



Coffee Sustainability Catalogue 2016

Appendix A: current initiatives framework: overview of current sector strategies



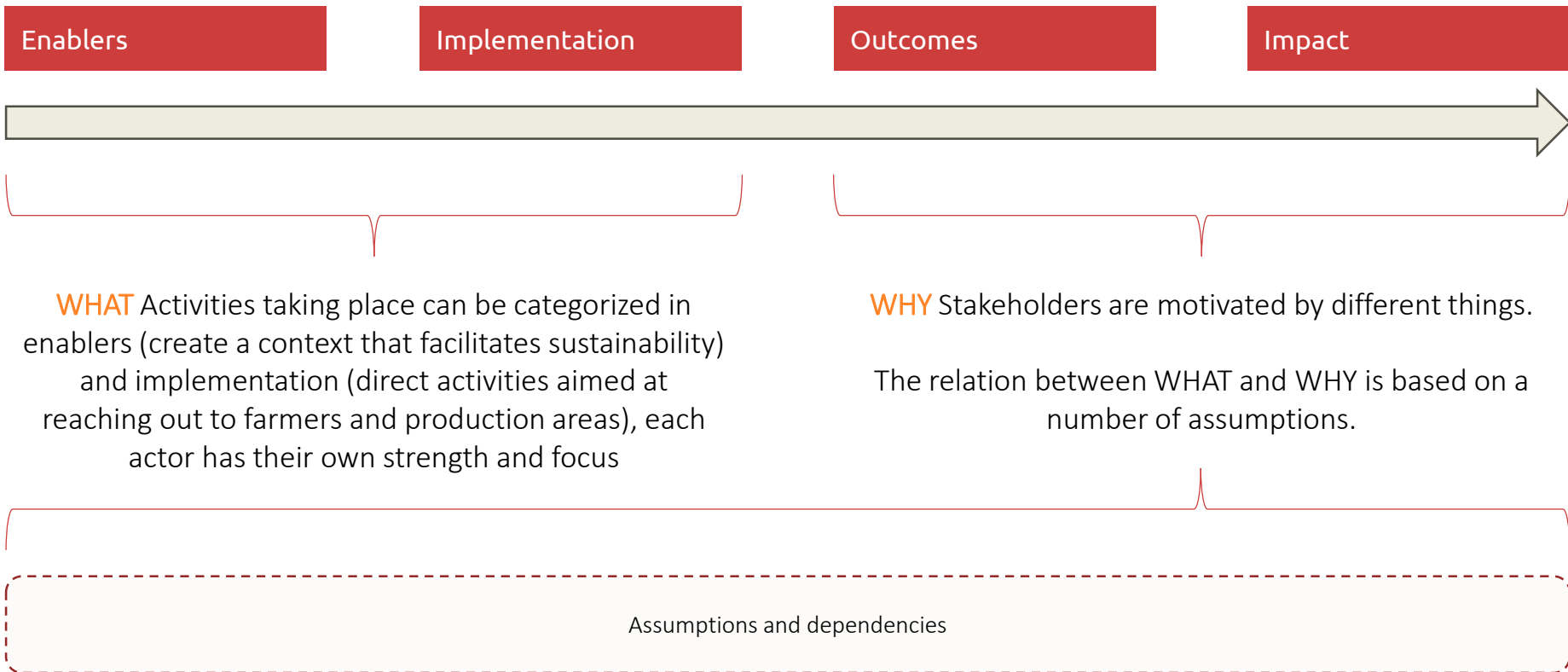
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Current initiatives framework

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



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

Current collective desired impact

People planet profit widely recognized as sustainable impact categories, largely 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

Insights into outcomes

Tangible outcomes should link our activities to our aims, but these are generally not explicitly defined by stakeholders

Outcome	Common description provided in interviews as a starting point
Inclusiveness	Inclusion of women and men, youth, and minorities in farming leads to prosperity of communities, as well as increases adoption of good practices for sustained supply
Labour conditions	Safe, healthy and appropriately rewarded labour contributes to prospering communities and eliminates unacceptable practices in line with international norms
Profitability	Coffee farming has a profit that represents a living income, following from yield / productivity, quality, price and cost
Resilience	Greater social, economic and environmental stability by reducing impact from environmental factors on farm and market
Cashflow	Income is distributed over time to allow a consistent livelihood and allow to invest in farms as a business
Market access	Coffee farmers are linked to markets and are in a position to negotiate allowing them to make a profit
Ecosystem services	Coffee farmers conserve soil, forests, water and biodiversity for their farms, communities and the landscape they are part of
Green house gas reduction	On farm reduction of emissions by implementing good agricultural practices or generating renewable energy

Source: interview respondents

Categories of activities: implementation

Implementation are direct activities aimed at reaching out to farmers and production areas

1. Agricultural extension services

- Knowledge transfer of good agricultural practices via training or other media, aimed at farmers directly or via extension/field officers

2. Business support

- Supporting farming as a business, by offering financial or business training, supporting producer organizations, organizational capacity building, enterprise development, farm performance monitoring, quality control, provision of market or weather info

3. Social inclusiveness and community welfare

- Creating awareness and adopting solutions for gender equality, minority inclusiveness, youth involvement, nutrition, hired labor conditions, community services and infrastructure

4. Disaster relief

- Emergency response to natural disasters and political crises unrelated to coffee but hitting coffee communities

Source: interview respondents

Categories of activities: implementation

Implementation are direct activities aimed at reaching out to farmers and production areas

5. Diversified farm and household support

- Supporting alternative income sources to reduce income volatility by providing training and tools, e.g. crop diversification, livestock, beekeeping, agroforestry, renewable energy, other household activities

6. Access to inputs

- Making available appropriate and safe seedlings, crop protection products, fertilizer and tools

7. Access to finance and risk management

- Improving the cashflow of farmers for short term (crop) and long term, and provide a safety net to manage risks, e.g. loans, inputs-for-coffee schemes, savings schemes, banking and payments, insurance, pensions

8. Logistics services

- Maintaining product quality and bringing the product to market, including collection, storage, transport

Source: interview respondents

Categories of activities: implementation

Implementation are direct activities aimed at reaching out to farmers and production areas

9. Incentives

- Financial and in kind incentives to promote adoption of practices and improve profitability, e.g. premiums, minimum price, price increase through direct trade, payment for environmental services, compensation for replanting, input subsidy

10. Traceability and assurance

- Monitoring of compliance with sustainable practices via product traceability, codes of conduct, internal audits, third party certification or verification

11. Value addition in origin

- Improving incomes by local value addition in origin, e.g. local processing, washing, local roasting

12. Demand generation and consumer awareness

- Market development and consumer education for sustainably produced coffee, e.g. trade shows, consumer outreach, product labeling, general marketing

Source: interview respondents

Categories of activities: enablers

Enablers are indirect activities that create a context that enables sustainability

A. Policy / law

- Setting political, legal and regulatory frameworks that foster a competitive coffee sector, e.g. standards, taxes and tariffs, national coffee funds, public sector infrastructure

B. Research

- Supporting research which can be agronomic or developmental in nature, e.g. development of varieties, composition and application of inputs, pest and disease monitoring, impact of climate change, inclusiveness and household economics

C. Sustainability definitions

- A practical action-oriented definition of sustainability requirements based on research, stakeholder consensus or company policy, e.g. in a standard, national sustainability curriculum, or sustainable sourcing guide

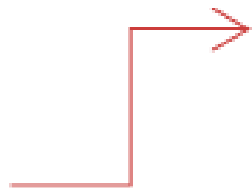
D. Platform

- Bringing together different stakeholders, physically or virtually, to coordinate, share lessons learned, and develop solutions

Source: interview respondents

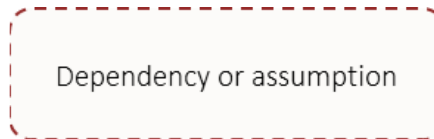
Analysis of dependencies and assumptions

Current dependencies and assumptions between activities and aims are not always secured






1. Relations between enablers, implementation, outcomes and impact are defined

Example: agricultural extension builds on research, and aims for social, environmental and economic impact through increased profitability.



2. Dependencies and assumptions are made explicit

Example: yield, quality, price and cost should be addressed in coherence. An increased yield is not adding to profitability if cost for inputs increase at the same rate.

-  Dependency is addressed
-  Solutions known but not always applied
-  Frequent challenge

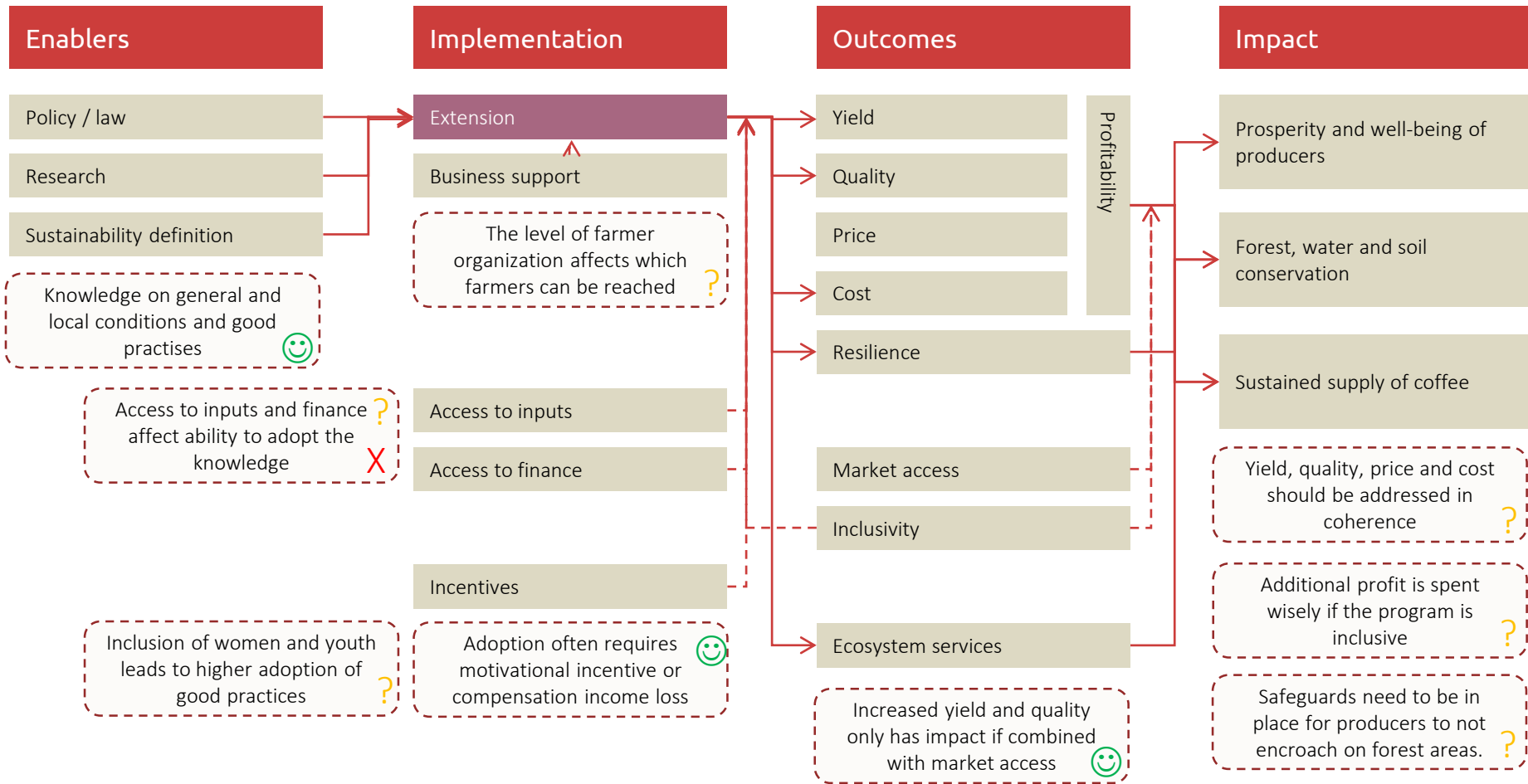
3. Current status of addressing dependencies and assumptions is assessed

Example: this dependency is largely recognized: stakeholders understand the relation, although conflicting interests sometimes lead to a singular focus on only yields.

Source: Valued Chain

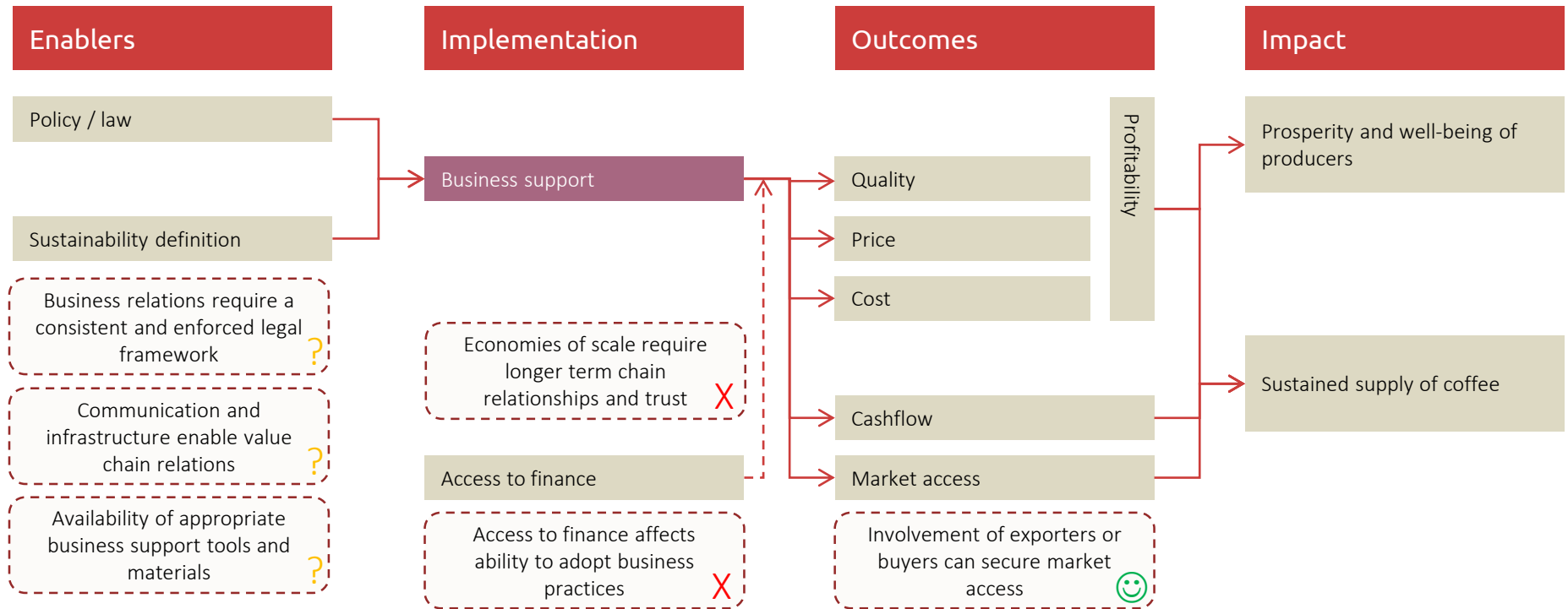
Dependencies and assumptions

1. Extension services are often core to programs, and has major dependencies for content, effective execution and adoption



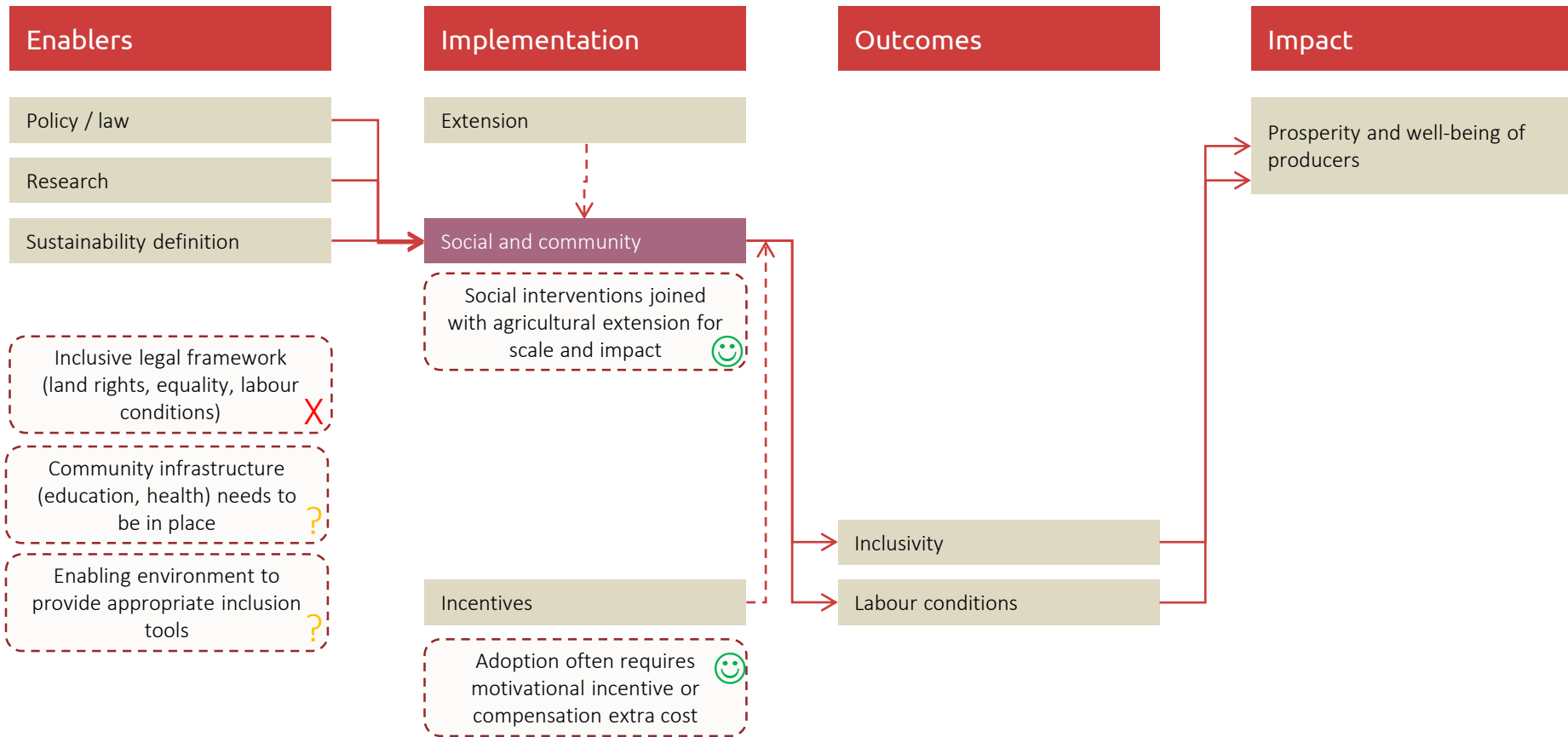
Dependencies and assumptions

2. Business support is key to sustainability of intervention, and depends on macro economic context and value chain relations



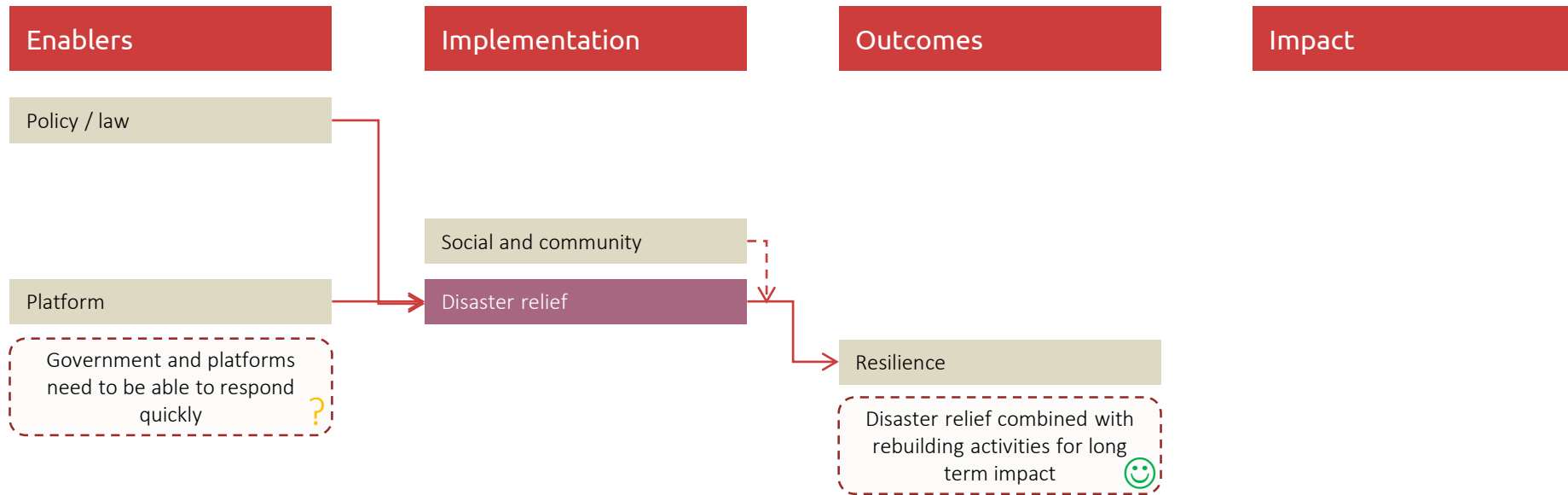
Dependencies and assumptions

3. Social inclusiveness and community welfare has dependency on enabling environment and relies on incentives for adoption



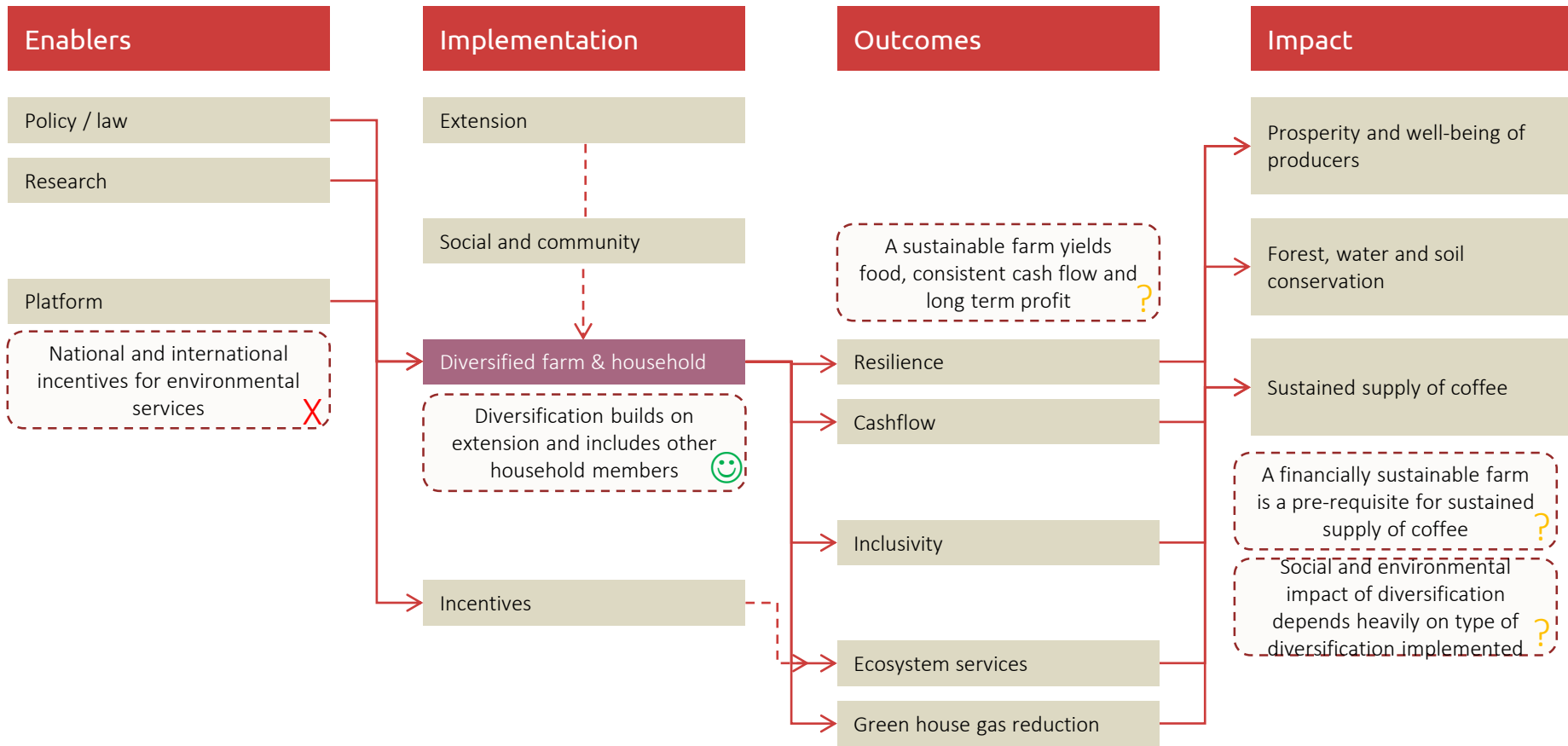
Dependencies and assumptions

4. Disaster relief is a short term response to alleviate urgent needs and requires sector organization for quick response



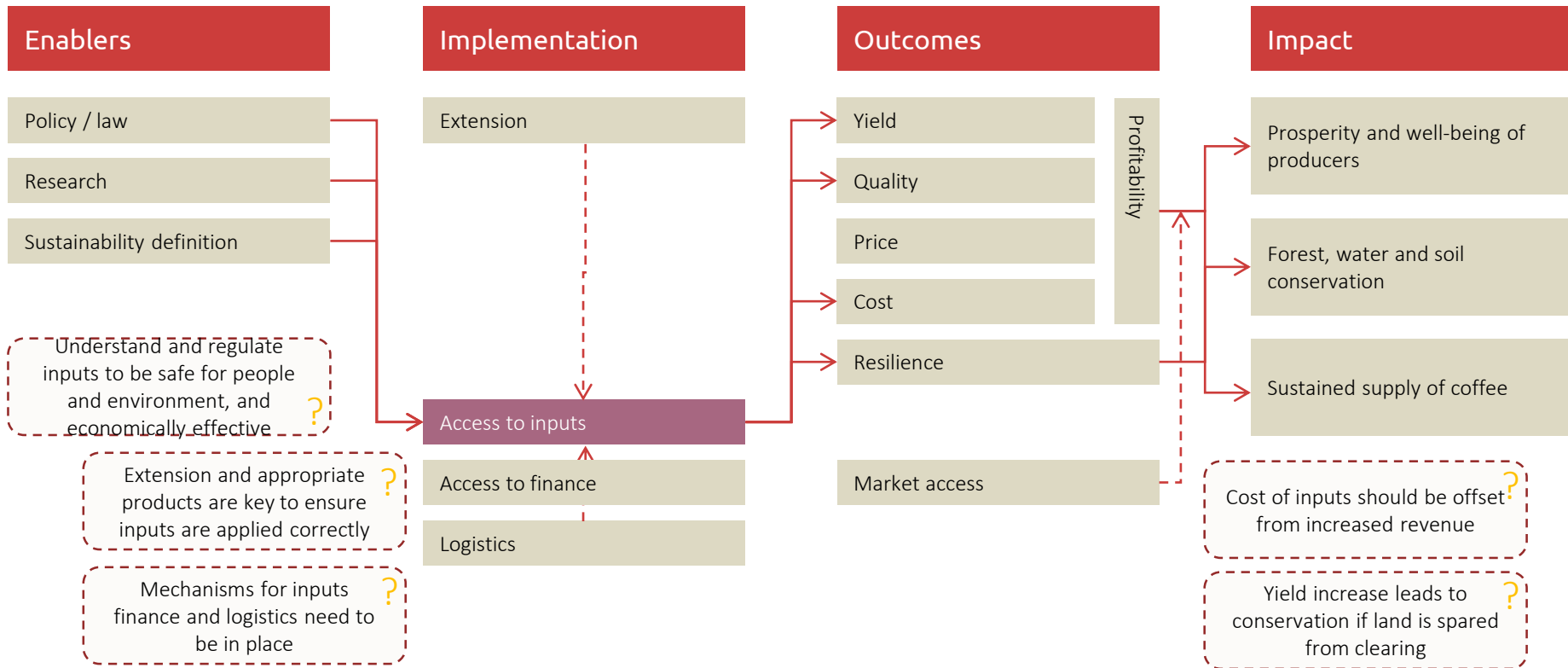
Dependencies and assumptions

5. Diversified farm and household support is opportunity for inclusiveness and conservation if enablers are in place



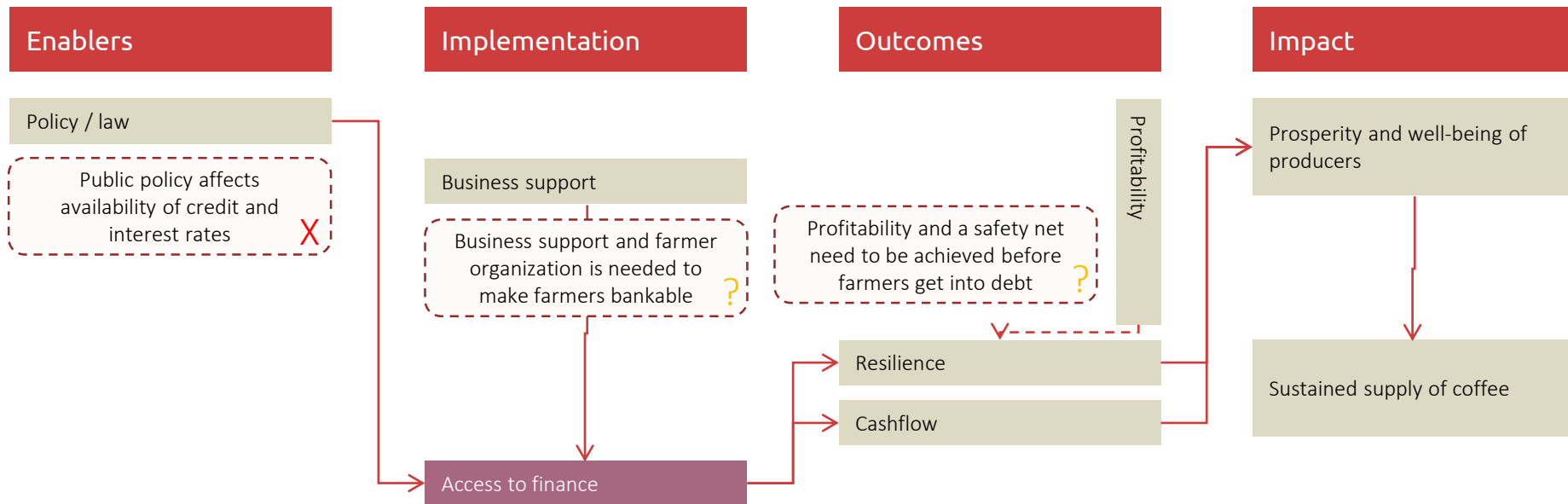
Dependencies and assumptions

6. Access to inputs is complex with potential undesired outcomes if not regulated or applied correctly



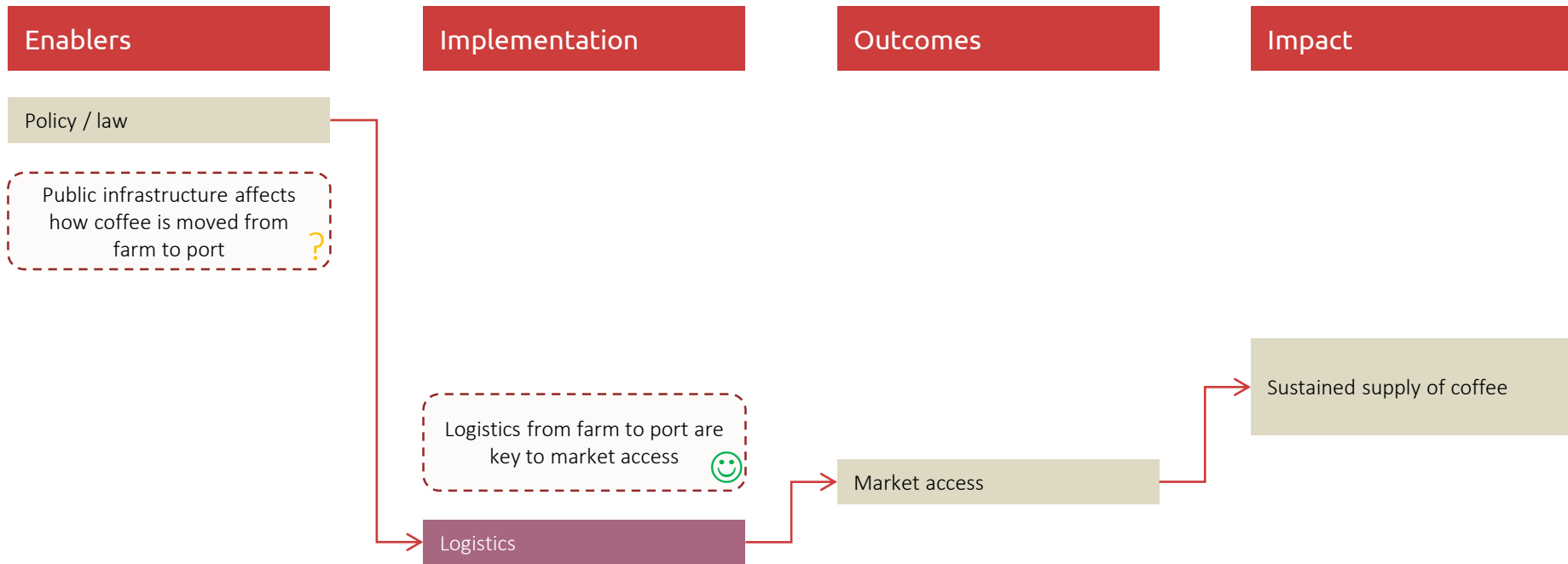
Dependencies and assumptions

7. Access to finance is a major challenge and vicious circle with professionalizing farming as a business



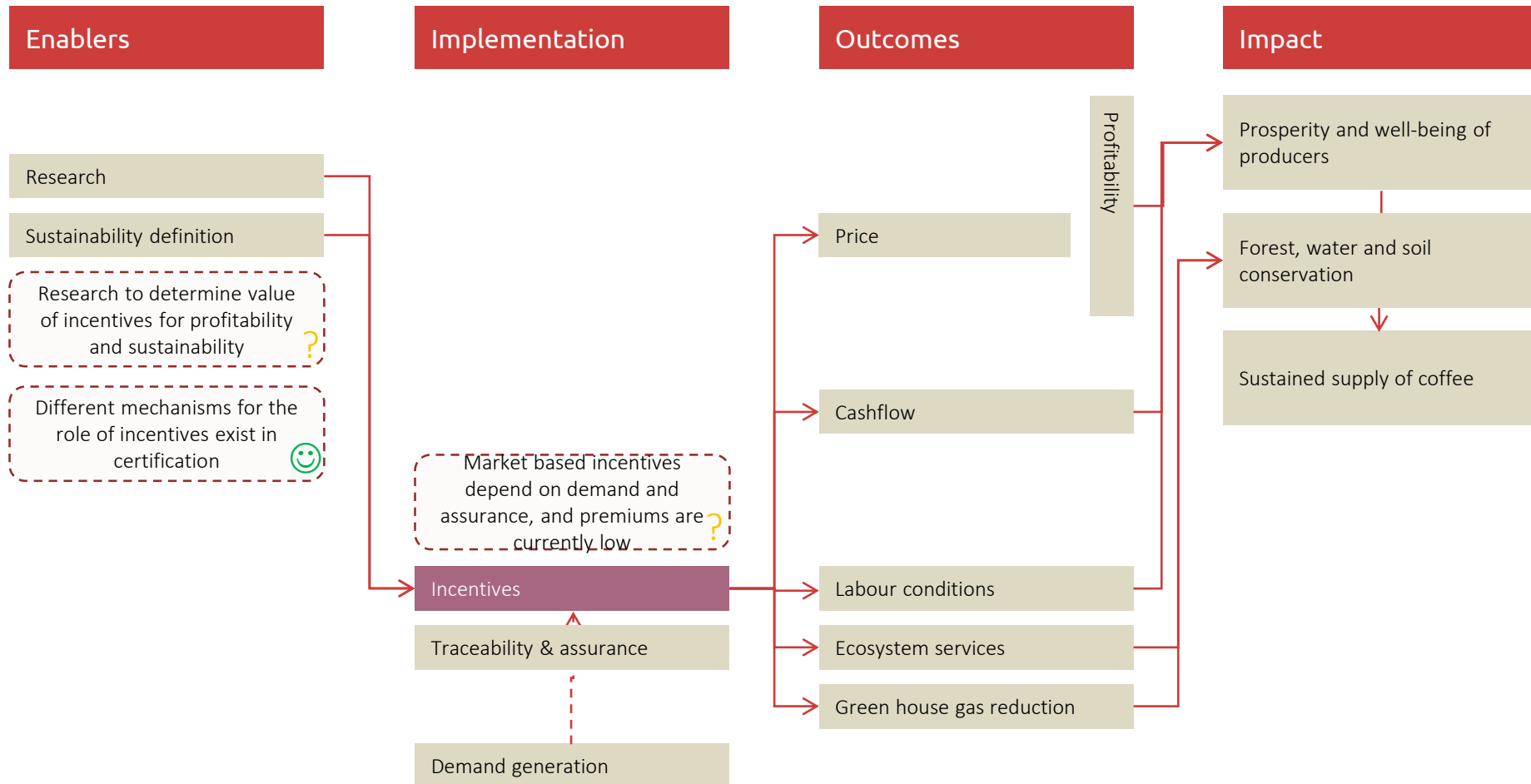
Dependencies and assumptions

8. Logistics is affected by public infrastructure and affects mainly market access



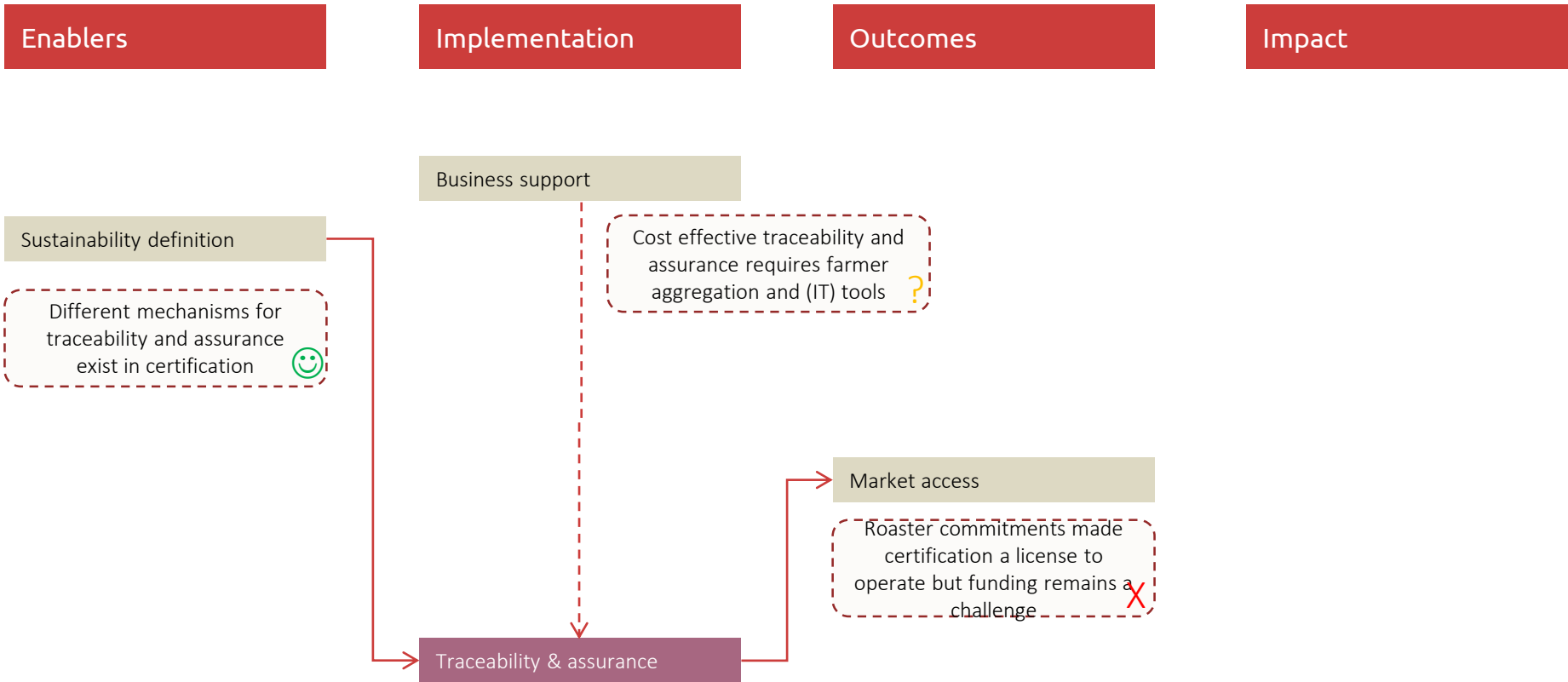
Dependencies and assumptions

9. Incentives are commonly aimed at adoption of good practices but different perspectives exist and little research is done



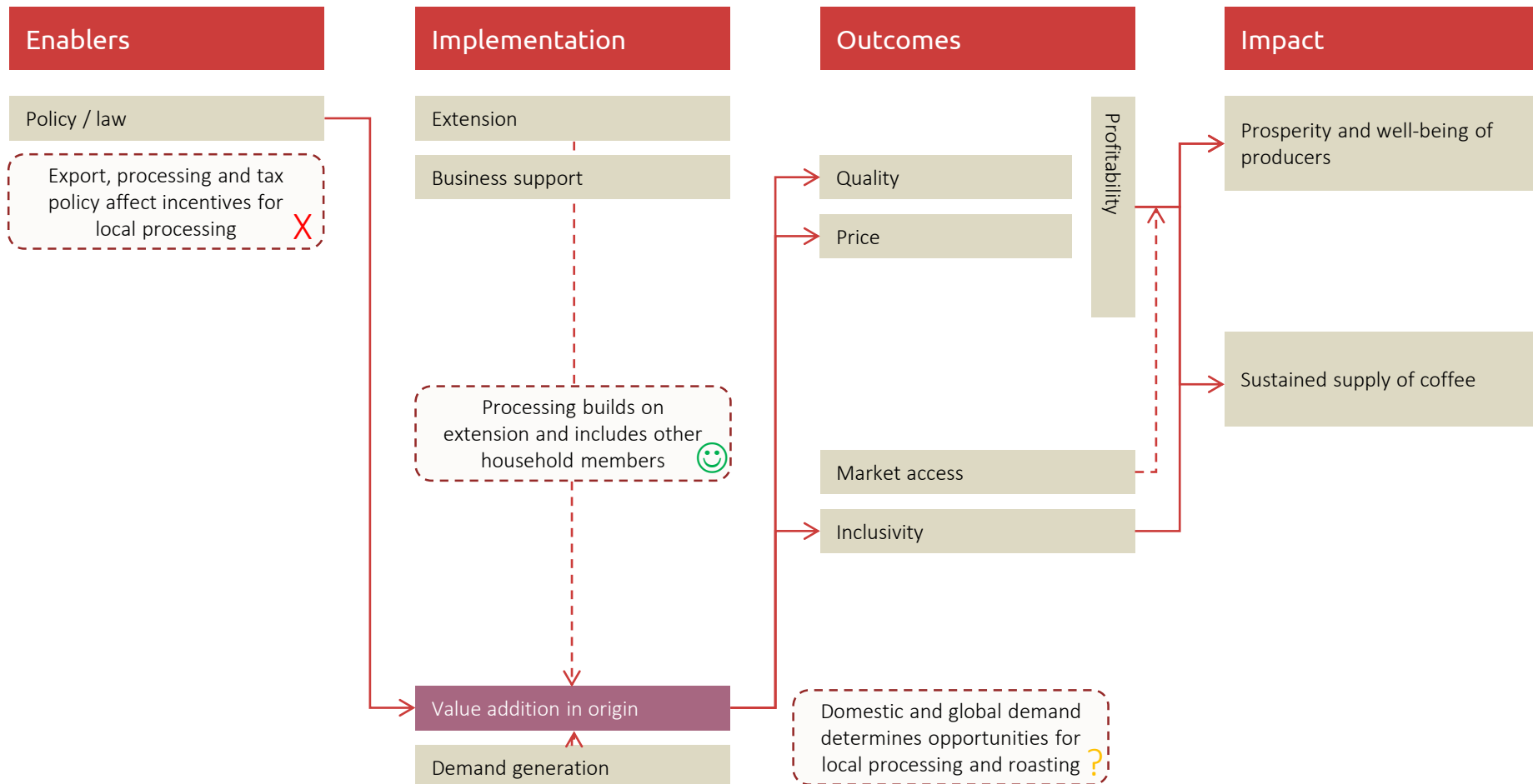
Dependencies and assumptions

10. Traceability and assurance is now a requirement for market access in several markets with a challenge in value chain cost



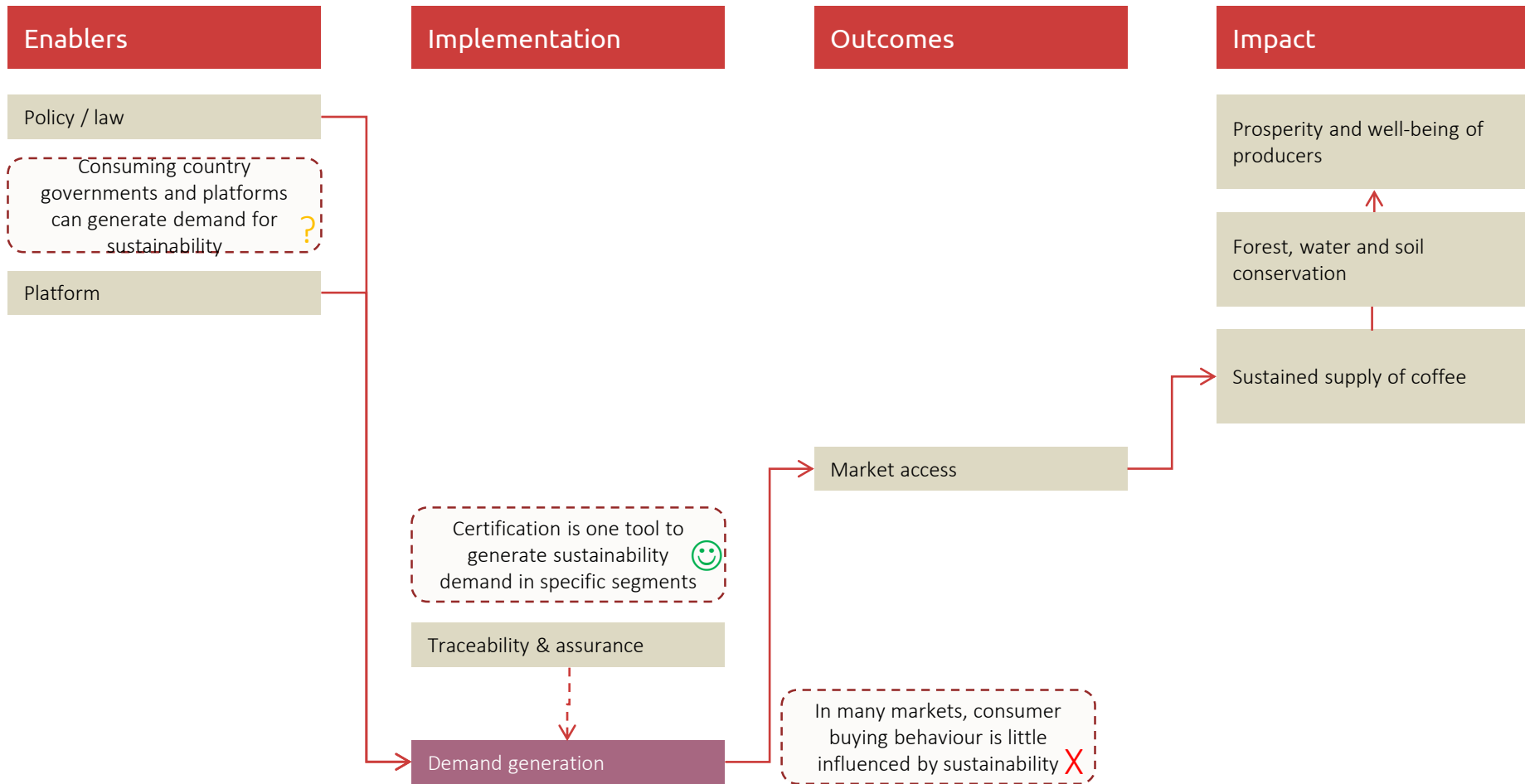
Dependencies and assumptions

11. Value addition in origin can increase coffee profitability for farmers and others, depends on business capacity and demand



Dependencies and assumptions

12. Demand generation can aim at roasters, retailers or consumers and facilitates market access and investments



Summary of dependencies and assumptions

Good agricultural practices, extension, incentives and market access are commonly well embedded in sustainability programs

Dependencies that are addressed



Knowledge on general and local conditions and good agricultural practises is available



Social and diversification interventions are combined with agricultural extension for scale and impact



Motivational incentives or compensation for extra cost or income loss is applied



Different mechanisms for the role of incentives, traceability and assurance exist in certification



Certification is a tool to generate sustainability demand in specific market segments



Market access is secured by involvement of exporters or buyers and logistics



Disaster relief is combined with rebuilding activities for long term impact

Summary of dependencies and assumptions

Farmer organization, inclusiveness, access to inputs and public infrastructure are only partially addressed

Solutions known but not always applied

? Yield, quality, price and cost addressed in coherence. A sustainable farm yields food, consistent cash flow and long term profit

? The level of farmer organization affects which farmers can be reached, and many farmers are not organized

? Partial availability of appropriate tools and materials for business support, inclusion and diversification

? Dependency between extension and inputs. Understand and regulate inputs to be safe for people and environment.

? Inclusion of women and youth not always explicit, but leads to higher adoption of good practices and profit spent wisely

? Social and environmental impact of diversification depends heavily on type of diversification implemented

? Market based incentives depend on demand and assurance, and premiums are currently low

? Cost effective traceability and assurance requires farmer aggregation and (IT) tools

? Research to determine business models in relation to different farmer segments

? Domestic and global demand determines opportunities for local processing and roasting

? Business relations require a consistent and enforced legal framework, communication and infrastructure

? Community infrastructure (education, health) needs to be in place

? Government and platforms need to be able to respond quickly

? Consuming country governments and platforms can generate demand for sustainability

? Safeguards need to be in place for producers to not encroach on forest areas.

Summary of dependencies and assumptions

Access to finance is largely unaddressed, public policy is often insufficient, and sector does not have real long term incentives

Frequent gaps and challenges

- X Roaster commitments made certification a license to operate but funding remains a challenge
- X In many markets, consumer buying behaviour is little influenced by sustainability and prices paid do not cover the investments needed
- X Inclusive legal framework to protect human rights (land rights, equality, labour conditions) is not available in several origins
- X National and international incentives for environmental services are currently mainly implemented on small scale
- X Access to finance affects ability to adopt practices and requires professionalization to make farmers bankable mainly in Asia and Africa
- X Public policy affects availability of credit and interest rates. Export, processing and tax policy affect incentives for local processing
- X Economies of scale require longer term chain relationships and trust, while commodity trade is organized and incentivized on short term results



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.