benefits to producers and others along the supply chain. However, the growing diversity of initiatives and players involved has also given rise to new obstacles that threaten to prevent those most in need from reaping the full benefits available from such efforts. Some of the challenges currently facing the coffee sector as a result of the multiplicity of initiatives include:

- growing desire for clarity among producers, industry, consumers and policy makers on what sustainability means within the sector
- new barriers to accessing and entering “sustainable markets” for producers
- reduced efficiency, economies of scale and overall impacts of sustainability efforts
- lack of clarity on the relationship between supply chain sustainability strategies and macro-sustainability strategies for the sector
- lack of clarity on the relationship between supply chain sustainability initiatives and public policy
- lack of clarity on the impacts of diverse sustainability initiatives and opportunities for diversification

The current context of growth and diversity among existing sustainability initiatives presents a significant opportunity for improved impact through a process of enhanced inter-initiative coordination.

### 2.0 Objectives

#### 2.1 Primary Objective

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To promote the use of sustainable production and trading practices in ways which improve the social, economic and environmental well being of stakeholders along the entire coffee supply chain, and in particular the most disadvantaged among them.

### *2.2 Secondary Objectives*

A Partnership should provide a specific forum for achieving this larger objective by primarily enabling:

- Shared learning and information exchange among all stakeholders
- Generation of policy guidance for the sector
- Accountability and coherence building among existing sustainability initiatives
- Development of a global sustainability strategy for the sector
- Development of a consensus-based, global definition for sustainable coffee production and trade.
- Identification of concrete shared research and pilot projects
- Identification of supportive policy instruments for sustainability in the coffee sector
- Clarity and transparency for sustainability standards
- Generation of resources for promoting and implementing sustainability in the coffee sector at the global level
- Mobilization of research and resources for coordination of specific sustainability initiatives

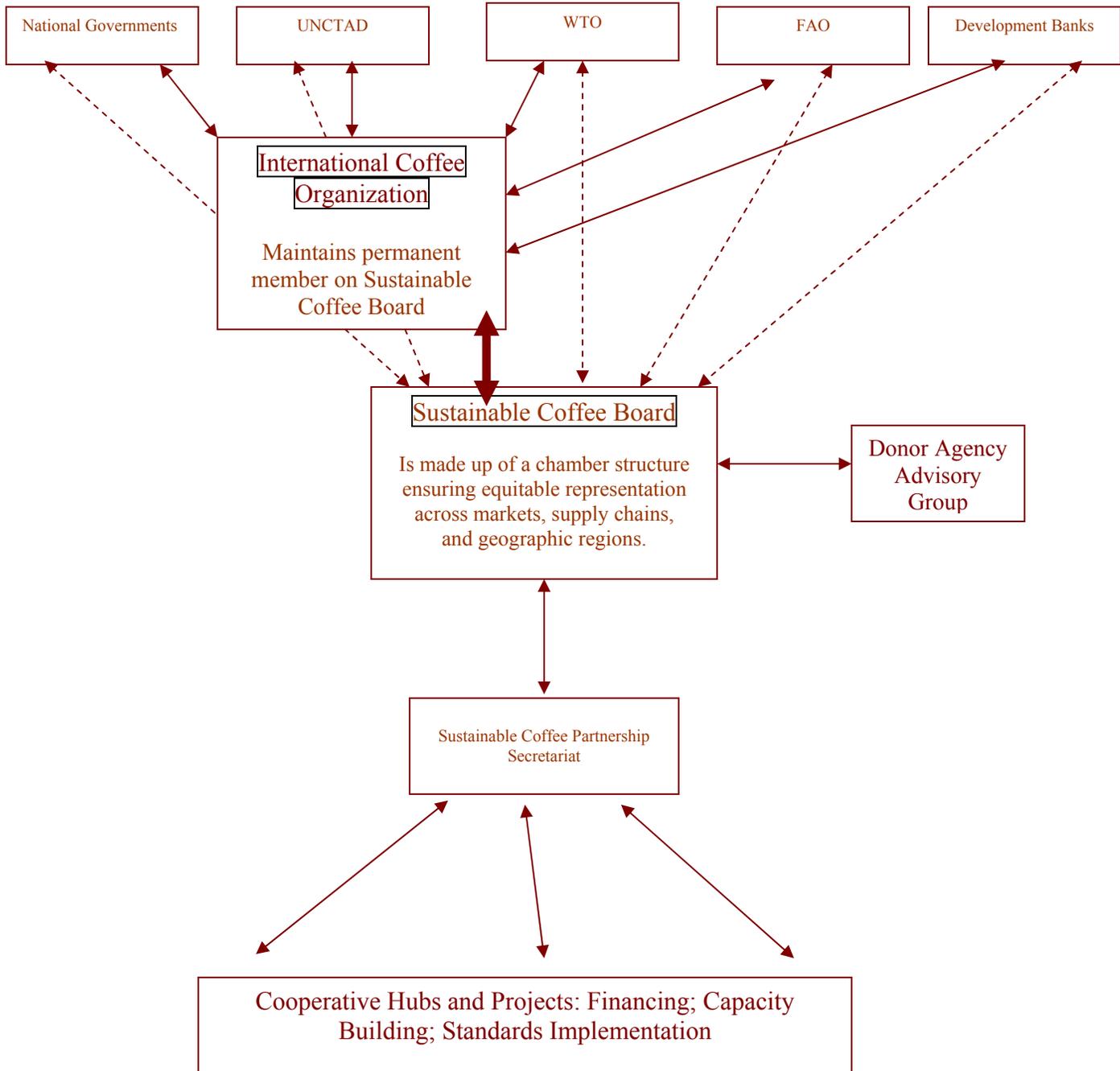
### **3.0 General Approach**

*3.1 The Partnership will be guided by a few basic principles including:*

- Build upon and across existing initiatives and institutions—modify existing infra-structures before setting up new infra-structure
- Place priority on concrete projects and collaborations
- Promote coherence and shared understandings
- Emphasize support for small producers and the most vulnerable actors in the coffee sector.
- Draw upon public-private partnerships both at the project and policy levels wherever possible
- Ensure transparent multi-stakeholder representation and decision making
- Activities and policy should be developed on a global scale, but must consider regional and sectorial realities and dynamics.

3.2 Sustainable Coffee Partnership

Draft Schematic Diagram



Note: Arrows do not designate decision making hierarchy but rather proximity of communication channels

## **4.0 Overview of Task and Functions**

### *4.1 International Coffee Organization*

The ICO has a direct and formalized link with the Partnership and operates as the primary conduit to national governmental authorities. The ICO provides critical information exchange and guidance roles for the Partnership.

### *4.2 Sustainable Coffee Board*

The Sustainable Coffee Board operates as the core decision making body of the Sustainable Coffee Partnership, is the official representative of the Partnership, and is responsible for the financial administration of the Partnership. The Board guarantees equitable representation among industry, civil society and producers and provides policy direction to the Secretariat for its coordination activities as well as to the larger policy community. Pursuant to this latter role, the Board also plays an advisory or consultative role to the ICO. In order to preserve maximum transparency and accountability, Board members are elected by Partnership members through a General Assembly. The Board also provides direction, technical guidance and assistance to the Thematic Cooperation Hubs.

The Sustainable Coffee Board focuses on promoting policy and market development activity in support of sustainable development for the sector. This task is carried out along two conceptually distinct branches: External policy development whereby directives and guidelines for public policy are developed/promoted/implemented and internal policy development whereby directives and guidelines for stakeholder activity are developed/promoted/implemented (eg. supply chain standards/guidelines). In the sphere of external policy development, the Board identifies public policy measures for promoting the adoption of sustainable practices (including, of course, any base standards or guidelines associated with the Partnership) and prioritizes areas for such activity.

### *4.3 Sustainable Coffee Partnership Secretariat*

The Secretariat is directly responsible to the Sustainable Coffee Board. The Secretariat manages the day to day tasks associated with coordinating activities of and facilitating communication among Members, Thematic Hubs and Projects. The Secretariat is also responsible for the direct management of “core” Projects such as, for example:

- The administration and development of global strategies for implementing sustainability within the sector (based on board, committee hub and member input)
- The administration and development of a news bulletin on sustainability in the coffee sector
- The organization of an annual “Sustainable Coffee Convention”

### *4.4 Thematic Cooperation Hubs*

The Partnership sponsors, promotes and acts as a catalyst in the development of thematic “cooperation hubs”. The Hubs are a focal point for the partnership’s activities and are open to the voluntary participation of the Partnership’s members. When appropriate, the Board appoints a hub coordinator to guide a particular hub.

The actual themes for the hubs are dependent primarily on examples of naturally occurring cooperative engagements, with the Partnership offering infra-structural and coordination support. More formal linkages with the Partnership could be established in the event that such hubs lead to the development of consolidated multi-stakeholder policy and/or instruments for application across the sector. The following are *possible* areas where thematic cooperation hubs could be expected on the basis of existing initiatives and stakeholder interest:

- Research on sustainable consumption and production practices.
- Financing strategies for sustainability in the coffee sector.
- Standards cooperation and development.
- Policy and market development to support sustainable production and trading practices
- Implementation of sustainable practices, codes and standards.
- Small producer information exchange and capacity building

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- Marketing and consumer education to promote sustainable consumption and production practices.
- Quality improvement and diversification.

### **5.0 Projects**

Projects emanate from any aspect of Partnership activity, whether related to the core policy activities of the Partnership or linked to Thematic Cooperation Hubs.

### **6.0 Members**

Any and all stakeholders to the coffee supply chain would be eligible for membership in the Partnership. Members are eligible to be members of the Sustainable Coffee Board as well as to vote in annual Board elections. Members are also eligible to be members of thematic hubs. In order to facilitate the broadest possible participation of the entire sector, the Partnership does not charge a membership fee. However, members are required to commit a designated amount of time in participating in the Partnership and its activities.

### **7.0 Donor Agency Advisory Group**

A Donor Advisory Group works to ensure that Partnership activities and Donor activities are dovetailed in the most appropriate and efficient manner possible. This advisory groups allows Donor agencies to plan and coordinate their respective strategies for promoting sustainability in the coffee sector.

### **8.0 Other Committees**

Other committees are formed on a needs basis in order to enable the Sustainable Coffee Board to fulfill its mandate of promoting policy and market development for sustainability in the coffee sector.