

# Project Paper of the Common Code for the Coffee Community

Sustainability in the production, post-harvest processing and trading of  
green coffee

**A joint project between the coffee trade and industry, the development  
cooperation, producers, trade unions and NGOs**

## 1. Scope

*“It is in the hands of humanity to make development sustainable, that is to say, seek to meet the needs and aspirations of the present without compromising the ability of future generations to meet their own.”* (Our Common Future. The World Commission for the Environment and Development)

Building on that, three dimensions are recognized to make up sustainability in coffee growing

### A.) Economic dimension, e.g.

- reasonable earnings over time, for all in the coffee value chain
- market access
- sustainable livelihoods

### B.) Ecological dimension, e.g.

- protecting the environment
- conserving natural resources

### C.) Social dimension, e.g.

- human rights and social standards
- decent standard of living
- decent income and working conditions

The current overproduction and the resulting crisis increase the need to promote and establish sustainable coffee production. Especially small producers and plantation workers suffer from unemployment and hunger.

Sustainable coffee production is the common interest of many stakeholders. Therefore, producers, coffee industry, trade unions and NGOs aim to develop a common basis for the growing, processing and marketing of mainstream coffee.

„Common Code for the Coffee Community“  
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## **2. Objective**

- Develop a global code for the sustainable growing, processing and marketing of mainstream coffee.
- Develop this code in a consensual process among the constituent groups.
- Draw on existing codes and guidelines based on:
  - o United Nations human rights covenants,
  - o ILO conventions,
  - o OECD guidelines for multinational companies,
  - o International environmental treaties and guidelines,
  - o and national laws.
- Develop implementation guidelines and guidelines for independent monitoring and verification.
- This code must be feasible for implementation and suitable for binding agreements.

## **3. Project Structure**

A tripartite steering committee consisting of representatives from 1.) producers, 2.) traders and processors and 3.) trade unions and NGOs (the 3 constituent groups). This group is responsible for the outcome of the project.

The steering committee will set up expert working groups. These groups will develop the elements of the code and the guidelines. They too will have representation from the 3 constituent groups.

A secretariat will coordinate the activities of the working groups, maintain communication with both the steering committee and the groups involved and guarantee transparent processes. This secretariat shall also be responsible for the planning of the project and the management of resources and personnel. Costs for attending meetings can be reimbursed.

## **4. Pilot Projects**

A number of pilot programs, aiming to achieve one or more aspects of sustainability, have already been started in cooperations between stakeholders, and new pilot programs are being planned. While these efforts are outside the financial scope of the present project, the stakeholders will use existing pilot programs to bring experiences to the "Common Code" project and to test preliminary results from the project. New pilot programs shall be developed according to the objectives outlined under Par. 1. The "Common Code" project can also serve as a platform for coordination and exchange between the various pilot programs.

## **5. Project Partner**

Project Partners are the Deutscher Kaffee-Verband e.V. and the Deutsche Gesellschaft für Technische Zusammenarbeit (gtz) by order of the Bundesministerium fuer wirtschaftliche Zusammenarbeit und Entwicklung (BMZ).

The DKV and the BMZ contribute equal levels of funding up to a maximum of Euro 500.000,-- each. Part of this contribution is the dedication of the members of the Project Secretariat.

The Project Partners will foster the project to the best of their ability.

The Project Partner will receive the final code.

## **6. Project Secretariat**

### **6.1. Tasks and Duties**

The Project Secretariat is responsible for the management of the project and the execution of decisions made by the Steering Committee and the Working-groups.

### **6.2 . Composition and Designation**

The Project Secretariat is composed of four members two at a time dedicated to the project by each Project Partner. It shall offer a permanent bureau.

### **6.3. Participation in Meetings**

The members of the Project Secretariat shall attend meetings of the Steering Committee and expert Working-groups.

## **7. Steering Committee**

### **7.1. Tasks and Duties**

The Steering Committee is responsible for the successful development of the code within the framework of the project paper.

The Steering Committee

- is the body that guides the standards development process;
- approves the code on behalf of participating organisations;
- delivers an agreed upon code to the Project Partners;
- guides the work of the expert Working-groups;
- assures transparency in the process and its structure;
- acts as catalyst of the concept;
- proposes next steps for further activities after conclusion of the project.

The Steering Committee has the following duties:

- to agree the objectives of the expert Working-groups ;
- to appoint members of the expert Working-groups;
- to guide the work of the expert Working-groups, e.g. agree a frame for the work on the code, approve the results and guide further steps focussing on the code;
- to deliver progress reports to the Project Partners;
- to agree and deliver a final code;
- to decide, within the budget, about resource persons and experts to further the process;
- to set rules for communication toward third parties.

### **7.2. Composition and Designation**

The Steering Committee shall be composed of ordinary and extraordinary members. Ordinary members are representatives of the 3 constituent groups.

Representatives of other organisations and institutions relevant to the process can be appointed as extraordinary member. They have an advisory function to the constituent groups. In case of conflict they may mitigate between the groups representing controversial interests.

Initially the members of the Steering Committee are designated by the Project Partners. Future Steering Committee members shall be appointed by co-optation. The Project Partners shall have the right to propose new members.

The ordinary members of the Steering Committee shall be represented in a tripartite basis, consisting of representatives from the 3 constituent groups. The board shall have 15 ordinary members. Each member shall nominate a deputy.

The 3 constituent groups in the Steering Committee will each elect a rapporteur. The three rapporteurs together make up the Steering Committee coordinating group.

### **7.3. Quorum and Decision-making**

The Steering Committee can validly meet provided that a majority of its ordinary members are present.

Decisions are taken by the ordinary members by consensus.

### **7.4. Meetings**

The Steering Committee shall meet at least twice a year, or more often upon request of the Rapporteur or within a maximum of two months after the majority of the members of the Steering Committee have so requested.

Minutes of the meetings and decisions must be taken. Members shall be notified of session at least 30 days prior to its scheduled date.

### **7.5. Terms of office/Honorary office/Dismissal**

Members of the Steering Committee are appointed for the duration of the project, until the End of December 2004.

The members of the Steering Committee hold honorary office.

A Steering Committee member can be dismissed at any time by unanimous decision of the other ordinary members. Steering Committee members can depart the Committee at any time.

## **8. Expert Working-groups**

### **8.1. Tasks and Duties**

The expert Working-groups shall be responsible for all tasks and duties that are assigned to them by this Project paper, or delegated to them by the Steering Committee.

The expert Working-groups elaborate realistic basic standards for the coffee industry in accordance with this Project Paper and in the context of the existing political, economical and cultural framework.

They

- evaluate relevant existing information and material;
- identify gaps and complete the required set of information;
- elaborate the contents of the code for approval by the Steering Committee;
- act as catalysts of the concept within their sphere of influence;
- propose elements for a potential follow-up project phase;
- propose individual pilot projects to test aspects for implementation.

### **8.2. Installation**

The Steering Committee installs expert Working-groups relevant to elaborate the contents of the code. The project will start with three expert Working-groups in accordance to the three dimensions of sustainability as stated in Par. 1. During the process the Steering Committee may install other or further expert Working-groups if appropriate. Existing expert Working-groups have the right of proposal.

### **8.3. Composition and Designation**

The expert Working-groups will have representation of the 3 constituent groups. Each Working-group shall consist of at least one and at the most three members of each constituent group. Members shall be designated by the Steering Committee.

Each Working-group sets up its own working structure in accordance to the framework of the project paper and elects the rapporteur, who will present the results to the Steering Committee.

### **8.4. Quorum and Decision-making**

Expert Working-groups can validly meet provided that notification has been due to the set working structure.

Decisions are taken by consensus amongst the representatives of the constituent groups.

### **8.5. Meetings**

An expert Working-group shall meet at least twice a year, or more often if required. An expert Working-group shall meet within a maximum of two months after the majority of the members of the Steering Committee have so requested.

### **8.6 Terms of Office/Honorary Office/Dismissal**

Members of expert Working-groups are appointed for the duration of the project, until the End of December 2004.

The members of the expert Working-groups hold honorary office.

An expert Working-group member can be dismissed at any time by unanimous decision of the other designated members or by the Steering Committee. An expert Working-group member can leave the project at any time.

## **9. Miscellaneous**

### **9.1. Modification**

The project paper sets the framework for the project. It may be amended by consensus of the Steering Committee, in agreement with the project partners.

### **9.2. Diligence and confidentiality**

All Members of the Steering Committee, expert Working-groups, the Project Secretariat and Project Partners shall carry out their duties with all diligence and respect the confidentiality of internal discussions..

### **9.3. Anti Trust considerations**

Respecting Anti Trust legislations in many countries, the meetings in the context of this project can not be used to:

- (i) Discuss prices, pricing policies, or any marketing policy with an indirect effect on pricing.
- (ii) Confer about divisions or allocations of sales territories or customers.
- (iii) Establish blacklists or boycotts of suppliers, purchasers or competitors.
- (iv) Coerce members to implement particular programs and policies.
- (v) Resolve problems particular to a single member or a small, select group of members.

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