



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

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Private Sector Consultative Board
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Salvador, Brazil

**Report of the three Rapporteurs
of the 4C initiative**

Background

The attached report has been received from the Common Code for the Coffee Community.

Action

The PSCB is requested to note this report.



Report of the three Rapporteurs of the 4C initiative (Mrs. Sue Longley, Dr. Diego Pizano, Mr. Roel Vaessen)

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From September 20 to 22, the Steering Committee of the Common Code for the Coffee Community (4C) Initiative met for its sixth session in Salvador da Bahia, Brasil.

On September 19 the constituent group of the producer organizations as well as the constituent group of the civil society met for a one day workshop to prepare their position for the Steering Committee meeting. Both groups appreciated the opportunity to meet internally and agreed to arrange pre-meetings prior to future Steering Committee meetings.

The Management Unit was glad to welcome representatives of the global coffee trade and industry, civil society organizations, smallholder representatives and producer organizations (from Brazil, Colombia, Costa Rica, East Africa, El Salvador, Guatemala, the Inter-African Coffee Organization, India, Indonesia, Mexico and Vietnam). National / international organizations and institutions were observing the meeting as extraordinary members.

For the first time, with the Brazilian Roasters Association ABIC a representative of a producing country was participating in the trade & industry constituent group.

In a co-operative and positive atmosphere, the Steering Committee decided on the following:

a) **“Rules of Participation – The Business Code** – the Steering Committee agreed on the Rules of Participation. The document stresses the responsibilities and commitment of buyers of Common Code coffee. For example:

- “Participants commit themselves to the principle of continuous improvement of coffee quality as understood under the Code which shall include the quality of the product and the quality of production and processing methods on their way towards sustainability.”
- “Each participant shall purchase increasing volumes of 4C coffee over time.”
- “Participants acknowledge that prices of 4C coffee should reflect the quality, including the physical product quality and the quality of the production process as laid down in the Common Code matrix. Prices include the cost of verification of 4C coffee quality.”
- “Roasters are to report volumes and values per country of origin and per calendar year to an external qualified information management bureau that guarantees the confidentiality of all commercially sensitive information.”
- “Buyers will contribute to capacity building in a way that is commensurate with their volume or value of coffee purchased.”

Participants agreed that the wording of this version of the Rules of Participation now will be checked by the European and American anti-trust authorities.



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- b) **Support Component of the 4C** – The Steering Committee agreed on a Support Component as a fundamental element of the sustainability initiative. Every producer and interested actor in the coffee sector will have access to good agricultural and management practices as implementation tools. It is a main objective of the 4C initiative to enable farmers to optimize their practices towards higher efficiency and to improve social as well as environmental conditions. With access to trainings, skill development activities, financial tools, good production practices and capacity building, actors of the 4C will support this process in a cooperation of all relevant stakeholders. As stated in the Rules of Participation:

“Buyers will contribute to capacity building activities of stakeholders associated with 4C activities, including field and farm education and training programs. Training programs will comprise capacity building to export directly, quality improvement, organizational development, managerial tools, brand development, access to market information, diversification as appropriate etc. This will benefit in particular small holders and their organizations.”

The Steering Committee agreed to establish a Support Platform as a learning network within the 4C concept to analyze results of the application of the Code Matrix, to develop tools and instruments for a sustainable production and processing of coffee and to expand the co-operation with other initiatives / research institutes / sustainability programs.

- c) **Framework for operational System of the 4C** – The operational system of the 4C initiative will build on membership. As an open and inclusive initiative, the membership is open for every actor in the coffee sector, individually as supplier and through associations or organizations. The Steering Committee stressed that coffee according to the sustainability understanding of 4C may be produced referring to the Code Matrix or any other code, initiative or approach that through a benchmarking procedure shows its equivalency with 4C. Decentralized implementation and the cooperation with equivalent approaches (such as e.g. the EMBRAPA Code of Conduct) encourages local, regional or national organizations to supply 4C coffee through their own systems and structures. Details will be elaborated in an expert meeting in December.
- d) **Verification of 4C compliance** – A framework for a verification process according to the 4C Code Matrix has been agreed upon. The Steering Committee confirmed that verification according to 4C needs to be cost-efficient, credible and transparent. Therefore, it agreed on a process verification with constant self-monitoring. Within equivalent codes and approaches, local verification processes will be benchmarked against the 4C. Also buyers of 4C coffee agreed in the Rules of Participation to verify their practices:

“Participants shall adopt a self-assessment system and internal monitoring practices that are consistent with the principles of monitoring of compliance with the 4C standards and agree to employ a qualified external third-party auditor that will conduct audits to ensure compliance.”



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- e) **Cooperation with other initiatives** – According to the decision to co-operate with equivalent codes of conduct and approaches, the Steering Committee requested the Management Unit to establish close relationships with national / regional and local approaches to develop and implement sustainability concepts (such as EMBRAPA, EAFCA etc.). The close co-operation with the Sustainable Coffee Partnership was encouraged especially in accordance to the support component of the 4C. The Steering Committee welcomed the activities of the Management Unit to establish and deepen collaborations with research institutes such as CATIE, CIMS and Cenicafé.
- f) **Next steps** – The Steering Committee confirmed the mandate of the Management Unit to organize further discussion and dissemination events in coffee producing countries. Dissemination events to learn from the perspective of farmers, to discuss the concept of sustainability with local stakeholders and to listen to the recommendations of the national coffee sectors will take place in Kenya (October), Ecuador (November), India (November), Indonesia (December), Ethiopia (February 2006) and Cameroon (February 2006). Further dissemination activities to intensify the dialogue with producers will be arranged by request. The progress of the initiative will also be presented to Sintercafé (Costa Rica, Nov. 2005) and the World's Wildest Coffee Conference (Tanzania, Feb. 2006). During the next months, experts will meet within the Support Platform (October 2005 in Bonn, Germany) and expert working groups to further elaborate the details of the operational system and the verification concept of 4C. The recommendations and results of these meetings will be presented to the Steering Committee during its next session in March 2006, which will take place in Bangalore, India.

As the 4C is an open, participatory and transparent initiative, members of the Steering Committee would like to stress that the 4C is a learning process. The group acknowledges that there exist doubts and concerns on the 4C sustainability concept and its implementation in the coffee sector and would like to discuss them thoroughly. Therefore, its processes and documents are open for discussion and the Steering Committee would like to emphasize that it welcomes every input, comment and recommendation on its current concept.

Contact: Common Code for the Coffee Community Management Unit

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