



International Coffee Organization  
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**Sustainable Coffee Partnership Steering  
Committee meeting (26 September 2006)**

**Summary report**

## **Background**

The attached summary report of a meeting of the Steering Committee of the Sustainable Coffee Partnership (SCP) was presented to the International Coffee Council at its 96<sup>th</sup> Session from 25 to 29 September 2006. The meeting took place at the headquarters of the ICO on Tuesday 26 September 2006.

**Summary report of a meeting of the  
Sustainable Coffee Partnership Steering Committee  
held on Tuesday 26 September 2006**

As a multi-stakeholder platform to promote sustainability in the coffee sector, the Sustainable Coffee Partnership has developed a project based approach based on the results of working groups which identified key activities under four specific areas: Information exchange, Implementation of sustainable practices, Financing and Policy linkages.

At the Partnership Steering Committee meeting on Tuesday evening, committee members and interested Members of the International Coffee Organization (ICO) met and discussed four Partnership activities: Cost Benefit Project (COSA), Financing Alliance for Sustainable Trade (FAST), Sustainable Agriculture Forum, and Implementing Sustainability through the International Coffee Agreement (ICA).

### **COSA**

In July 2006, the project's scientific committee completed the review of the draft methodology, recommending a simpler version for field application. This has been developed and is now ready for field testing. Testing will be conducted this winter in order to ensure the viability of the overall draft methodology and to ensure that the tool is applicable to the different production areas and regions. However, funding is still required for the subsequent three year implementation phase. Following approval by the International Coffee Council in May 2006, the ICO presented the project proposal to the Common Fund for Commodities (CFC), which was rejected by a pre-assessment committee. No opportunity was given to present the proposal to the CFC Consultative Committee. We are, however, continuing negotiations with the CFC to find an alternative.

In the meeting strong support and interest was stated for the project and it was emphasized that all actors in the sector, and in particular smallholders, continue to need the ability to measure the costs and benefits of implementing sustainable practices. It was also noted that the project needs to work closely with local institutions to make the tool locally applicable and integrated and useful at the local level. It was agreed that the data collected will need to be effectively processed so that it is relevant for the different end-users.

### **Financing**

The Financing Alliance for Sustainable Trade (FAST) is an informal working group, which came from the Partnership working group on "financing" for sustainable production. FAST primarily consists of socially oriented lenders and is aimed at improving the delivery and

access to financial services for rural producers through shared strategies and cooperation. FAST aims to implement a set of basic objectives identified by the Partnership working group, including:

- Expand the capital base supporting sustainable production and trade among small and medium enterprises (SMEs) in developing countries
- Reduce transaction costs in bringing financial services to Southern clients
- Improve access to financial services through improved access to information
- Improve access to and presentation of financial literacy assistance
- Generate political and private sector support for financing of sustainable SMEs based in the South

The following priority activities have been selected as a starting point for promoting these objectives:

- Toolbox for Financial Literacy Training
- Generic Impact Assessment Tool
- Consolidated Information Access Point
- Guarantee Facility for Social Lending

Following a meeting of the FAST group at the Specialty Coffee Association of America, the International Institute for Sustainable Development (IISD) was given the mandate to facilitate the establishment of a formal association to promote the above objectives. Seed money has been secured to set up the association and it is expected that it will be formally established early in the new year.

### **Sustainable Coffee Forum (part of the Sustainable Agriculture Forum of the SCI)**

This is a pilot project to develop and present a comprehensive package of technical assistance to producer groups for the implementation of sustainability at the field level. The project consists of a series of tracks which will be presented in parallel over three days on the following areas: Best Practices, Financial literacy, Internal Control Systems/Traceability and Marketing. Field related activities will be directed towards farmers and extensionists while more organizational/administrative topics will be presented to the appropriate person in the farmer group. Emphasis is placed on using existing training tools and systems – both internationally and locally – and incorporating the experience and expertise of extensionists and farmers from the planning to the implementation phase.

During the process linkages to policy to promote effective implementation will be identified with the participants and a policy brief will be presented at the national level in order to help policy makers determine the key leverage points for investing in sustainable practice. This is

a pilot project which is being tested in four coffee growing countries at the outset and is scheduled to begin before the end of the year. A final shared learning event will be held to share the results of the pilot phase globally and before ICO delegates.

Participants at the Steering Committee meeting stressed the importance of working directly with national coffee associations and institutions on these workshops. It was also stressed that identifying linkages with policy would need to be carefully planned given that as a pilot project it may be difficult to draw any broad conclusions due to the relatively small size of the target groups and number of countries.

### **Sustainability in the ICA**

The Partnership secretariat presented a document with a broad three point plan for implementing sustainability through the ICA based on the principles of the Partnership. The purpose of the document is to set forth a series of simple and general “principles” which present a basic strategy for implementing sustainability through the ICA. **In particular, the three part plan consists of:**

- 1. the strengthening of existing information services within the ICO;**
- 2. establishing an integrated strategy for the development and implementation of sustainability initiatives and projects; and**
- 3. the establishment of a clear and effective mechanism for financing the strategy and information services under Part 1 and 2.**

Steering Committee members agreed to continue to pursue this matter and to provide ideas to ICO Members to help find ways to implement the aspects of this basic approach through more detailed proposals over the course of ongoing discussions on the ICA.