The Sustainable Commodity Initiative
Towards an Equitable Trading System: A Sustainable Coffee Partnership
May 18th, 2004

The Sustainable Commodity Initiative: Promoting an Integrated Approach to Sustainability in the Coffee Sector
- Exploring opportunities for multi-stakeholder cooperation at the global level
- Over the past year and a half, the SCI has organized a forum for networking and knowledge generation on sustainability in the coffee sector
  - Two international multi-stakeholder workshops
  - Stakeholder consultations
  - Research on specific areas for further cooperation
- In search of market-based approaches to bringing sustainable practices and trade to the coffee sector on a broad basis

Standards as a Tool for Promoting Equitable Trade
- Positive impacts
  - Improved information
  - More predictable relations
  - Premiums (niche products)
- Limitations
  - Multiplicity of initiatives
  - Lack of enabling infrastructure
  - Market structure issues not addressed

Conclusion 1
- A transparent and equitable platform with broad-based multi-stakeholder representation is needed to bring the multiplicity of initiatives and interests in the coffee sector together

Conclusion 2
- Economic viability is a prerequisite to the adoption of social and environmental standards
- Economic viability for many of the world's small producers requires a supportive economic framework and infrastructure (financing, risk management, producer organization, policy support and diversification)
- Economic viability requires a "standards plus" approach

Conclusion 3
- The ICO has a critical role to play:
  - Global mandate for coffee cooperation
  - Global mandate for policy development for the sector
  - Sustainable Development is one of the fundamental objectives of the ICA
A Sustainable Coffee Partnership

Presentation of Research:
May 20th, 10 AM – 12:30
ICO Meeting Room

Join the Sustainable Coffee Discussion Group
subscribe-SCI-coffee@lists.iisd.ca
or visit
http://www.iisd.org/trade/commodities/

The Sustainable Coffee Partnership
- Sustainable Coffee Board
  - member elected multi-stakeholder body for promoting and developing sustainability in the sector
  - Manage a “sustainability strategy” for the sector based on two “policy branches”:
    - Internal Policy: developing and promoting stakeholder guidelines and policies in support of sustainable production and trading practices
    - External Policy: developing and promoting government action in support of sustainable production and trading practices

The Sustainable Coffee Partnership: Provisional Steering Committee
- International Coffee Organization (ICO)
- Sustainable Agriculture Initiative Platform
- Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD)
- OXFAM/Global Alliance on Coffee and Commodities (GLACC)
- Sustainable Agriculture Network (SAN)
- Common Code for the Coffee Community Initiative (CCCC)
- Commission for Environmental Cooperation (CEC)
- Specialty Coffee Association of America (SCAA)
- TechnoServe
- United States Agency for International Development (USAID)
- World Bank
- Federación Nacional de Cafeteros (FNC)
- United Nations Conference on Trade and Development (UNCTAD)

An Integrated Approach to Sustainable Development
Principles for Sustainable Development:
- Principle 1: Market imperfections should be reduced to enable the maximum amount of producers to be paid, at a minimum, a price/wage that covers basic production, living and environmental costs; and market friendly methods should be explored to improve price stability across the business cycle
- Principle 2: Employment relationships should be maintained in accordance with core ILO conventions and local law.
- Principle 3: Production practices should be environmentally sustainable
- Principle 4: Producers should have enhanced access to credit and opportunities for diversification
- Principle 5: Producers should have enhanced access to trade information and trade channels.

The Sustainable Coffee Partnership
- Partnership Secretariat
  - Staffed secretariat to act as organizer and facilitator of Partnership activities
  - Organize Board activities and meetings
  - Manage Standards Development and Implementation
  - Develop a positive enabling infra-structure for ensuring the economic viability of standards
  - Information Exchange and Outreach