



Coffee Sustainability Catalogue 2016

A collective review of work being done to make coffee sustainable





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Foreword



Coffee Sustainability Catalogue 2016

The coffee sector has invested heavily in sustainability for decades, recognizing that we must ensure our ability to meet rising demand for coffee while also increasing the prosperity and well-being of producers and conserving nature. In 2014, leaders in the sector came together to develop a vision for coffee sustainability that resulted in Vision 2020: a call for improved alignment within the sector on our sustainability efforts.

In late 2015 the [Global Coffee Platform](#), the [Specialty Coffee Association of America](#) and the [Sustainable Coffee Challenge](#) jointly recognized the need to inventory existing efforts to make coffee a sustainable agricultural product, understand who is doing what sort of work, where the investments are going and how we can better understand and share our impacts and experiences.

We are grateful for the collaboration and participation of over 80 respondents in this first-of-its-kind catalogue of efforts underway to increase sustainability within the coffee sector. This report, which synthesizes the contributions of those respondents, attempts to organize this work into a coherent strategy that recognizes the role and contribution of actors throughout the sector – retailers, roasters, traders, producers, governments, certification organizations, NGOs and many others.

We hope that this study sheds more light on the tremendous efforts already underway to advance sustainability in the coffee sector and catalyses the additional collaboration and investment necessary to achieve our shared sustainability objectives.

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Executive summary

A collective review of work being done to make coffee sustainable

Wide involvement in sustainability dialogue

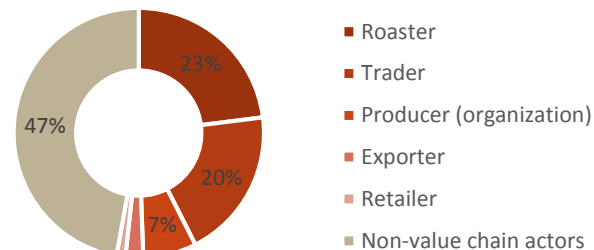
Good mix of value chain actors and partners, but low representation of government and specific stakeholder groups

Source: interview and survey respondents

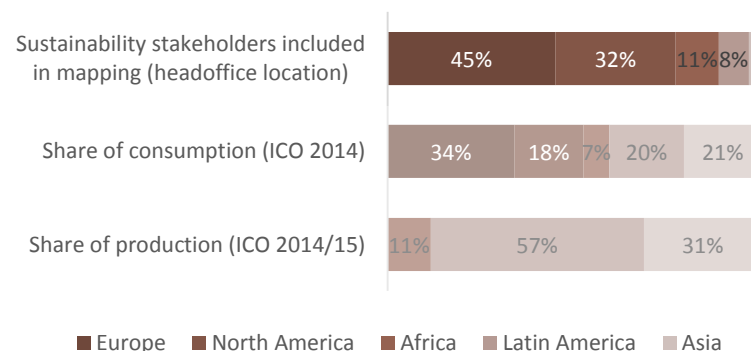
- ✓ Partnerships between coffee companies and non-profit organizations are common practice and mentioned as a strength by many respondents.
- ✓ Sustainability is on the agenda of most large value chain actors.

- Low inclusion of specific stakeholder groups in our sample of the current sustainability dialogue: producers, specific large consuming countries in Asia and Europe (Italy, France and Eastern Europe), smaller roasters and retailers that together represent a large share of total coffee volume, governments, service providers in inputs and finance.

Sustainability stakeholders in and around the value chain



Representation by region



Source: interview and survey respondents, ICO

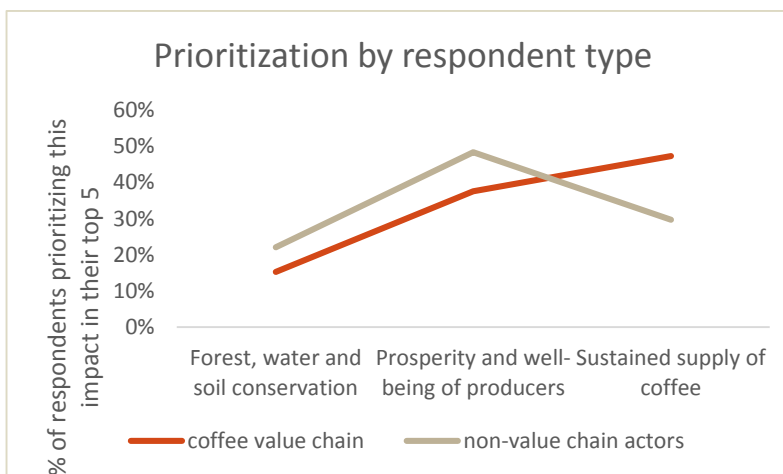
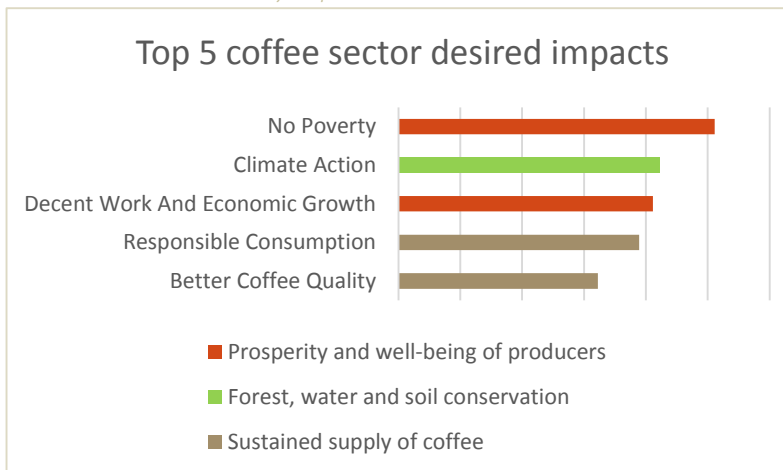
Impact priorities aligned with Global Goals

Social and economical impact together with climate action are pursued by most respondents, but individual priorities vary

Source: interview and survey respondents

- ✓ Objectives are naturally aligned with UN Global Goals (Sustainable Development Goals).
- ✓ Most respondents share the consensus that economic sustainability is a pre-requisite for prosperity and well-being of producers and environment conservation.

- Respondents are missing one documented shared vision on sustainability.
- Priorities vary between individual respondents and any shared vision needs to allow for different practical definitions to meet the various aims of actors involved.



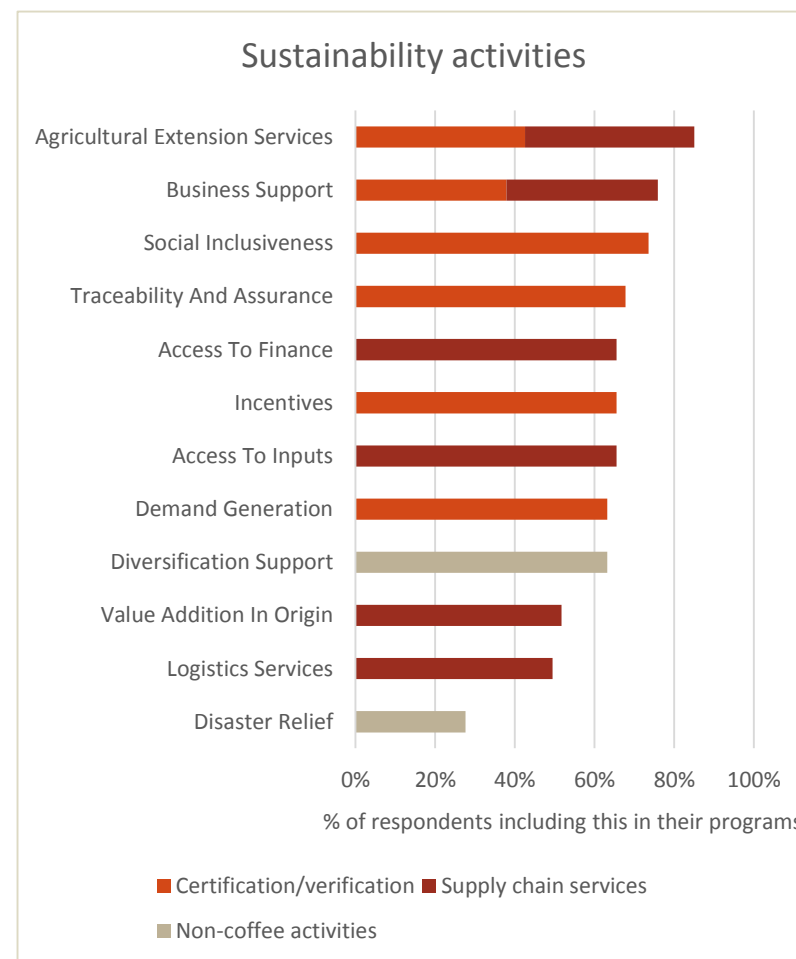
Source: interview and survey respondents



Sustainability embedded in business models

Certification is common business model, several other activities are introduced, but strategy is rarely fact-based

- ✓ As a sector, we jointly have experience to address most needs. Experienced respondents are willing to share best practices and lessons learned.
- ✓ Certification/verification is a common business model included in most sustainability initiatives.
- ✓ Coffee value chain has largely integrated farmer outreach in business as usual.
- Identify and share tools and best practices for supply chain services.
- A sustainable smallholder farm is diversified, sufficiently large and inclusive, but this needs to be more widely addressed in programs.
- Develop strategy based on facts and research. Increase involvement from governments in embedding measures in policy and law.



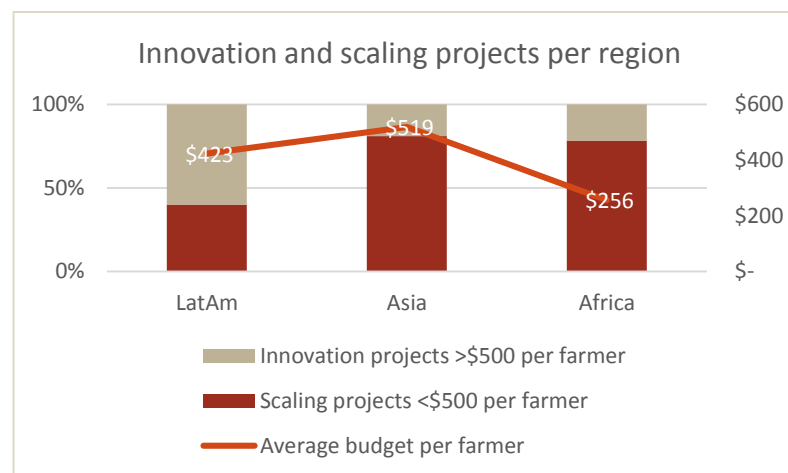
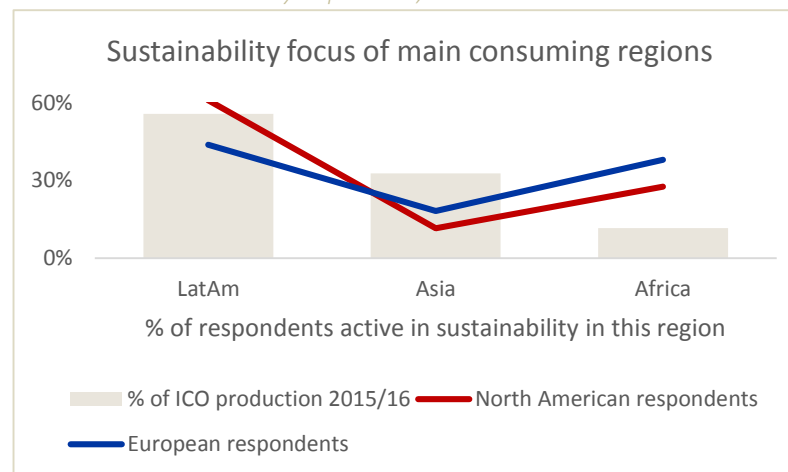
Source: interview and survey respondents

Geographical focus follows supply & demand

Geographic focus follows flows of coffee and origin needs, with risk of overlap in East Africa, and some origins left out

- ✓ Several volume origins have embedded sustainability in business as usual.
- ✓ Focus countries for sustainability mainly prioritized because of quality, potential productivity increase and supply risks.
- ✓ Strong regional sustainability relations between North and Latin America, and between Europe, Africa and Asia building on current supply and demand.
- Innovation budget is mainly focused on Latin America. Budget per farmer in Africa is low, partly attributed to economies of scale, but also to low volume per farmer resulting in high cost per MT which puts pressure on cost.
- The Tanzania case illustrates how different programs likely reach out to the same farmers. Discuss justification of current investments in East Africa in relation to possible overlap, efficiency and impact achieved.

Source: interview and survey respondents, ICO



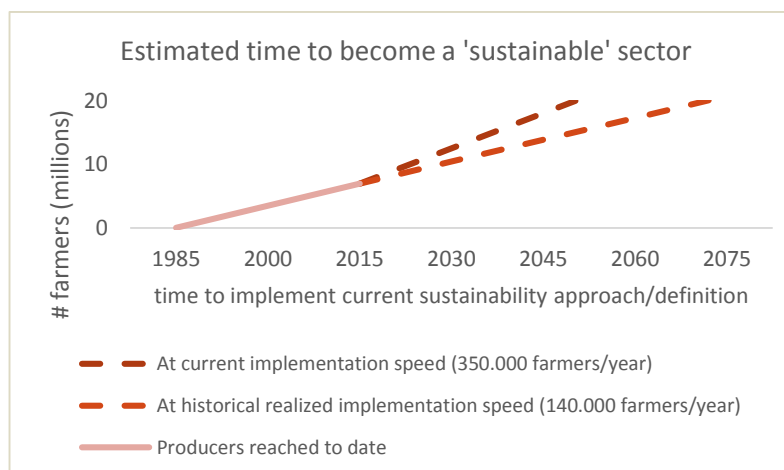
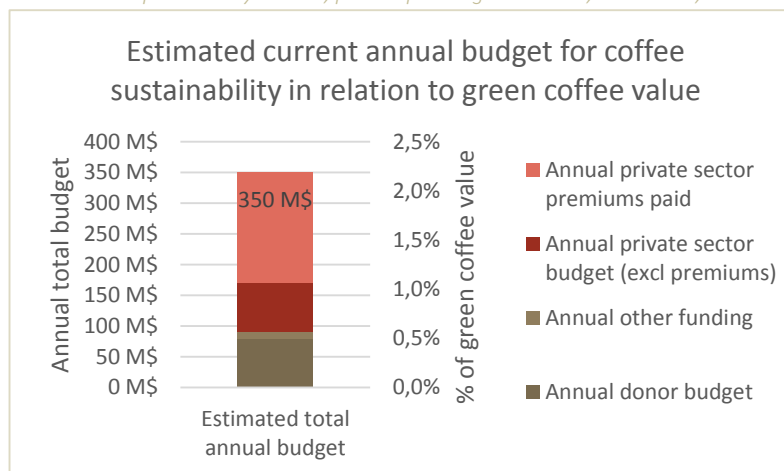
Source: data provided by donors, public spending databases, interviews

Strategy, funding and measurement

With current approach we need until 2045 to become a 'sustainable' sector

- ✓ Collectively, the sector has a lot of experience in developing sustainability programs. Attributed to experience, most respondents feel comfortable with communication, collaboration and learning.
- ✓ Existing platforms have trust of members and overlap is less than perceived.
- ✓ Annual available budget of 350M\$ (2% of green coffee value), in sector with low margins.
- Ensure that variety in platforms does not lead to a scattered approach by coordinating between platforms. Balancing inclusiveness and ability to act of platforms.
- Explore pooling resources by investing jointly via a platform or fund. Explore carbon financing for funding coffee sustainability.
- Impact measurement not yet embedded in sustainability work, because of cost and effort.

Source: data provided by donors, public spending databases, interviews, Valued Chain



Source: interviews, Coffee Barometer, Valued Chain



Coffee Sustainability Catalogue 2016

Mapping initiatives, understanding impacts and identifying gaps



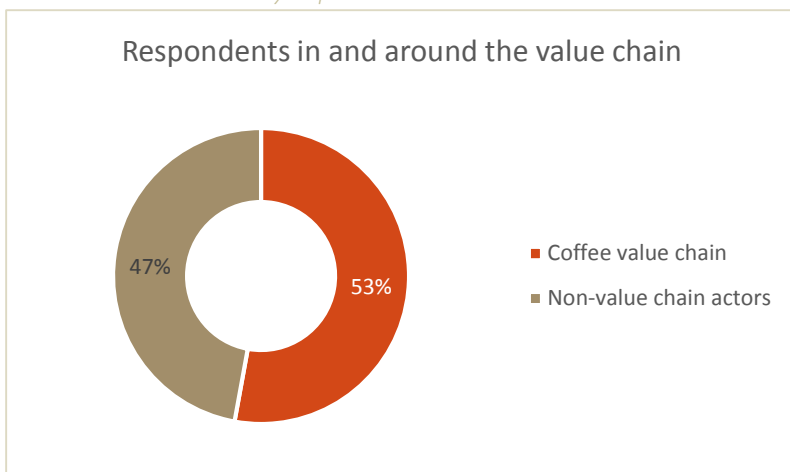
WHO

The actors in coffee sustainability

Coffee sustainability stakeholders

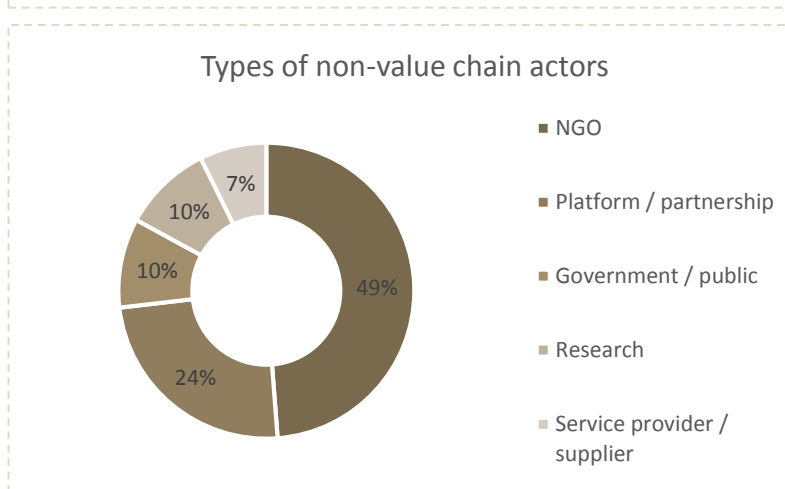
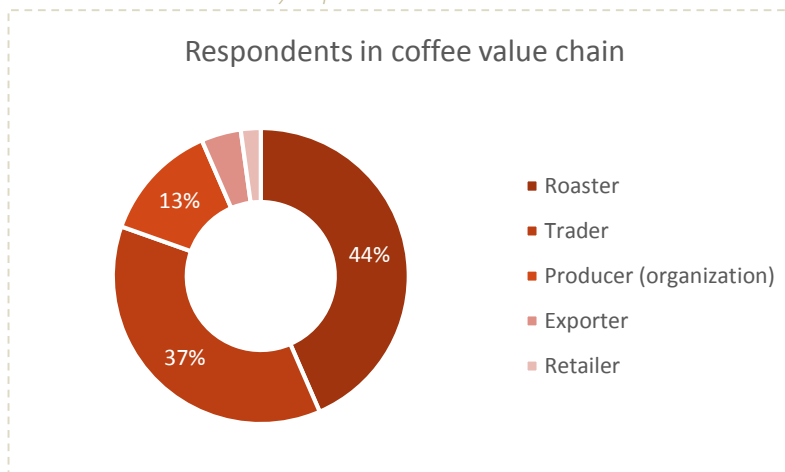
Coffee value chain actors are supported by a large number of other public and private organizations

Source: interview and survey respondents



- The sample of participating organizations is representative for the membership and network of GCP, IDH, SCAA and SCC. Roasters and traders are well represented, whereas many unorganized producers are less active in the international sustainability dialogue.
- High number of non-profit organizations compared to coffee value chain actors. Partnerships between coffee companies and non-profit organizations are common practice and mentioned as a strength by many respondents.

Source: interview and survey respondents

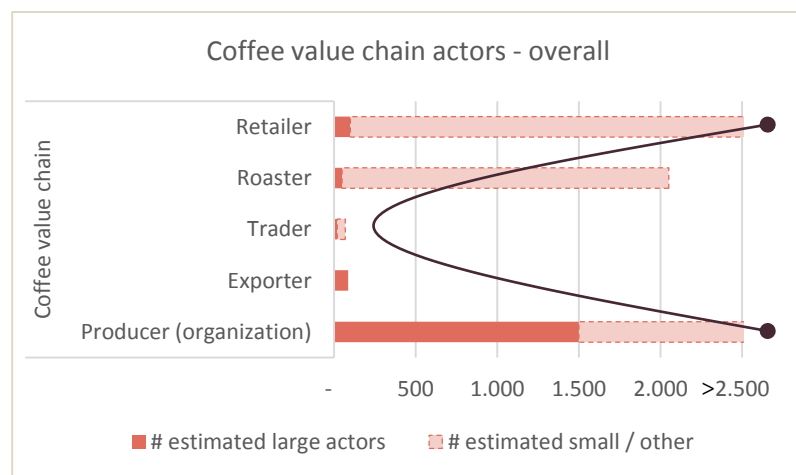


Source: interview and survey respondents

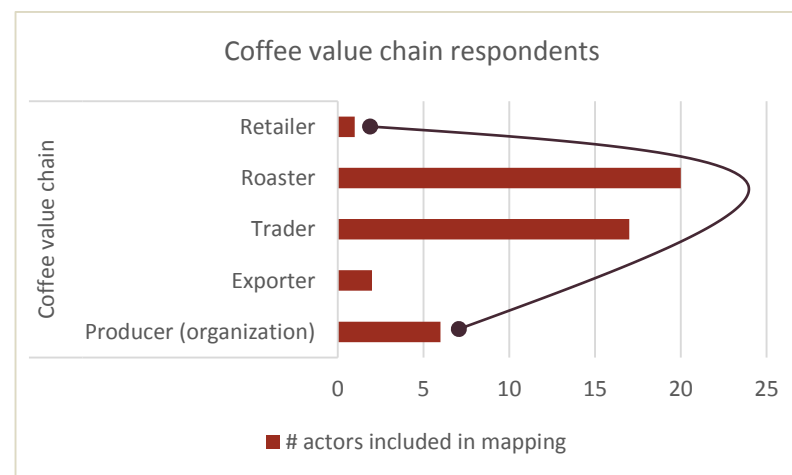
Value chain representation

Roasters and traders lead the sustainability dialogue, producer and retailer representation is limited

- Sector has an hourglass shape: volumes are concentrated with a few large roasters and traders, whereas the top and bottom of the value chain have many more smaller actors.
- Large roasters and traders are considered to be leading the sustainability dialogue. Some small roasters are specifically committed to integrating sustainability. Involvement of retailers in sustainability is limited, and often mainly a certification policy managed by their private label roaster and/or trade supplier.
- Involvement of producers and local exporters is limited, attributed to a lack of organization and resources, and language. Some stakeholders believe that this underrepresentation also relates to a demand-driven agenda more than real needs, although this is debated by others.



Source: estimate Valued Chain



Source: interview and survey respondents

Enabling environment representation

Sector is supported by civil society and research, but needs more government involvement

- Public representation in the sustainability dialogue is still considered too low by most respondents. Government involvement is needed for an effective enforced legal framework and extension to farmers.
- ICO is an exception but has only a representative role, whereas a few producing countries have national platforms where government participates. The UN "Protect, Respect and Remedy" Framework for Business and Human Rights developed by Special Representative John Ruggie provides a starting point for defining roles and responsibilities.
- Larger involvement of service providers especially in inputs and finance is considered a success factor in realizing a sustainable sector, as inputs and finance are a pre-requisite for impact in agricultural practices. Several respondents suggest that a number of large industry associations in consuming countries should become more involved in sustainability.

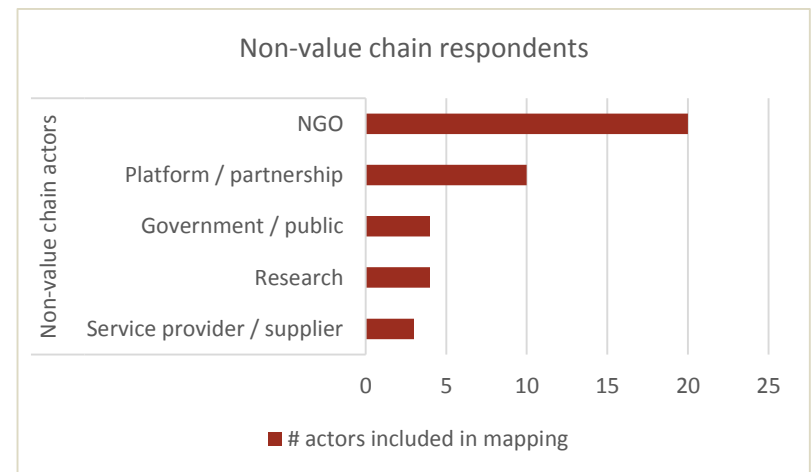
Ruggie framework: Protect, Respect, Remedy

The State Duty to Protect

The Corporate Responsibility to Respect

Access to Effective Remedy

Source: UN "Protect, Respect and Remedy" Framework



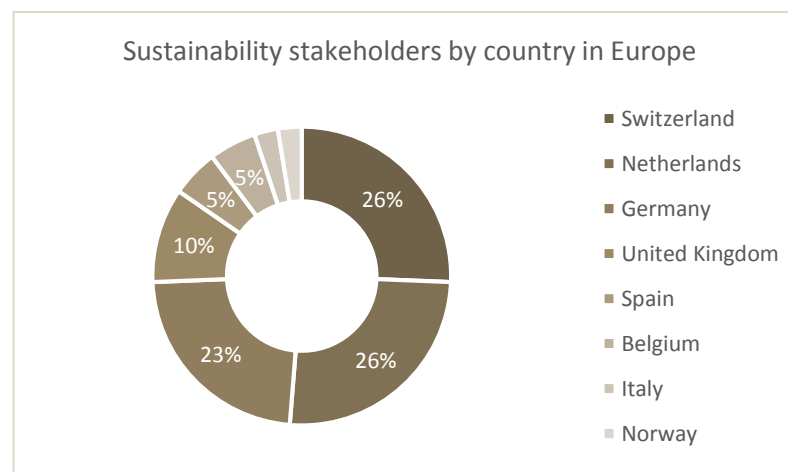
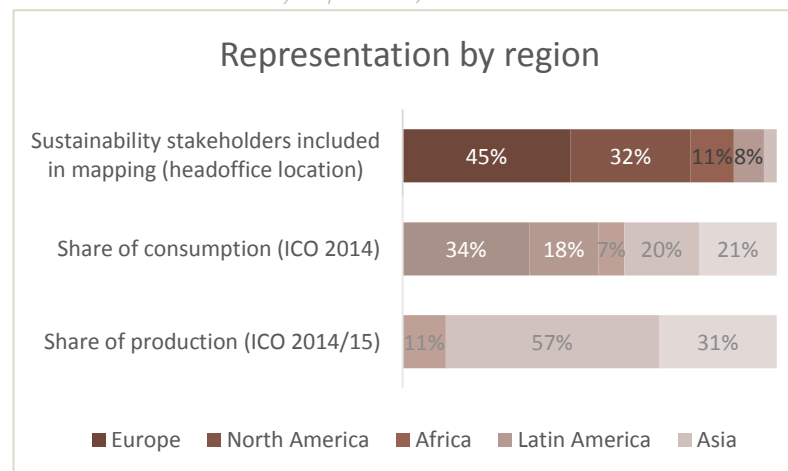
Source: interview and survey respondents

Stakeholder representation by region

Sustainability agenda appears to be influenced mainly by consuming regions, missing certain markets and many origins

- Representation is based on the headoffice location of the organization which causes some bias, especially some very large roasters are based in Europe and market their coffee globally. Even correcting for this bias, sustainability seems to be led from consuming regions Europe and North America.
- Europe is missing representation from large consuming countries including Italy, France and Eastern Europe. Several respondents believe this is partially caused by a lower interest in sustainability, and by a dominant national regulatory approach from government reducing the interest in international dialogue.
- Representation of producing regions with domestic markets in Africa, Latin America and Asia is low. There is a partial bias following the decision to conduct the survey only in English. Respondents however believe that producer representation in the international dialogue is low, even when corrected for this bias.

Source: interview and survey respondents, ICO



Source: interview and survey respondents

WHO: summary of strengths and gaps

Building on existing collaboration and commitment, the agenda should address inclusiveness

Strengths already achieved:

- ✓ A good mix of value chain actors and other stakeholders.
- ✓ Partnerships between coffee companies and non-profit organizations are common practice and mentioned as a strength by many respondents.
- ✓ Sustainability is on the agenda of most large value chain actors.

Gaps and challenges going forward:

- Low inclusion of specific stakeholder groups in our sample of the current sustainability dialogue:
 - Producers
 - Specific large consuming countries in Asia and Europe (Italy, France and Eastern Europe)
 - Smaller roasters and retailers that together represent a large share of total coffee volume
 - Governments
 - Service providers in inputs and finance



WHY

What we aim to achieve

Current collective desired impact

People planet profit widely recognized as sustainable impact categories, large overlap with global goals

Prosperity and well-being of producers



No poverty



Zero hunger



Good health and well-being



Quality education



Gender equality



Decent work and economic growth

Forest, water and soil conservation



Clean water and sanitation



Affordable and clean energy



Climate action



Life on land



UN Sustainable Development Goal



Coffee sector objectives

Sustained supply of coffee



More coffee availability



Better coffee quality



Stable coffee prices



Value addition for improved margins



Sector trusted by society

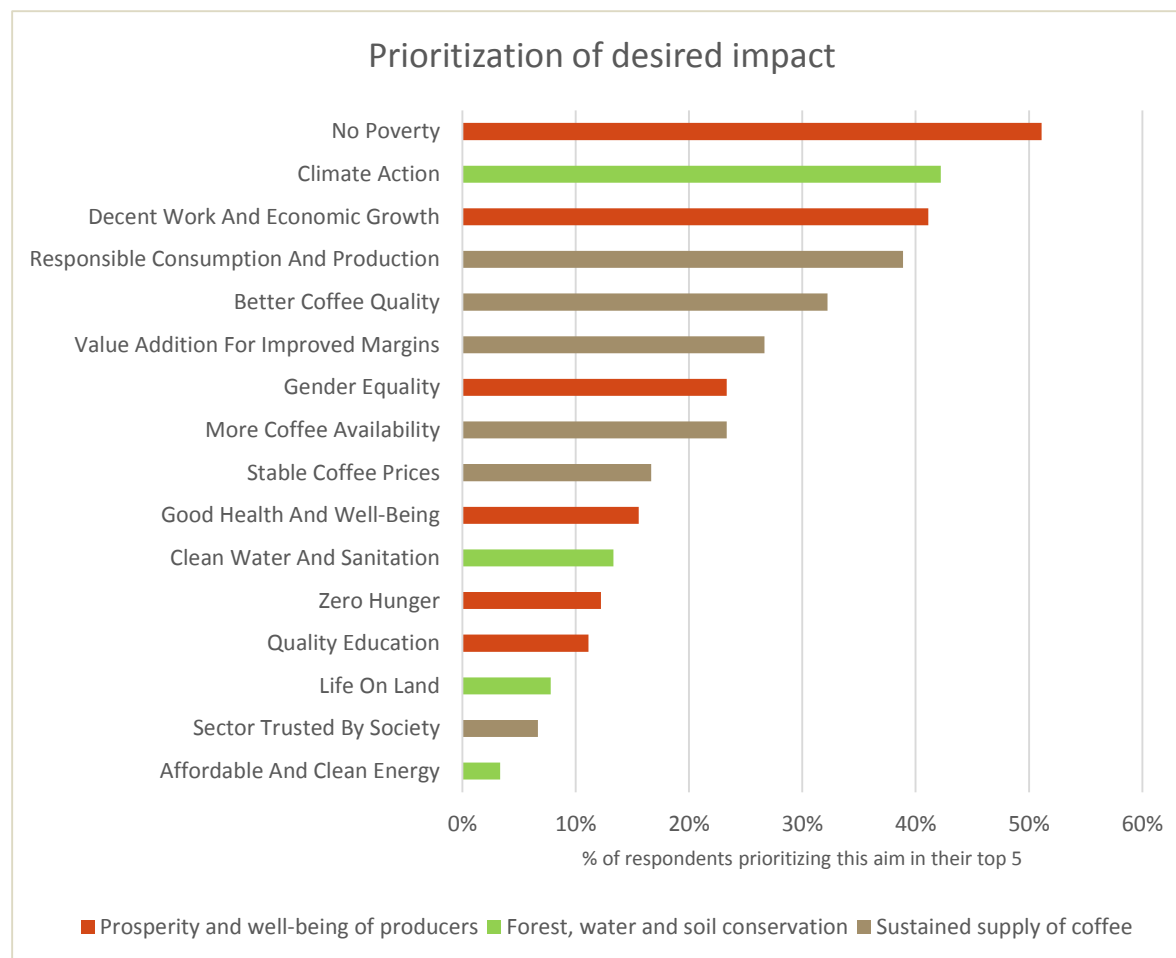


Responsible consumption and production

Source: UN, interview respondents, Valued Chain

Impact priorities aligned with Global Goals

Social and economical impact together with climate action are pursued by most respondents, but individual priorities vary



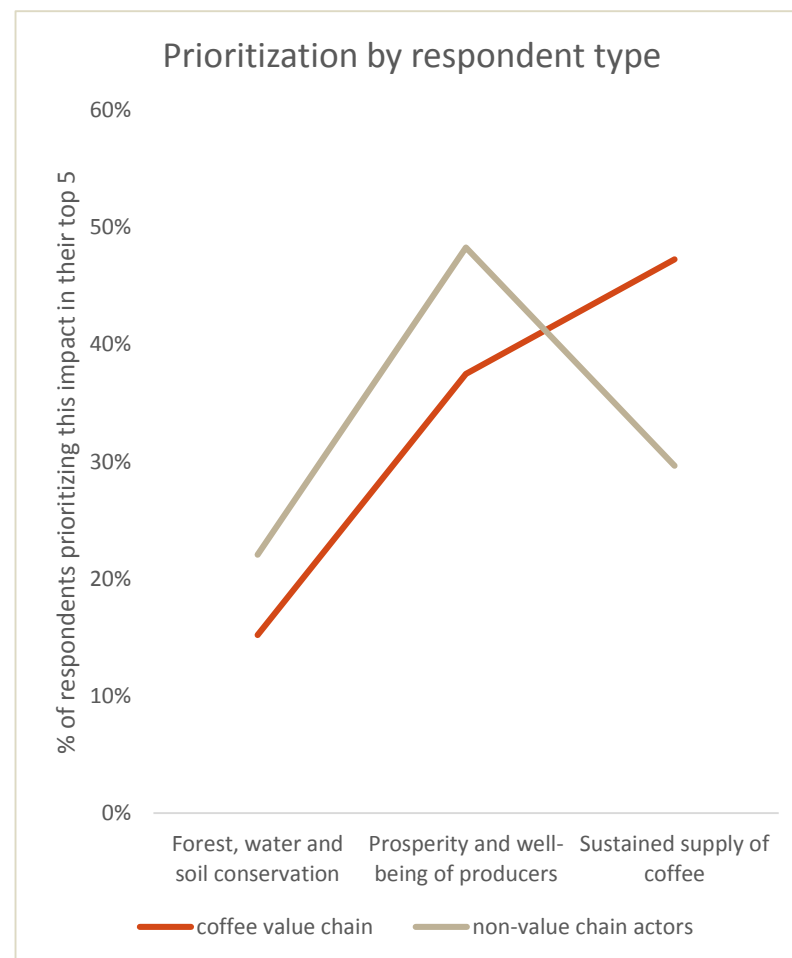
- 4 out of the top 5 coffee sustainability impacts link directly to UN Global Goals (SDG's 1, 13, 8 and 12).
- Most stakeholders are driven by social impact, with profit being the main shared interest, and climate change considered the largest risk.
- No poverty is pursued by most but only half of the respondents, priorities vary between individual respondents.
- Desired impacts are overall aligned, with no significant differences between regions and types of actors.

Source: interview and survey respondents

Supply impact more important to value chain

Desired impacts are overall aligned, with economic and commercial impact more important to coffee value chain actors

- Respondents in the value chain (mainly roasters and traders) prioritize economic impact, whereas non-value chain actors more frequently pursue social and environmental impact.
- Most respondents share the consensus that economic sustainability is a pre-requisite for prosperity and well-being of producers and environment conservation.
- Most programs are executed in partnerships between profit and non-profit actors, which should ensure impact is balanced.
- Whereas profitability is a shared aim for most, the focus varies between volumes, quality, price and cost.



Source: interview and survey respondents

WHY: summary of strengths and gaps

We are aligned on activities and aims, but relation between implementation and impact is rarely explicit

Strengths already achieved:

- ✓ Objectives are naturally aligned with UN Global Goals (Sustainable Development Goals).
- ✓ Most respondents share the consensus that economic sustainability is a pre-requisite for prosperity and well-being of producers and environment conservation.

Gaps and challenges going forward:

- Respondents are missing one documented shared vision on sustainability.
- Priorities vary between individual respondents and any shared vision needs to allow for different practical definitions to meet the various aims of actors involved.



WHAT

Our activities

Current initiatives framework

Current individual sustainability strategies and theories of change are classified in a theory of change framework

WHAT / Activities

Enablers

Policy / law

Research

Sustainability definition

Platform

Implementation

Extension

Business support

Social and community

Disaster relief

Diversified farm & household

Access to inputs

Access to finance

Logistics

Incentives

Traceability & assurance

Value addition in origin

Demand generation

Outcomes

Yield / productivity

Quality

Price

Cost

Resilience

Cashflow

Market access

Inclusivity

Labour conditions

Ecosystem services

Green house gas reduction

Profitability

WHY / Motivations

Impact

Prosperity and well-being of producers

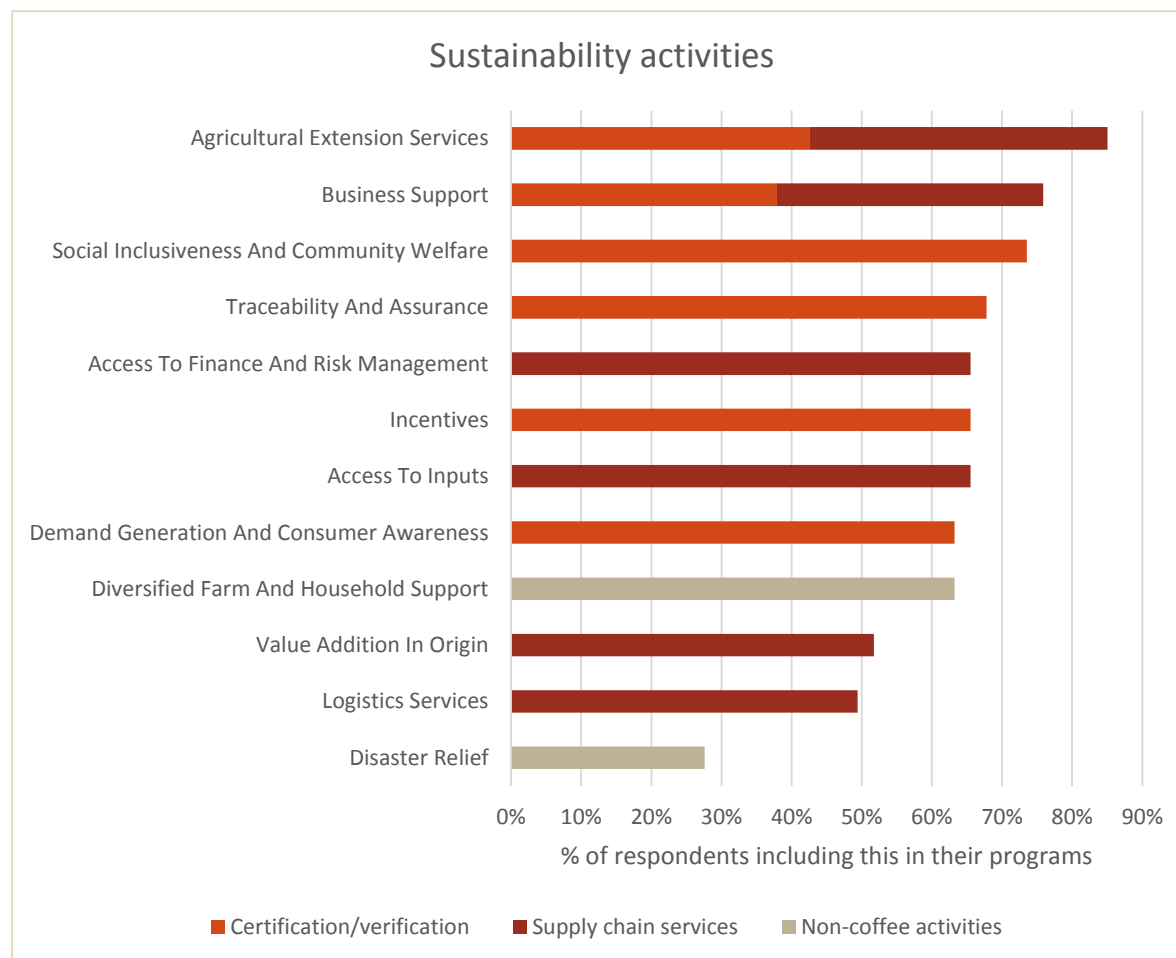
Forest, water and soil conservation

Sustained supply of coffee

Source: Matthew Quinlan, interview respondents, Valued Chain

Common implementation activities

Certification is the common business model, additional activities are introduced



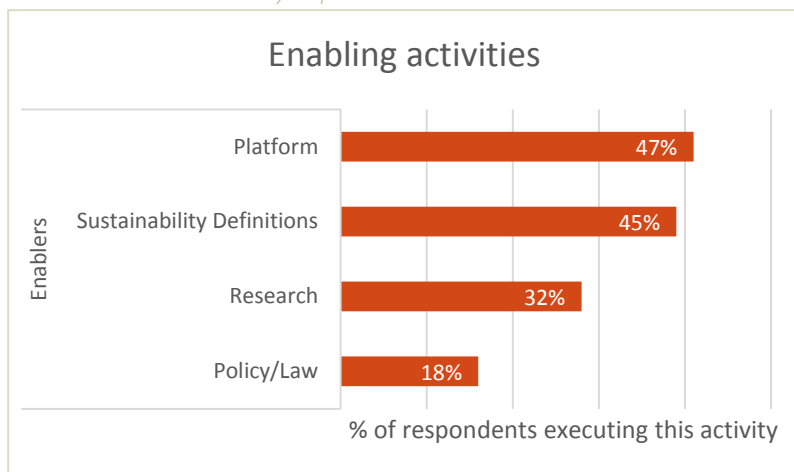
Source: interview and survey respondents

- Almost all programs include outreach via agricultural extension services.
- Certification is the common business model, including consumer awareness, social inclusiveness, traceability and assurance and incentives.
- Business support, access to inputs and access to finance are recognized as important but challenging with a lack of best practices available.
- Value addition via grading or washing is gaining interest.
- Fewer programs have activities outside the coffee value chain. Diversification and disaster relief are least addressed.

Common enabling activities

Dialogue and sustainability definitions are well-developed, fact-based research and government regulation are needed

Source: interview and survey respondents

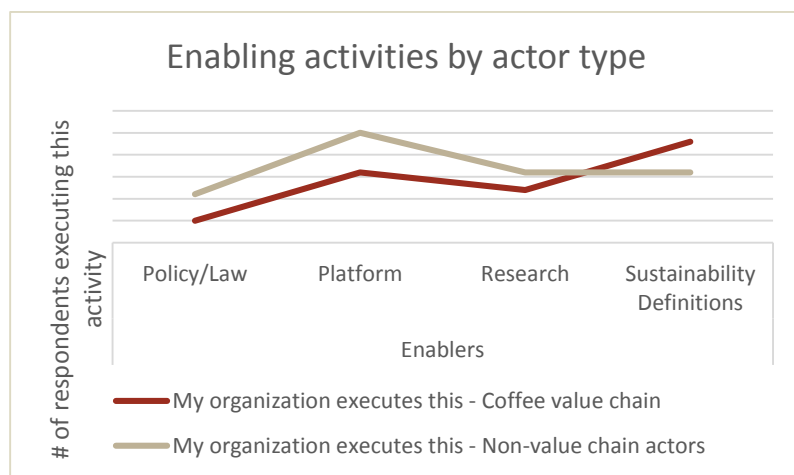


- Platforms and partnerships are common and appreciated by respondents for sharing lessons learned.
- Many recognize the need to define sustainability in a certification code of conduct, supplier code, or national curriculum, but agree this needs to be complemented with other activities. Few respondents can provide a definition, but several tools and curricula are available.
- Several respondents see a need for more agronomy and development research to substantiate strategies and measure impact based on facts instead of assumptions. This is currently in progress but takes time.
- Many indicate they would like more involvement from governments in embedding measures in policy and law.

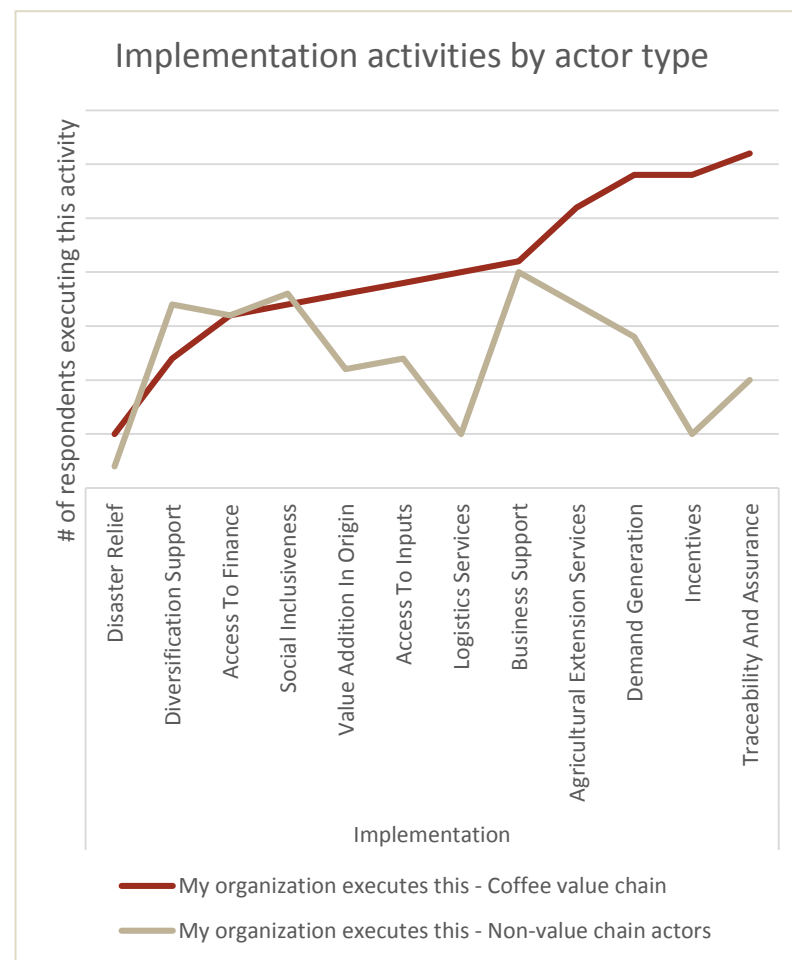
Stakeholder roles in execution

Coffee value chain executes many sustainability activities and has largely integrated farmer outreach in business as usual

- Implementation largely executed by actors that are a direct part of the coffee value chain, embedded in core business.
- Value chain actors also very involved in enabling activities, although their research findings and sustainability definitions are not always shared outside of their own organization.
- Civil society works on inclusiveness, business support and diversification.



Source: interview and survey respondents



Source: interview and survey respondents

Vision on sustainable smallholder farms

A sustainable smallholder farm is diversified, sufficiently large and inclusive, but this is not widely included in programs

- Several respondents suggest that smallholder coffee farms are sustainable when:
 - they are diversified with multiple cash and food crops and other income sources
 - have a minimum size allowing to generate enough income and implement good practices
 - are managed jointly by the full household of man, woman and youth
- Whereas inclusiveness is generally considered, diversification is not widely implemented, following the sector interest in mainly coffee.
- Diversification reduces economic risks of price and productivity. It also conserves biodiversity on the farm, increases self-sufficiency, and offers inclusive opportunities to women and youth. A mix of coffee, food crops, livestock, processing and/or renewable energy generation is recommended.
- In addition, certain very small and unproductive farms are considered not viable and will never provided a living income to the household, even with support. The sector needs to discuss farmer segmentation and what is considered viable, and what alternatives can be offered to those farmers that are not in that position.



WHAT: summary of strengths and gaps

Certification is common business model, several other activities are introduced, but strategy is rarely fact-based

Strengths already achieved:

- ✓ Many activities being implemented in the field. Each project has a different individual focus, sometimes limited in scope. As a sector, we jointly have experience to address most needs. Experienced respondents are willing to share best practices and lessons learned.
- ✓ Certification/verification is a common business model included in most sustainability initiatives.
- ✓ Coffee value chain executes many sustainability activities and has largely integrated farmer outreach in business as usual.

Gaps and challenges going forward:

- Identify and share tools and best practices for business support, access to inputs, access to finance and logistics.
- A sustainable smallholder farm is diversified, sufficiently large and inclusive, but this needs to be more widely addressed in programs.
- Increase involvement from governments in embedding measures in policy and law.
- Relation between activities and desired impact is rarely explicit. Develop a sector wide strategy based on facts and research, and define and measure explicit tangible outcomes.

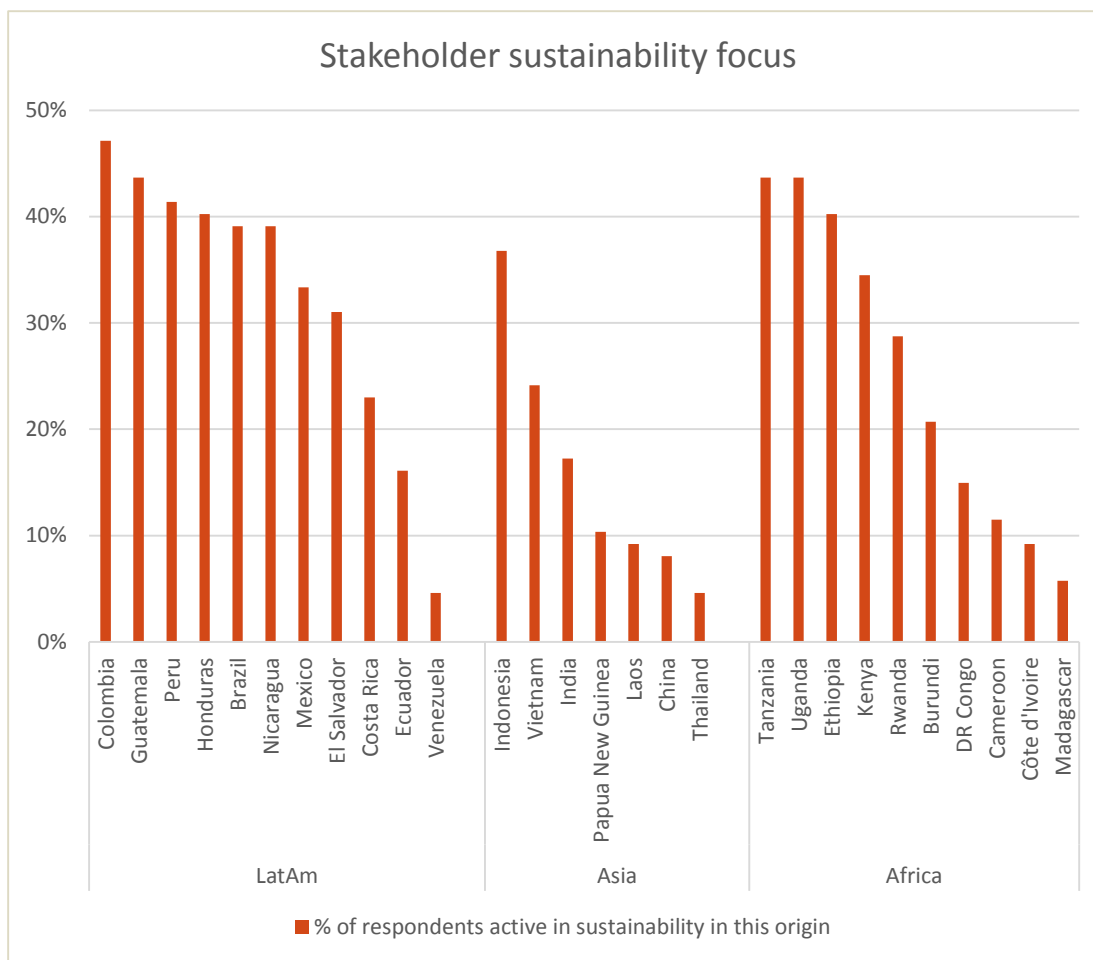


WHERE

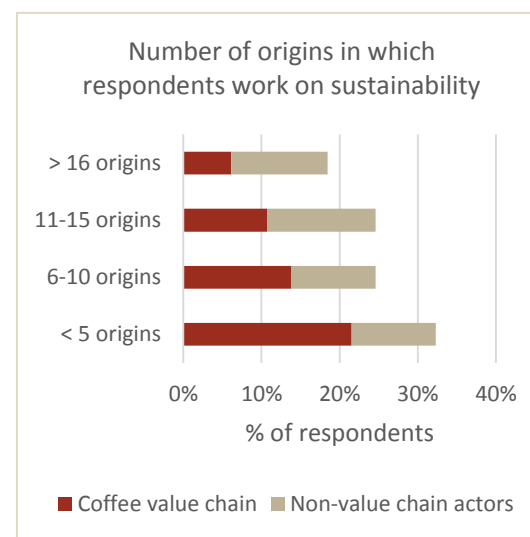
Geographical focus

Focus countries for sustainability

Sustainability work focuses on Latin America and Africa, interest of stakeholder varies between origins



- Most coffee value chain actors focus on a limited number of origins for their sustainability work, mainly the origins that are important for their sourcing.
- Non profit actors more frequently work across a wide range of origins.

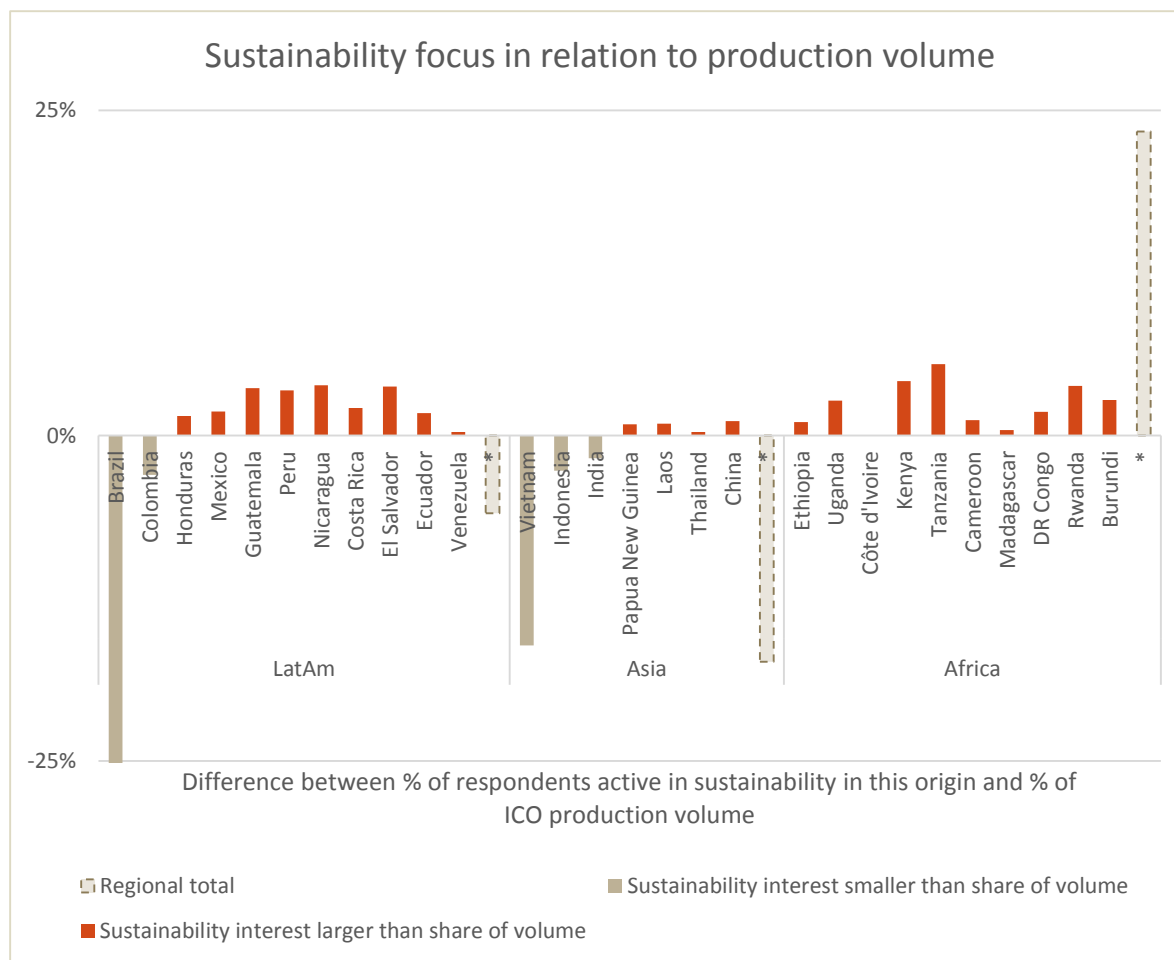


Source: interview and survey respondents

Source: interview and survey respondents

Relation between volumes and sustainability

Sustainability interest is less driven by current volumes, more by quality, potential productivity increase and supply risks



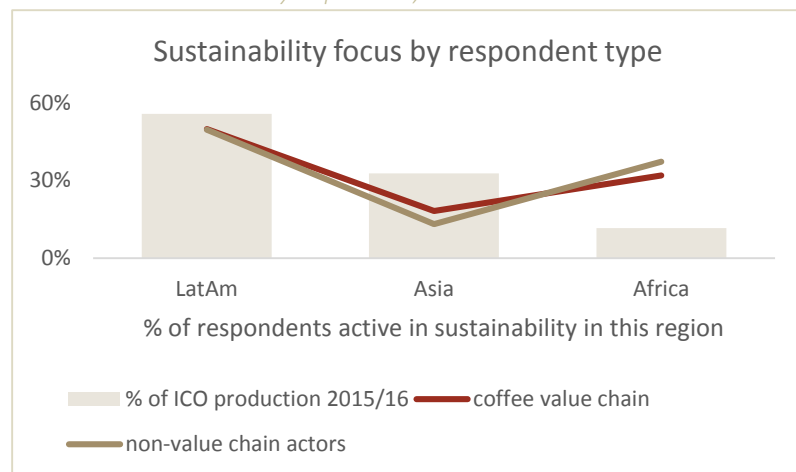
- Less focus on Brazil, Colombia, Vietnam, Indonesia and India where certification has become common with local ownership.
- Larger interest in Central American countries with specific challenges from leaf rust and climate change.
- Larger interest in Africa because of coffee quality in combination with livelihood needs.
- Larger interest in origins in Africa and Asia that have a potential for productivity increase: Kenya, Tanzania, Laos, Thailand, China.
- Ease of working in a country and donor priorities influence prioritization.

Source: interview and survey respondents, ICO

Sustainability relations are regional

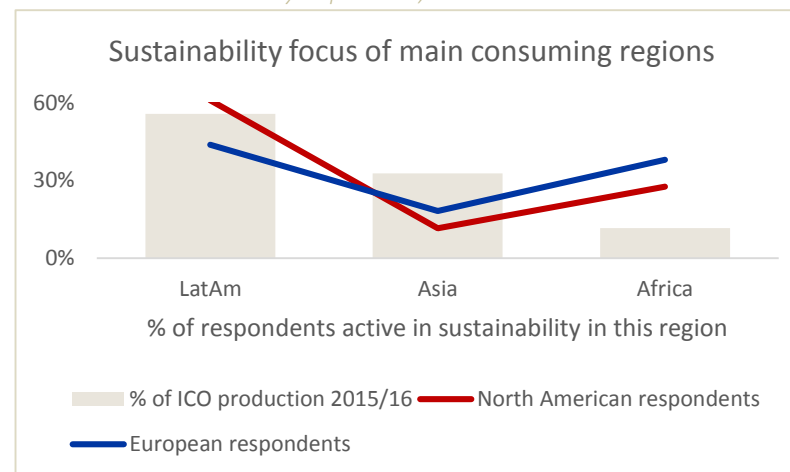
Regional ties between North and Latin America and between Europe, Asia and Africa

Source: interview and survey respondents, ICO



- Following a larger commercial interest of value chain actors, there is some more activity in high volume origins by coffee roasters and traders compared to non profits in the enabling environment. This is visible both on a regional and country level.
- The general alignment in focus origins can be explained by the partnership approach that the sector has developed, with companies and other organizations working together in projects in the same countries.

Source: interview and survey respondents, ICO

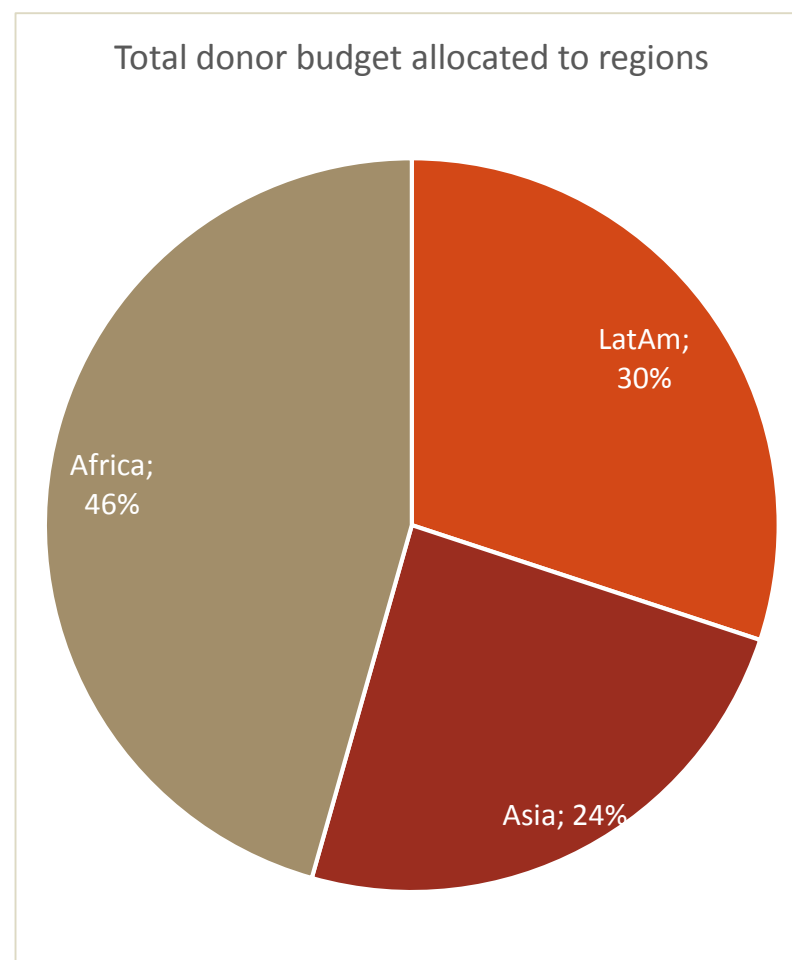


- Sustainability relations build on current physical flows of coffee, with strong ties between North and Latin America, and between Europe, Africa, and Asia.
- Consumer palates differ between consuming regions and affect demand for a specific quality or flavour profile.
- Geographical proximity is a key factor in supply chain relations, especially for volume.

Regional focus of investments

Sustainability investments by major donors and their private partners focus on Africa

- Major donors are USAID, World Bank, IDH, Bill & Melinda Gates Foundation and regional development banks.
- Overall donor focus on Africa, driving investment in the region.
- Major donors each have different individual focus:
 - USAID invests mainly in Latin America and Africa
 - World Bank invests more in Asia
 - Gates Foundation focuses on Africa
 - IDH invests in line with private sector priorities across all continents
 - Regional development banks invest in their own region



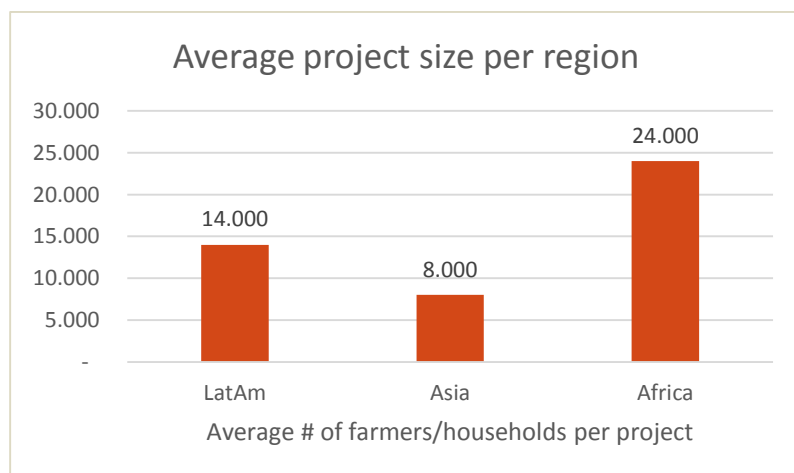
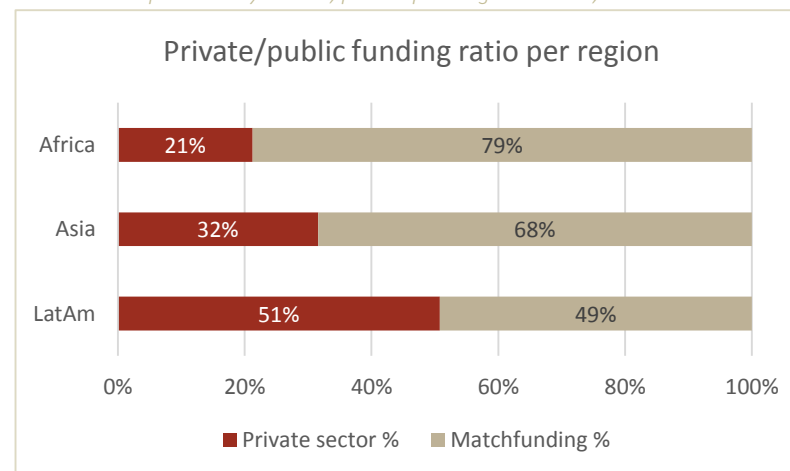
Source: data provided by donors, public spending databases, interviews

Public and private investment priorities

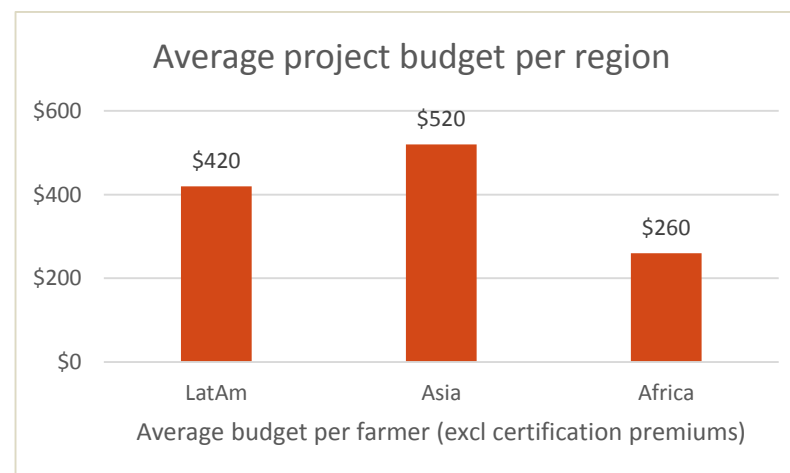
Projects in Africa and Latin America largely publicly funded, with larger outreach and lower budgets per farmer

- Interest in Africa and specific origins in Asia is strongly donor driven.
- Projects in Africa are generally larger scale with lower investment per farmer. This can be partly attributed to economies of scale and lower cost levels locally, but is also attributed to low volume per farmer resulting in high cost per MT which puts pressure on cost.

Source: data provided by donors, public spending databases, interviews



Source: data provided by donors, public spending databases, interviews

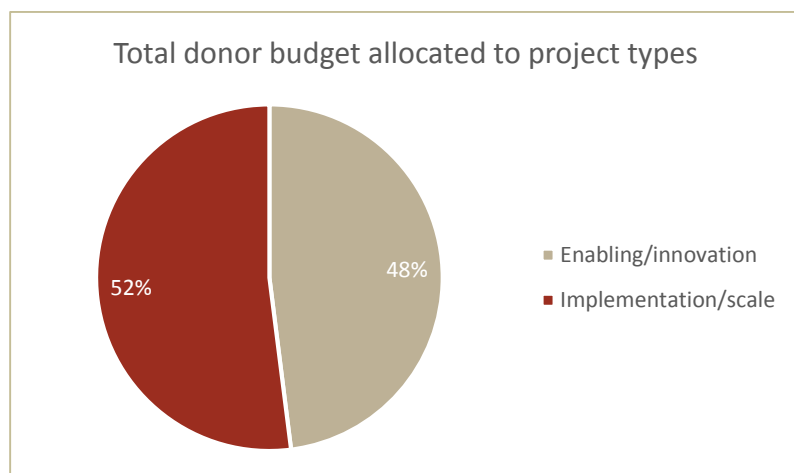


Source: data provided by donors, public spending databases, interviews

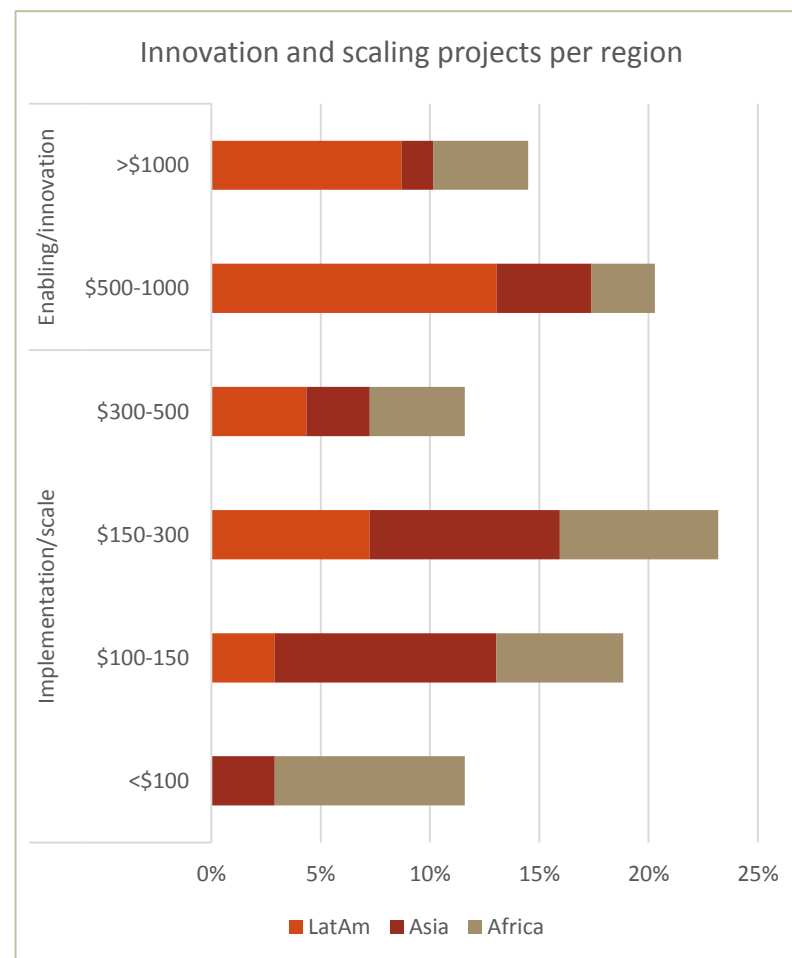
Investment categories

Implementation projects in all regions, innovation focus in Latin America to address climate change impacts

- Projects can be categorized:
 - Implementation projects, aimed to reach out to farmers, with an average budget of around \$200 per farmer.
 - Enabling environment and/or innovative pilots, with high budgets per farmer, or even pure research without any farmer outreach.
- Investments in innovation are currently mainly in Latin America, attributed to research in relation to leaf rust and other climate change impacts. With existing high reach of certification reaching further scale is less needed.



Source: data provided by donors, public spending databases, interviews

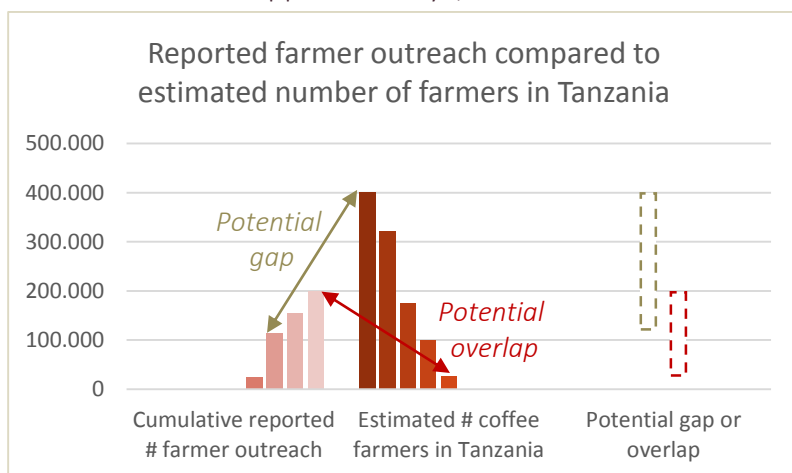


Source: data provided by donors, public spending databases, interviews

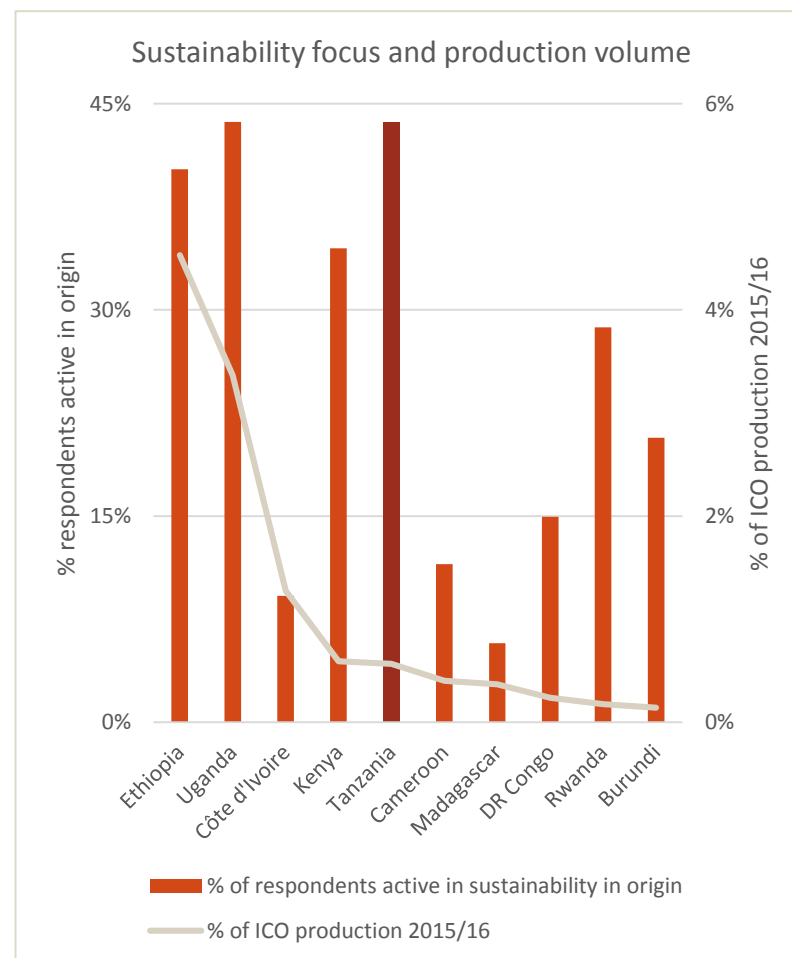
Risk of overlap in East Africa

High interest and investment in East Africa suggests risk of overlap and emphasizes need for coordination and reliable data

- Several respondents see risk of overlapping investments. This is illustrated by the case of Tanzania. Summing up reported project outreach compared to different assumptions about the numbers of farmers, we are not sure whether there is an overlap in projects or a gap in outreach.
- Respondents consider it likely that some overlap occurs, while there is also still a large number of farmers that have not been reached. There is a need for coordination and reliable data.
- Analysis of sustainability focus and volumes suggests the same risk applies in Kenya, Rwanda and Burundi.



Source: data provided by donors, respondent progress reports, interviews



Source: interview and survey respondents, ICO

WHERE: summary of strengths and gaps

Geographic focus follows flows of coffee and origin needs, with risk of overlap in East Africa, and some origins left out

Strengths already achieved:

- ✓ Several large origins show local ownership and embed sustainability in business as usual, need for temporary projects is decreasing.
- ✓ Focus countries for sustainability are mainly prioritized because of quality, potential productivity increase and supply risks.
- ✓ Interest in 'new' origins that have potential to increase productivity.
- ✓ Strong regional sustainability relations between North and Latin America, and between Europe, Africa and Asia building on current supply and demand.
- ✓ Large investments in all regions.

Gaps and challenges going forward:

- Innovation budget is mainly focused on Latin America. Budget per farmer in Africa is low, partly attributed to economies of scale, but also to low volume per farmer resulting in high cost per MT which puts pressure on cost.
- Discuss justification of current investments in East Africa in relation to possible overlap, efficiency and impact achieved.
- Increase activity in origins currently left out because of perceived difficulty to work there, including Venezuela and West Africa.



HOW

Collaboration for strategy, funding and measurement

Sustainability challenges

Financing, strategy and impact measurement are current challenges, respondents suggest a role for platforms

- Financing sustainability, developing strategy and measuring impact are the largest challenges. Most respondents see a role for platforms to address these:
 - Explore pooling resources for cost efficiency by investing jointly via a platform or fund. Explore carbon financing as a means of funding coffee sustainability programs. This is not currently on the agenda in the platforms.
 - Develop a sector wide strategy and define contributions of different platforms and actors.
 - Develop a set of common indicators for outputs and impact. This facilitates individual organizations in measuring their impact, as well as allows for comparison.



Source: interview and survey respondents



Source: interview and survey respondents

Sector organization

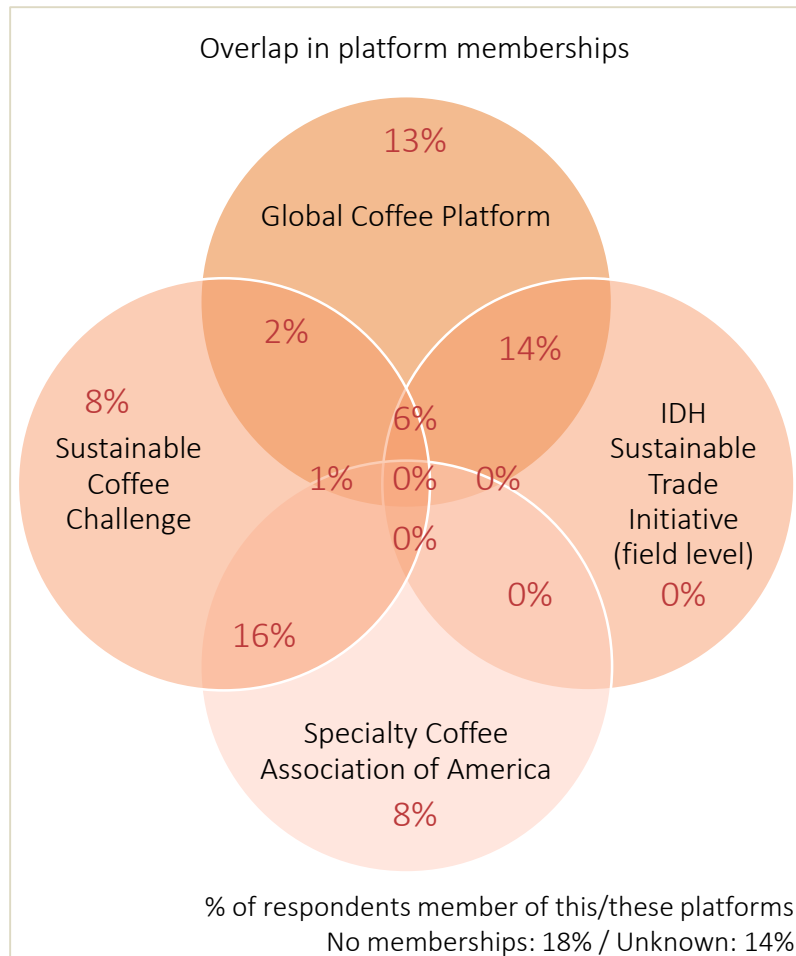
The coffee sector cooperates in a number of platforms, partnerships and alliances

 GLOBAL COFFEE PLATFORM for a sustainable coffee world	 SPECIALTY COFFEE ASSOCIATION OF AMERICA®	 SUSTAINABLE COFFEE CHALLENGE	Alliance for Coffee Excellence	African and Malagasy Robusta Coffee Agency (ACRAM)
African Fine Coffees Association (AFCA)	Coalition for Coffee Communities	Coffee & Climate	Coffee Farmer Resilience Fund	European Coffee Federation
Finance Alliance for Sustainable Trade	Green Coffee Association	International Coffee Genome Network	International Coffee Partners	National Coffee Association USA (NCA)
SAFE Platform	Specialty Coffee Association of Europe	Sustainable Commodity Assistance Network	World Coffee Research	
			<i>several national coffee platforms</i>	<i>several non-coffee specific platforms</i>

Source: interview and survey respondents

Overlap in platforms

There is less overlap between platform membership than most respondents expect



Source: interview and survey respondents

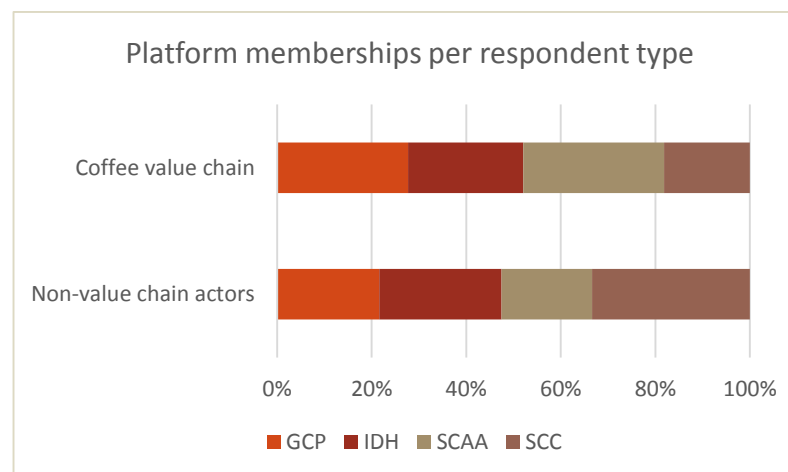
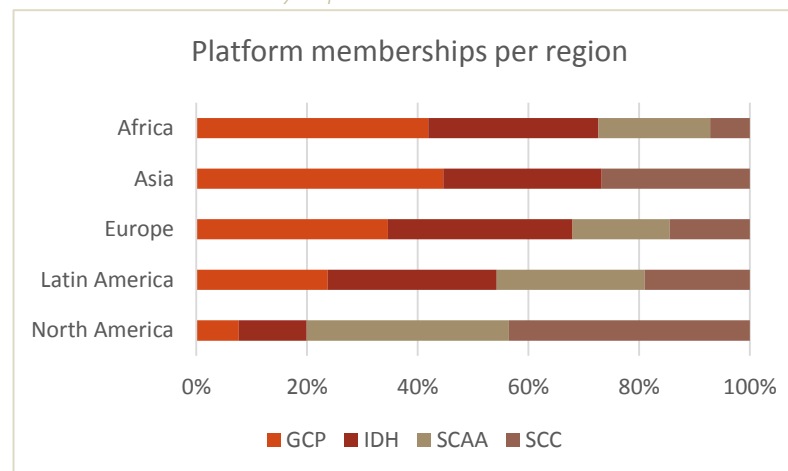
- Interviewed respondents perceive a large overlap, and “see the same people in different settings”. This is likely within their own ‘circle’.
- The overlap is visible but appears to be less than expected:
 - GCP has largest unique membership.
 - Largest overlap in membership between SCAA and SCC.
 - Also large overlap between GCP and IDH, which is now formalized with the merger to GCP.

Platforms are regionally organized

Platform membership confirms the perceived ‘Atlantic divide’ which builds on current trade relations

- The perceived ‘Atlantic divide’ is visible in platform membership and is in line with current supply and demand relations:
 - Respondents in Africa, Asia and Europe are more likely to be members of GCP and IDH.
 - Respondents in North America are more likely to be members of SCAA and SCC.
 - Respondents in Latin America adhere to these platforms equally.
- Common platforms appear to have a good mix between value chain actors and the enabling environment.

Source: interview and survey respondents



Source: interview and survey respondents

Feedback to sector organization

Respondents see large progress made in collaboration, but also a tension between inclusiveness and ability to act

Importance of inclusiveness

- Coordination, shared vision and interest, learning, embedding sustainability in policy and value chain
- Importance of inclusiveness mainly emphasized by NGO's and large companies, specifically in Europe
- But: inclusive dialogue is time-consuming & several respondents feel that producers and governments are not sufficiently involved

Importance of ability to act

- Commitment, innovation, scale directly visible on the ground
- Mainly emphasized by private sector, specifically in North America
- But: assumptions are made in order to act quickly & specific interests may dominate

“Producers are not sufficiently heard”

“We should not try to create another United Nations”

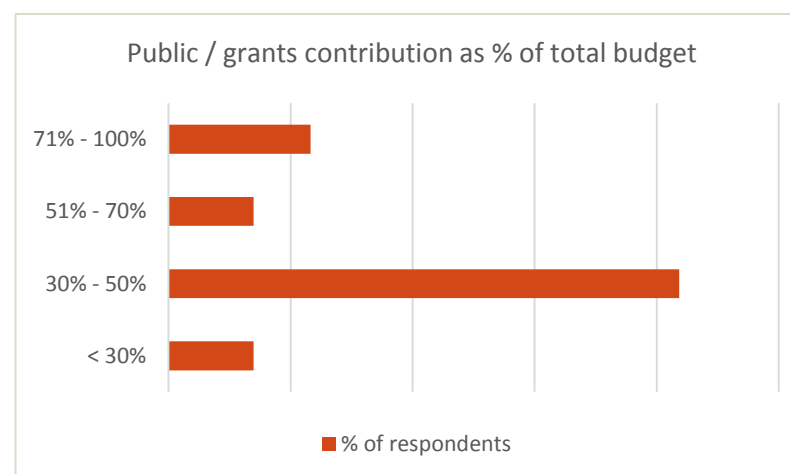
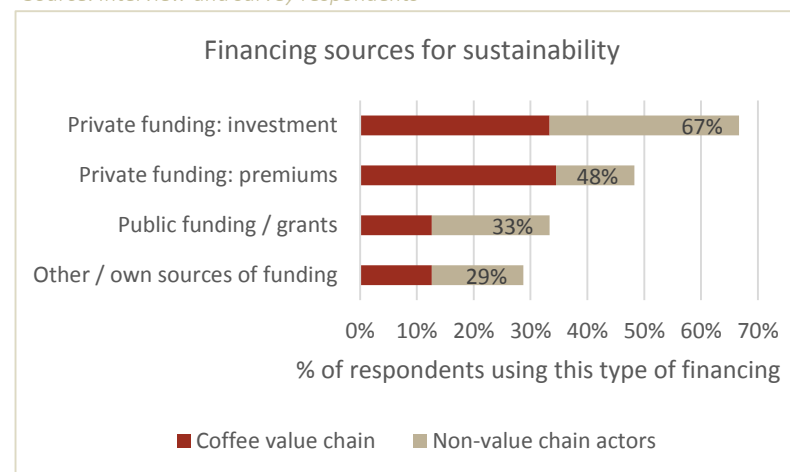
Source: interview respondents

Private sector and matchfunding

Private sector is financing major part of sustainability work, matchfunding and certification premiums are common

- All types of actors use matchfunding grants especially when reaching out to new farmers, on average between 30-50%. Major part of sustainability work is funded privately. This is in line with the data obtained from major donors.
- Certification has led to a business model for sustainability based on premiums which are commonly used to maintain existing programs.
- Traders indicate that declining premiums are insufficient to implement and maintain outreach. Several respondents indicate that certification has an impact but does not address all needs.
- Respondents indicate that budgets are not sufficient to reach out to full value chain and address issues beyond the immediate coffee sector interest.
- Other sources of funding are not yet common, but some respondents are exploring specifically carbon financing.

Source: interview and survey respondents



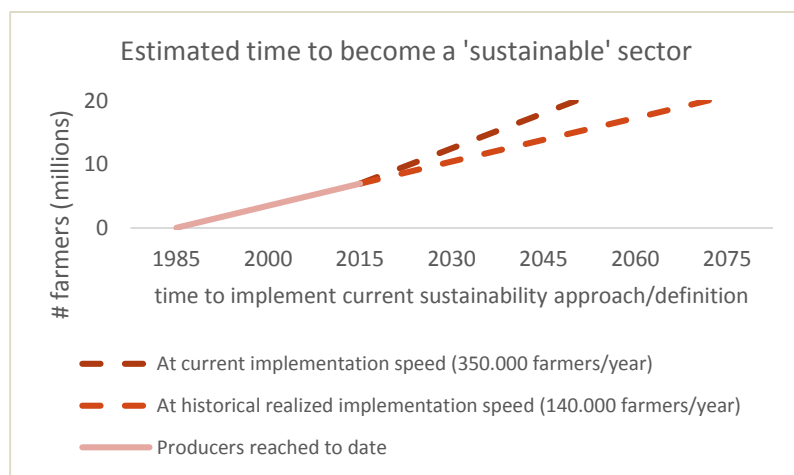
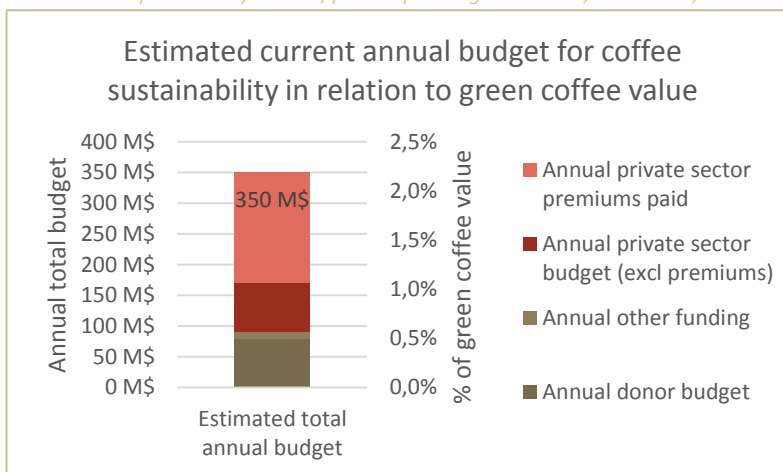
Source: interview and survey respondents

Estimated total sustainability investment

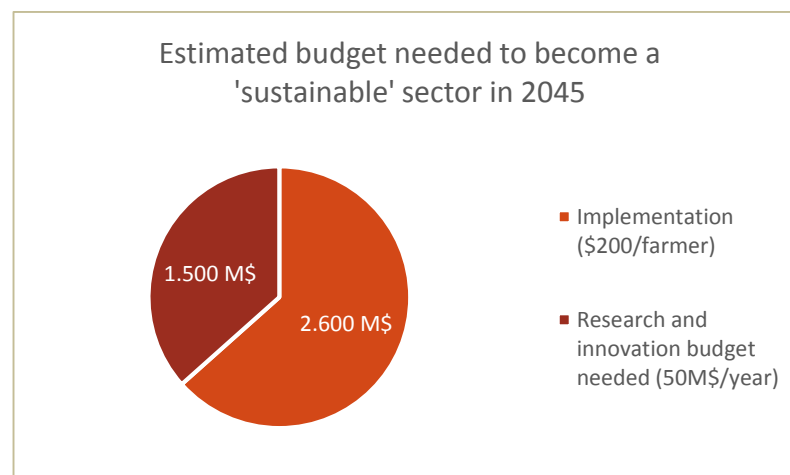
Implementation speed has increased, significant investments still needed to reach all farmers and address wider challenges

- Annual available budget of 350M\$ represents 2% of green coffee value, in sector with low margins.
- A lot of work has been done since the 1980s, but we are not there yet. At current implementation speed we could complete outreach by 2045. Required budget to completion (based on current practices) would be 4,1 bln\$.
- This can be adjusted up or down based on increased efficiency, new challenges, new definitions of sustainability and/or new findings about the size of the producer population.

Source: data provided by donors, public spending databases, interviews, Valued Chain



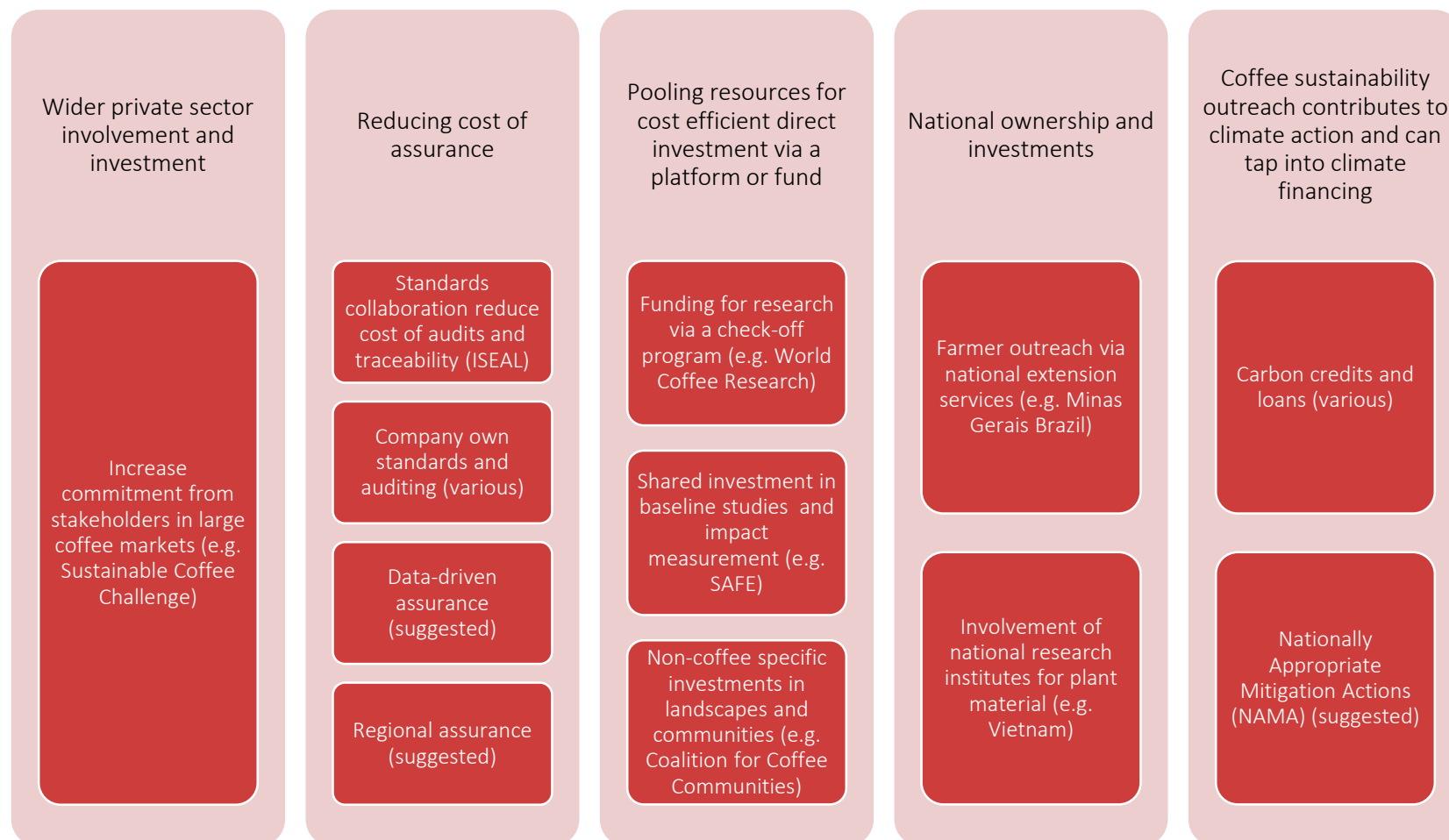
Source: interviews, Coffee Barometer, Valued Chain



Source: data provided by donors, public spending databases, Valued Chain

Ongoing efforts on financial constraints

Respondents are working on increasing available funds and decreasing cost of implementation



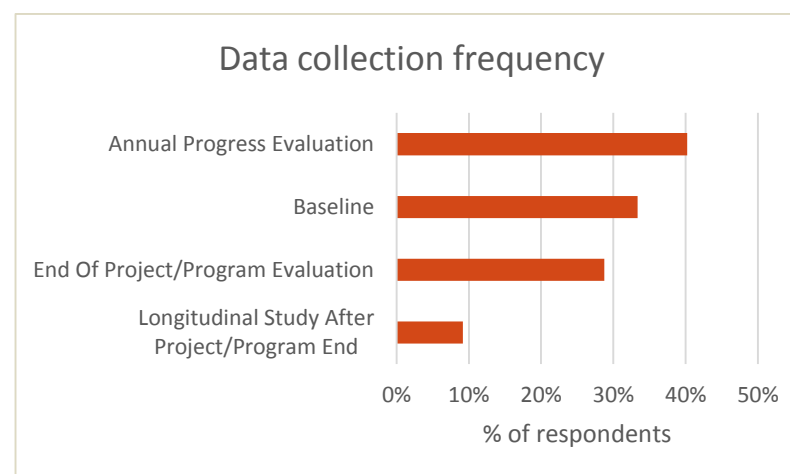
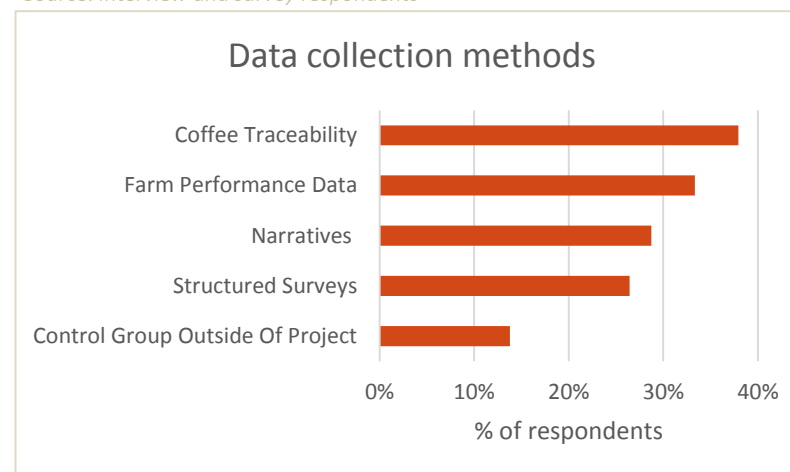
Source: interview respondents

Monitoring depends on supply chain data

Impact measurement is not yet embedded in sector sustainability work, mainly because of cost and effort

- Cost and effort of impact measurement are given as a main challenge.
- Current impact measurement mainly based on activity outputs: farm data and traceability. This quantitative data is collected within the supply chain, often in relation to certification.
- Programs are evaluated annually but not always with a baseline. Attribution is a challenge, with rarely a control group in place and very few longitudinal studies.
- Currently impact measurement is mainly driven by donor demands. Respondents suggest these could be aligned.
- Impact measurement is gaining interest. Current workgroups exist within GCP, SCC and COSA, as well as many individual organizations. Some NGO's and research institutes have developed specific expertise in impact measurement.

Source: interview and survey respondents

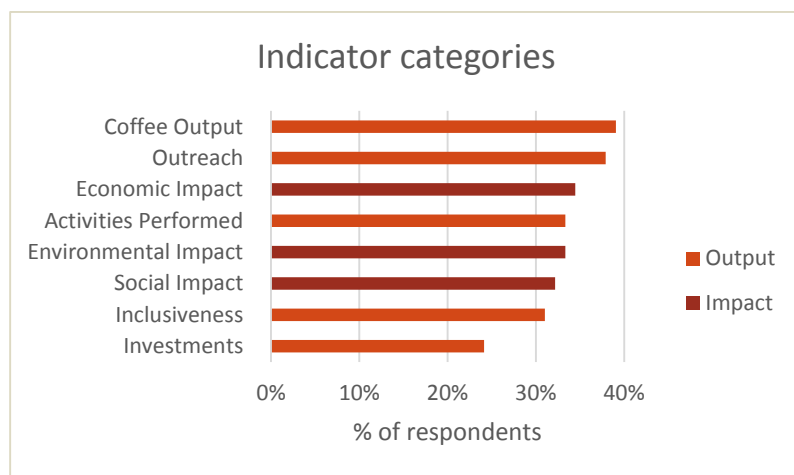


Source: interview and survey respondents

Lack of consensus on indicators

Common indicators are not comparable, and mainly measure coffee output and outreach but not impact

- Even common indicators for outreach to farmers, inclusiveness, volumes and yields are used in different ways and as such can't be added up or compared easily.
- A number of respondents are currently working on defining indicators, as well as several platforms notably the Global Coffee Platform and Sustainable Coffee Challenge.
- Most respondents agree that certification data provides a good starting point for measuring output. Some respondents indicate that the IDH KPI framework is a good starting point, while others say this is too much focused on output not impact.



Source: interview and survey respondents

Different definitions for common indicators

# farmers/ # households reached	% farmers reached by M/F by age <25/<30/<35	# / % coffee produced/ sourced sustainable/ certified/ verified in MT/ kg/ bags	# yield / % increase per tree/ ha/ farmer in MT/ kg/ bags
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Source: interview respondents

HOW: summary of strengths and gaps

Whereas collaboration on strategy and impact measurement is recognized as a need, funding is still a less visible challenge

Strengths already achieved:

- ✓ Collectively, the sector has a lot of experience in developing sustainability programs. Attributed to experience, most respondents feel comfortable with communication, collaboration and learning.
- ✓ Existing platforms have trust of members and overlap is less than perceived.
- ✓ Certification premiums have allowed to integrate sustainability in business as usual.
- ✓ Annual available budget of 350M\$ represents 2% of green coffee value, in sector with low margins.
- ✓ Indicators from certification and current global programs are a good starting point in developing indicators, and further development and harmonization is underway.

Gaps and challenges going forward:

- Ensure that variety in platforms does not lead to a scattered approach by coordinating between platforms. Balancing inclusiveness and ability to act of platforms.
- Develop a sector wide strategy and define contributions of different platforms and actors.
- Explore pooling resources for cost efficiency by investing jointly via a platform or fund.
- Explore carbon financing as a means of funding coffee sustainability programs.
- Align different initiatives that are developing a set of common indicators for outputs and impact. This facilitates individual organizations in measuring their impact, as well as allows for comparison.



Coffee Sustainability Catalogue 2016

We have a way to go, but a good foundation to build on

Notes on interpretation of this study

A reliable catalogue but not exhaustive, as input for further sector discussion

- Study summarizes the current initiatives in coffee sustainability. This is an overview of what we are currently implementing. It does not specify what the agenda forward should be, this is up for sector discussion.
- Study has focused on organizational strategies not individual projects.
- Findings are based on a sample of respondents from the membership and network of the organizations in the steering committee that were willing to provide input. The overview is not exhaustive. The participation of respondents is however sufficiently large and representative to allow for interpretation. We have consulted 36 respondents in interviews and 51 organizations participated in a survey.
- Perspectives from producing countries are possibly underrepresented following the membership and network of the steering committee, and the decision to conduct this study in English only. Any bias is mentioned in the applicable section of this report.
- Historical data on investment, output and impact is rarely available. Furthermore, most sustainability work is done in partnerships of public and private organizations who all report on investment and outreach, so there is overlap in the numbers reported. We have used mainly data from donors and roasters. Donors and roasters most commonly collect data, and partnerships rarely contain more than one donor and more than one roaster.