

## The Sustainable Commodity Initiative

Towards an Equitable Trading System: A Sustainable Coffee Partnership

Roundtable on Equitable Trade  
May 18<sup>th</sup>, 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 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 for 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

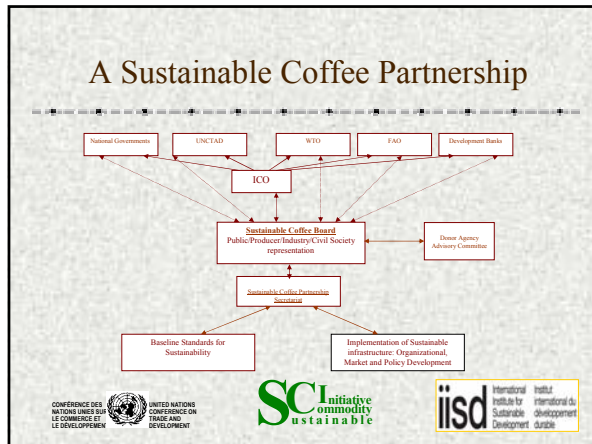
- Economic viability is a pre-requisite to the adoption of social and environmental standards
- Economic viability for many of the world's small producers requires a supportive economic framework and infrastructure (financing, risk management, producer organization, policy support and diversification)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





- ## 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)

## Presentation of Research: May 20<sup>th</sup>, 10 AM – 12:30 ICO Meeting Room

Join the Sustainable Coffee Discussion Group  
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 or visit  
<http://www.iisd.org/trade/commodities/>

- ## 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
- **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
- **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