



INTERNATIONAL COFFEE ORGANIZATION
ORGANIZACIÓN INTERNACIONAL DEL CAFÉ
ORGANIZAÇÃO INTERNACIONAL DO CAFÉ
ORGANISATION INTERNATIONALE DU CAFÉ

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Draft terms of reference for a seminar on the economic, social and environmental impact of certification on the coffee supply chain

1. The Executive Director presents his compliments and attaches a document containing draft terms of reference for a seminar on the economic, social and environmental impact of certification on the coffee supply chain, as provided for in the Programme of Activities for 2011/12 (document ICC-107-19). The seminar will take place at the ICO headquarters in London during the 109th Council Session from 24 – 27 September 2012, and is scheduled for the afternoon of Tuesday 25 September 2012.
2. Members are invited to send comments on the draft terms of reference and suggestions for speakers to the Executive Director no later than **17 May 2012**, following which appropriate speakers will be identified and contacted.

**DRAFT TERMS OF REFERENCE FOR A
SEMINAR ON THE ECONOMIC, SOCIAL AND ENVIRONMENTAL IMPACT
OF CERTIFICATION ON THE COFFEE SUPPLY CHAIN**

Introduction

1. In March 2012, the Council analysed a proposal, put forward by Switzerland, that the September 2012 seminar topic be the impact of certification on the supply chain from an economic, social and environmental perspective.

2. In discussions, Members noted that this was an important topic and some Members took the view that consumer and industry demand for certified/verified coffee would increase. Producing Members highlighted the need for a balanced approach and for an examination of producer costs and benefits, as well as environmental issues. Organic coffee and its viability was a related issue being debated in producing countries. It was also suggested that it would be helpful to examine questions related to the demand for certified/verified coffee, including whether consumers were willing to pay more for this type of coffee and their preferences. A proposal was made that an expert from Colombia could present the results of a study, using Committee on Sustainable Assessment (COSA) methodology, which was expected to generate quantitative information on the costs and benefits associated with certification and verification standards applied for coffee production in Colombia.

3. The Council took note of this information and decided that terms of reference should be developed for the seminar by a working group with the assistance of the Secretariat. The working group would include Brazil, Colombia, Switzerland and the USA and would be open to all Members.

4. In view of the interest expressed by Members in this issue, the decision was taken to hold a seminar on the economic, social and environmental impact of certification on the various supply chain levels during the 109th Session of the Council in September 2012, as provided for in the Programme of Activities for 2011/12 (see Activity 19 of document ICC-107-19).

Objective

5. The objective of the seminar is to provide information to Members on the economic, social and environmental impact of certification on the various levels of the supply chain from farm to cup. The seminar will identify the various impacts of certification, and will also attempt to formulate any relevant recommendations.

Proposed structure

6. The seminar will cover issues related to the economic, social and environmental impact of certification and verification standards on the various levels of the supply chain, including but not limited to:

- costs, benefits and economic, social and environmental impacts of certification/verification schemes, especially for smallholder farmers;
- impact of certification on productivity, cost-management, incomes, health, education, farmer training, biodiversity and soil fertility;
- consumer and industry demand for certified/verified coffee and related demand drivers;
- access to credit and finance for certification/verification processes and the production and promotion of certified/verified coffee;
- impact of certification/verification on value at the various levels in the coffee supply chain, for example, price premiums for producers and other supply chain participants, and means to enhance transparency about such value/premiums;
- similarities and differences, as well as possible synergies, among certification/verification schemes;
- the relationship between certification/verification schemes and relevant international standards;
- certification/verification schemes and their impact on trade;
- traceability;
- impact of certifications/verifications on the volatility of coffee prices;
- the role of certifications in times of low coffee supply;
- certification/verifications as a marketing strategy;
- lessons learned on the impact of certification/verifications on improving long-term sustainability; and
- improving the efficiency and cost-effectiveness of certification/verifications.

Suggested speakers

7. It is proposed that organizations from the following categories could be approached to provide speakers:

- Developers of certification/verification systems
- Certifying and accrediting entities
- Relevant governmental and non-governmental organizations

- Research institutions/universities/consultants with relevant expertise
- Coffee associations in exporting and consuming countries
- Entities financing these types of initiatives

Participants

The event would be open to ICO Members and observers, private sector representatives and other interested parties.

