

International Organización Internacional del Café Organização Internacional do Café Organisation Internationale du

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Sustainability

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Common Code for the Coffee Community

Status Report May 2005

Background

- 1. A status report received from the Common Code for the Coffee Community is attached. The report provides an update on progress of the initiative since the progress report published in January 2005 (document EB-3880/05).
- 2. Rapporteurs and representatives of the Code will discuss the first pilot project results, impact and next steps of the initiative at a meeting open to all interested participants at the ICO at 19.00 on Tuesday 17 May 2005.

Action

The PSCB is requested to take note of this document.



The Common Code for the Coffee Community (4C) initiative

- Status Report May 2005 -

Presentation to International Coffee Organization

Progress of the initiative since January 2005:

In its current composition, representatives of producer organizations, coffee trade and industry, trade unions, NGOs and a limited number of extraordinary members are participants in the Common Code for the Coffee Community (4C) initiative. After the presentation of the draft 4C code matrix to ICO and the public in September 2004, the initiative is focussing on the development and phrasing of good agricultural and management practices to guide actors of the coffee chain on its way towards sustainability. Those practices will be provided in a **guidance for sustainable production, post-harvest processing, trading and management practices** to meet the criteria of the Common Code matrix. In several capacity building activities, members of the Common Code initiative are currently testing and analysing the impact of the practices and the effects of measuring them against the code matrix with its 30 principles.

During its fifth meeting this April in Arusha (Tanzania), the Steering Committee of the initiative agreed on the following:

- Finalization of the "Rules for Participation in the supply chain of the Common Code the Business Code". The document to emphasise the responsibility and rules for participation in the supply chain of the Common Code has been drafted by a stakeholder group and is currently been further elaborated with input of the Steering Committee of the 4C initiative. After confirmation by the Steering Committee, the document as an elementary part of the Common Code itself will create the basis for participation in the Common Code. Because of the high relevance of this document, anti-trust authorities in Europe and the United States will be requested to check the compliance of the document with international anti-trust legislations.
- Criteria for capacity building activities and guidelines for neutral and independent evaluation. Refering to the discussion at ICO in September 2004 and January 2005, the Common Code initiative has further developed criteria for capacity building activities and piloting of the sustainability practices and the code of conduct. In a working group meeting of nominated stakeholders of the three constituent groups of the initiative at May 31 to June 2, the Criteria will be finalized and published after confirmation of the Steering Committee. A tri-partite Capacity Building Platform will ensure that all capacity building and piloting efforts will be conducted in a credible, transparent and balanced manner to support the production sector in the application of the sustainability practices. Neutral, independent evaluation and analysis of the costs and benefits of the application will enable the initiative to optimize its practices and modify the requirements of the Code if necessary.



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- Development and analysis of good agricultural and management practices. The objective of the Common Code initiative is to optimize production, processing and management methods in the mainstream coffee sector. Efficient and profitable practices along the supply chain shall support economic viability of the sector. Therefore, in its capacity building efforts and testing activities, the 4C initiative is developing practices for good agricultural and management practices. They will be the basis for a handbook for social, environmental and economic sustainable coffee production and processing systems.
- Tools to apply and measure sustainability. Indicators, a self-assessment tool and monitoring instruments to measure the impact of the sustainability practices according to 4C will be elaborated until the next meeting of the 4C Steering Committee. With this, all actors along the Common Code supply chain assure to constantly monitor their practices and transparently improve their performance towards sustainability.
- Dissemination of the Code. The first dissemination workshop of the initiative took place in February in Livingstone (Zambia) prior to the World's Wildest Coffee Conference & Exhibition of EAFCA. More than 40 stakeholders and representatives of the East African coffee sector attended the meeting and constructively discussed the 4C concept and its impact.
- **Establishment of a broad network**. To support capacity building under the umbrella of the 4C initiative, collaboration with national and multilateral organizations as well as with different companies and producer organizations has been negotiated and planned.
- Check compliance with WTO. As requested at ICO last January, the Management Unit of the 4C initiated a further check of compliance of the Common Code approach with the trade regulations of the World Trade Organization. After receiving the results of this investigation, the Management Unit will inform ICO on the results.

The next meeting of the Common Code Steering Committee is scheduled to take place September 20 – 22 at Salvador de Bahía (Brazil).

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