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Sustainability

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**Sustainability in coffee growing,  
processing and in the marketing  
of raw coffee**

**Discussion paper**

The attached document contains a discussion paper between the German authorities and the trade regarding the joint project on this matter introduced by Dr. Uschi Eid, Parliamentary State Secretary, Federal Ministry for Economic Cooperation and Development, Germany, (document ICC-87-6).

# DRAFT

Discussion document (Date: 19/09/2002)

## **Sustainability of the Production, Processing, and Marketing of Green Coffee**

An explanation of a joint project between the German coffee industry, the Deutsche Gesellschaft für technische Zusammenarbeit (GTZ) GmbH, producer countries and interested groups of the civil society

### Preface

Sustainability means continuous development that meets the needs of the current generation, without compromising the ability of future generations to meet their own needs. In the case of coffee, this means producing qualities that guarantee both long-term sales and adequate income for the producers. The intention is to apply the known principles of sustainability, particularly in terms of:

- a. Economics/Improved access to the market
- b. Ecology
- c. Social aspects.

The overproduction of green coffee results in a sharp drop in prices, along with deterioration in its quality due to, among other things, insufficient knowledge of sustainable production.

The coffee industry in the consumer countries faces two tasks:

1. The demand-oriented marketing of coffee continues to have priority. This contributes to giving new impetus to coffee consumption worldwide, including in the producer countries.
2. Simultaneously, it foments and supports the drawing up of a Code of Conduct (CoC) in direct cooperation with the coffee producing countries.

For that, the coffee industry needs cooperation from the national and international coffee growers' organizations in the producer countries, governments, and their development agencies, trade unions and non-governmental organizations involved in the matter, and other relevant organizations.

The intention is to provide the coffee industry in the producer countries the basis for production and processing of coffee in accordance with the CoC that must be approved by all parties so that the above mentioned aspects of sustainability will be applied in a way that is economically feasible. In a second stage the global

principles are adapted to local circumstances in order to prevent unfair competition.

### **1. Project Objective**

The German coffee industry, along with producers, employees, interested groups of the civil society, and development cooperation agencies, will draw up a CoC for the global coffee industry. This CoC will be based on the principles of sustainability for all of the beneficiaries in the chain of values. Simultaneously, proposals will be drawn up to implement the CoC that will allow, over the medium and long term, adequate monitoring and, if possible, certification.

This project cannot, in the short term, reduce overproduction at the world level but instead aims to develop sustainable production conditions over the long term, taking into account market conditions. Bearing in mind that often local production does not comply with the principles of sustainability, it is hoped that the implementation of the CoC will have a stabilizing effect on the world coffee market.

Involving international organizations, representatives of the producer and consumer countries, as well as multinational companies, the German initiative is intended as a first step to establishing guidelines that will be accepted worldwide, and that will generally improve the social situation in the producer countries and opportunities for sales in the world coffee market.

### **2. Project management**

A steering committee will be in charge of directing and coordinating the development of the CoC. This committee will be made up of eight to a maximum of 12 delegates that represent the producers and consumers' interests. It is important that the economic interests and the interests of the society as a whole, that is to say, social and ecological interests are adequately represented, on equal terms with those of the countries of the northern and southern hemisphere.

DKV and GTZ have created an organizational committee whose work is to coordinate the activities of the working groups and to maintain communications with the working groups and to ensure communication both with the steering committee and with all the groups involved. This organizing committee is also responsible for planning the project, and managing the resources and personnel.

The development of the CoC, as well as the conclusions that it generates, will be done in working groups that will address specific sustainability issues. The development of the CoC, as well as the conclusions that it generates, will be done in working groups that will address specific sustainability issues. The

working groups will present preliminary results to the steering committee twice a year.

### **3. Additional measures**

Independent of this project but during its execution, and as a consequence of this cooperation at a regional level, some coffee enterprises will participate in developing initiatives to be implemented later as pilot projects, for example, in the area of quality, organic production or social matters. For that purpose it is hoped that there will be cooperation from cooperatives, large estates and organizations in the producer countries, interested groups of the civil society and experts, given their knowledge of technical matters and infrastructure. Furthermore, if possible, adequate monitoring or a neutral evaluation and if appropriate a first certification so that "best practices" spread regionally, nationally and internationally, should be considered. The measures that contribute to the implementation and accompaniment of the project must be coordinated, as necessary and possible, with it.