



International Coffee Council
121st Session
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Mexico City, Mexico

**Draft Memorandum of Understanding
between the International Coffee
Organization and the Sustainable Coffee
Challenge under the auspices of the
Conservation International Foundation**

Background

1. This document contains a copy of the Memorandum of Understanding (MoU) between the International Coffee Organization (ICO) and the Sustainable Coffee Challenge (SCC) under the auspices of the Conservation International Foundation (CI), to expand and enhance the coordination of public-private collaboration in the coffee sector towards a sustainable and healthy coffee community, at the same time as contributing to the Sustainable Development Goals. This collaboration will take place under the 'Cooperation for Vision 2030' initiative.
2. Further information on the background to this collaboration is attached in the Annex.

Action

The Council is invited to consider the draft Memorandum of Understanding between the International Coffee Organization and the Sustainable Coffee Challenge under the auspices of the Conservation International Foundation and, if appropriate, to approve it.



**INTERNATIONAL
COFFEE
ORGANIZATION**



**SUSTAINABLE
COFFEE
CHALLENGE**

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
THE INTERNATIONAL COFFEE ORGANIZATION
AND THE SUSTAINABLE COFFEE CHALLENGE UNDER THE AUSPICES
OF THE CONSERVATION INTERNATIONAL FOUNDATION**

The International Coffee Organization,

and

the Conservation International Foundation (hereinafter 'the Parties')

Recognizing the International Coffee Organization (ICO) as the main intergovernmental body responsible for addressing the challenges facing the world coffee sector through fostering close cooperation on the international level between ICO Members, international organizations, the private sector and all other stakeholders;

Recognizing the Conservation International Foundation (CI) as a nonprofit, public benefit corporation organized and existing under the laws of the State of California, USA, the mission of which is to empower societies to responsibly and sustainably care for nature for the wellbeing of humanity and in its role as the convenor and facilitator of the Sustainable Coffee Challenge (SCC) as part of CI's work on sustainable production and sector transformation within CI's Center for Environmental Leadership in Business;

Recognizing the role of the SCC as a voluntary and non-binding coalition of entities from across the coffee sector united in the belief that it is both possible and essential to make coffee the world's first sustainable agricultural product;

Confirming the commitment of the Parties to promote sustainable development as a means of achieving social and economic progress in coffee-producing countries while protecting natural resources;

Recognizing that wide public-private cooperation has the greatest potential to promote economic growth, reduce inequalities and improve living standards in coffee-producing countries, and is aligned with Sustainable Development Goal 17, which calls for the development of partnerships to “strengthen the means of implementation and revitalize the global partnership for sustainable development”;

Acknowledging that systemic sustainability issues, such as climate change, access to finance for producers, productivity, labour supply and conditions, and ageing coffee trees, require new forms of farmer-centric public-private cooperation at a pre-competitive level in coffee-producing countries;

Appreciating the opportunity and significant role that the Parties can play in facilitating public-private collaboration, co-responsibility and active contributions to increase resilience in coffee-producing countries and to assure the long-term viability of coffee production as required by the world market;

Recognizing the potential of the SCC to contribute to Vision 2030 goals through its members, partners and collaborating Collective Action Networks; the adoption of the 2030 Agenda for Sustainable Development, including its Sustainable Development Goals (SDGs); the United Nations Framework Convention on Climate Change and its Paris Agreement;

Taking into account the respective mandates, objectives and programmes of the ICO and CI;

HEREBY agree:

ARTICLE 1

PURPOSE

1. To confirm the Parties’ agreement in principle regarding the proposed collaboration between the ICO and the SCC, thus allowing the Parties to catalyze investments by government and industry in order to collectively strengthen sustainability across the global coffee sector.

2. This Memorandum of Understanding constitutes an expression of the Parties’ mutual intent only and does not constitute a legally binding obligation or contract to enter into the collaboration, transactions or arrangements identified or described herein, except that the provisions of this paragraph 2 of Article 1 and Article 4 shall constitute binding obligations of the Parties. No other obligation shall arise prior to the execution and delivery of separate agreements between the Parties.

ARTICLE 2
IMPLEMENTATION

1. The Parties shall, within their available capabilities and respective capacities, focus on the following areas of work:

- i. To embrace and promote the common 'Sustainability Framework' and contribute to Vision 2030.
- ii. To improve collection, exchange, integration and dissemination of key data on coffee, including the renovation and rehabilitation of coffee trees and the spatial distribution of coffee production areas and forest cover in coffee-producing countries.
- iii. To disseminate information, technical expertise and lesson sharing.
- iv. To jointly strengthen demand for sustainable coffee across the global coffee sector by showcasing and tracking government-led sustainability efforts.
- v. To explore opportunities to develop new income sources for coffee farmers through innovative finance approaches.
- vi. To participate in and/or co-host events and conferences that raise awareness about the sustainability of the world coffee sector.

2. Where appropriate, the ICO will welcome and actively encourage the extension of these collaborative areas of work to include other initiatives that complement the aims and objectives of this Memorandum.

3. In order to further develop Vision 2030, the Parties, in close cooperation with key stakeholders and other initiatives, such as the Global Coffee Platform, shall take into account the progress made to date and shall seek advice, input and commitment from key coffee stakeholders from the public and private sectors, both on a national and international level.

4. All activities covered by this Memorandum of Understanding shall be aligned with and contribute to the Sustainable Development Goals.

5. When enabling the public-private dialogues on coffee sector sustainability at a global level, the Parties shall include funding agencies in order to foster understanding and financial support for the implementation of the agreed priority agendas and strategies at international, national and local levels. The identification of priority needs and action plans should include a focus on the following areas:

- i. Renovation and rehabilitation of ageing coffee trees.
- ii. Sustainable sourcing.
- iii. Labour supply and conditions.
- iv. Mapping and monitoring of coffee production areas and forest cover.

6. The specific objectives, commitments and contributions of the Parties under this Memorandum of Understanding, including monitoring and evaluation arrangements, shall be further elaborated and agreed upon between the ICO and SCC.

7. Within their capabilities and in accordance with their regulations, the Parties agree to explore possibilities to dedicate staff time (in kind) and/or other resources, such as meeting facilities, to Vision 2030, the Sustainable Coffee Challenge, and related actions. Further details will be worked out and agreed between the Parties in writing.

8. Within their capabilities and in accordance with their regulations, the Parties shall endeavour to establish mechanisms to support stakeholders in the world coffee sector. This shall take the form of establishing relationships and collaboration for effective agenda-setting, offering services to members, including gathering of and facilitating access to knowledge and information, mobilizing resources from both public and private organizations to finance locally agreed and prioritized activities for the benefit of coffee farming communities.

ARTICLE 3

COORDINATION

1. To track progress of the cooperation over time and discuss matters of mutual interest, the Parties to this Memorandum of Understanding commit to implement the following coordination measures:

- (a) Organization of at least two coordination meetings between the respective secretariats every year.
- (b) Provision of regular updates by the Sustainable Coffee Challenge secretariat to the International Coffee Council about the partnership when appropriate.

ARTICLE 4

FINAL CONSIDERATIONS

1. This Memorandum of Understanding does not imply any commitment to the transfer of financial resources between the Parties.

2. Intellectual property rights, in particular copyright, of material such as information, software and design, made available by the ICO and SCC to be used to carry out the activities under this Memorandum of Understanding shall remain unaffected.

3. This Memorandum of Understanding shall enter into force on 12 April 2018 and shall remain in force for a period of three years. It may be renewed for equal periods of three years upon written request of any of the Parties six months before its expiration.
4. This Memorandum of Understanding may be terminated, in full or in part, by written notification from either of the Parties. Termination shall be effective ninety days after the date of notification.
5. This Memorandum of Understanding may be modified by mutual consent agreed to in writing by duly authorized representatives of the Parties.
6. Any dispute regarding the interpretation or application of this Memorandum of Understanding shall be resolved exclusively through consultations and negotiations. In the event that a dispute cannot be solved amicably through consultations and negotiations, the Memorandum of Understanding shall terminate on a date agreed to between the Parties. The Parties hereby specifically agree not to engage in legal proceedings in court.

Signed in Mexico City, on 12 April 2018 in English.

For the International Coffee Organization

José Sette,
Executive Director

For Conservation International Foundation

Herbert Lust,
Vice-President and Managing Director
Conservation International Europe
Under delegation of authority

BACKGROUND PAPER ON COLLABORATION BETWEEN THE INTERNATIONAL COFFEE ORGANIZATION AND THE SUSTAINABLE COFFEE CHALLENGE

Background

The Conservation International Foundation (CI) is the convenor and facilitator of the Sustainable Coffee Challenge (SCC), which was launched in December 2015, at the Paris Climate Change Conference (COP21). Founded in 1987, Conservation International is a globally operating non-profit organization that is actively working to improve human well-being through the care of nature. Under its guiding principle — nature doesn't need people, but people need nature for food, water, health and livelihoods — CI works with more than 1,000 partners in 30 countries to ensure a healthy, more prosperous planet that supports human well-being.

The SCC is a voluntary coalition that brings together more than 95 partners, including industry players — ranging from mainstream to specialty — as well as non-governmental organizations, universities, governments (ICO Members: Rwanda, Mexico and Costa Rica), donor agencies and certification bodies. The SCC builds on more than 20 years of work by CI in partnership with coffee producers, industry players and conservation partners to promote sustainable practices that retain the rich biodiversity of coffee-producing landscapes. The SCC works as a partner-driven catalyst for action and investment in sector sustainability.

In its work, the SCC is focused on enhancing transparency (Commitments Hub), promoting a common language (Sustainability Framework) and pre-competitive collaboration (Collective Action Networks), in order to ultimately stimulate demand for sustainable coffee across the value chain. The four focus areas of the Collective Action Networks under the SCC are: renovation and rehabilitation, sustainable sourcing, labour supply and conditions, and mapping and monitoring of coffee production areas and forest cover.

The SCC collaborates actively with trade associations (e.g. Specialty Coffee Association, African Fine Coffees Association, National Coffee Association of the USA, etc.) and other international initiatives (e.g. Global Coffee Platform, Coffee – Global Adaptation Plan, Coffee & Climate, etc). In 2017, CI/SCC signed an MoU with the Global Coffee Platform (GCP) and established reciprocity in governance between the SCC Advisory Council and the GCP Board, which will help avoid duplication of efforts and stimulate strategic collaboration.

Based on the MoU with the Global Coffee Platform (GCP) in February 2017, the SCC joined forces with the GCP in a joint working group with members and partners to advance the Sustainability Progress Framework (version 2.0 now available). This Sustainability Progress

Framework advances the level of detail for Vision 2030 by proposing objectives, a definition of success, common impacts and outcomes, intervention pathways and a Theory of Change. To be able to collectively measure progress towards the shared vision, common indicators have been proposed and agreed.

Further information on the SCC can be found at <https://www.sustaincoffee.org/>.

Next steps

In order to implement Vision 2030 and to enable the coffee sector to work towards the shared vision, goals and targets, and with different roles and contributions, the following steps are proposed:

- The ICO is invited to join the SCC Advisory Council as an observer.
- The ICO is invited to join the Collective Action Networks and other initiatives enabled by the SCC.
- SCC is invited to participate as an observer at relevant ICO meetings.
- Both Parties commit to take work on Vision 2030 to the next level with essential input from the ICO and engaged governments, given that the ICO's new strategy embraces sustainability as an overarching mission.
- Key areas of the joint workplan between the ICO and the SCC include:
 - Definition of lines of cooperation and concrete work areas.
 - Further specification of Vision 2030 and enablement of commitment by Members and partners, as well as stakeholders in the coffee sector, to contribute to agreed Vision 2030 goals and targets in line with individual and collective strategies and action plans. This objective will be achieved by building on Sustainability Progress Framework version 2.0.
 - Identification of opportunities for joint fundraising for programmes that prioritize key focus areas to achieve Vision 2030.