



**GLOBAL COFFEE
PLATFORM**
for a sustainable coffee world

CONCEPT OF THE EQUIVALENCE MECHANISM



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DOCUMENT HISTORY

Version	Effective date as of	Details of Change
V1.0	September 2016	First Version of the Concept of the Equivalence Mechanism
Draft V1.1	December 2016	Second Version of the Concept of the Equivalence Mechanism

ACRONYMS

GCP	Global Coffee Platform
SDG	Sustainability Development Goals
EM	Equivalence Mechanism
BCC	Baseline Common Code
UAP	Unacceptable Practices

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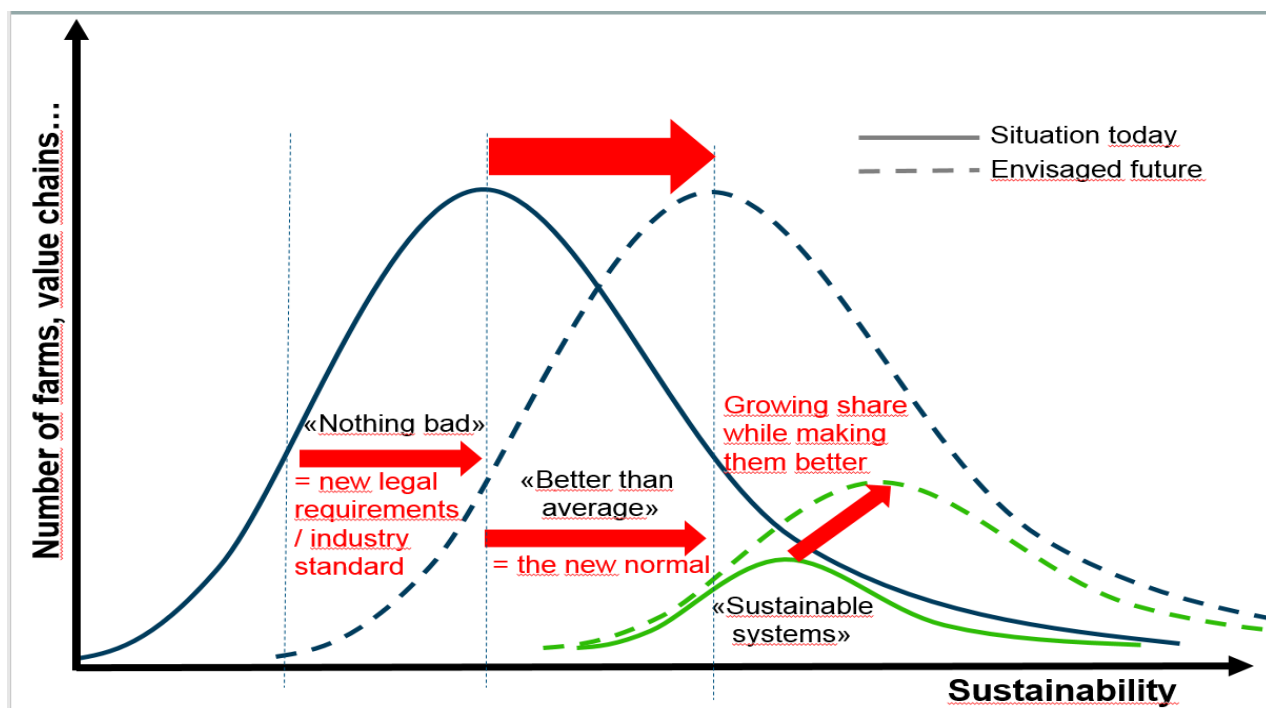
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1. BACKGROUND

The vision of the Global Coffee Platform is a thriving and sustainable coffee world. In order to achieve long term sustainability and contribute to the UN Sustainable Development Goals (SDGs). GCP facilitates global and national agendas to drive collective impact for sustainable coffee communities. One of the tools GCP uses to achieve its vision is to define minimum (baseline) sustainability in coffee production and processing. The goal is that with time the entire coffee community achieves these baseline practices and goes beyond them.

If producers are distributed in a normal curve¹ in relation to their sustainability practices (or performance), most producers would be in an average situation; leading farmers would be ahead and certified, or multiple certified, to a recognized standard; and a remaining large group of farmers will be behind and not yet being addressed by any known sustainability initiative or program.



Graph designed and kindly provided by Frank Eyhorn (IFOAM /Helvetas), based on Jason Clay, presented at ISEAL conference in 2016. Normal distribution of producers of a certain sector in relation to sustainability (either implementation of practices or in relation to performance).

GCP wants to move the normal distribution curve of the coffee community in relation to their sustainable practices to reach a defined minimum level of sustainability practices. For this GCP would like that other initiatives or programs take up the minimum sustainability practices defined in the BCC, include them, help spreading and allowing coffee farmers & workers to adopt them over time. In this way these initiatives will be better known for their contribution and will be part of a bigger community moving together

¹ In the lower end of the performance curve 25% of producers are found, producing 50% of the negative impact and 10% of the product. A strategy that can increase productivity most and reduce environmental impact most is to move the bottom, not the top". Jason Clay of WWF, Keynote speech at Global Sustainability Standards Conference 2015.



towards sustainability. This will offer these programs and initiatives recognition and potential synergies and efficiencies.

The unacceptable practices and baseline principles included in the Baseline Common Code are a tangible expression of what minimum baseline sustainability in the coffee sector looks like. The Baseline Common Code is the result of a multi-stakeholder consensus that has been working since 2003. During 2013-2014 it was revised and updated based on experience from farmers, traders and final buyers.

In order to achieve sector-wide adoption of these practices it was first necessary to adapt the 4C Code of Conduct to become the Baseline Common Code, i.e. a reference code. The Global Coffee Platform is neutral and precompetitive and enables the Baseline Common Code as global reference to become part of public or private strategies while letting the market play its role through the use of a diversity of standards and programs.

Now that the reference exists, other schemes and programs can be compared to it, identify their equivalence to it, and spread the message of their contribution in eliminating the unacceptable practices and reaching more farmers who apply at least the minimum sustainability practices. Joining efforts enables a virtuous cycle where supply chains become more sustainable and safer to work in and with. Equivalence to the reference will allow different type of actions, such as voluntary standard systems or schemes, initiatives, programs, national curricula, company sustainable programs, company sourcing requirements and others to be recognized as contributing to overall sustainability by helping raise the level of minimum performance. GCP has a farmer centric approach and sees that farmers and their workers who implement a scheme which is recognized as equivalent to the global reference could benefit from better performance resulting from applied practices, and wider market access.

Criteria and procedures need to be identified so as to enable such comparison and related credible claims. GCP will be able to track progress in a verifiable way and report to coffee stakeholders how the curve is moving.

Being an active member of the Global Coffee Platform is an opportunity for companies and organizations to show their commitment to sustainability of the coffee sector, to develop synergies, to learn and achieve better impact with their investments. One aspect of membership of GCP is to be able to demonstrate the practical outworking of that commitment. The Equivalence Mechanism is designed to provide a means for this, not only through the purchase of certified/verified sustainable coffee, but also through private or public schemes which are equivalent at least to the Baseline Common Code. When companies or organizations are part of GCP, it is essential, both as a membership organization and to move opinion and build momentum, that their commitment towards a sustainable coffee sector can be substantiated, including with credible claims. This can be achieved through the contribution to change shown through reports into the Global Progress Framework, as well as through using the EM, designed to under-pin such claims, and thus contribute to building successful change over time.

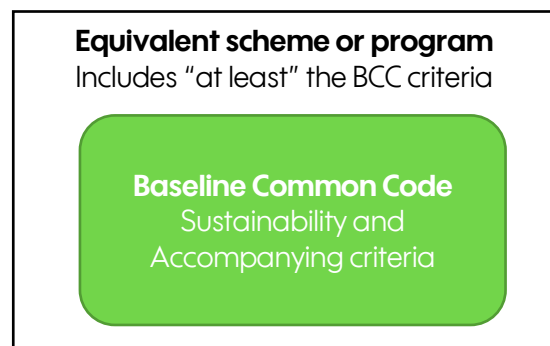
2. WHAT IS EQUIVALENCE? WHAT ARE THE CRITERIA?

Equivalence in the context of the Global Coffee Platform and the Baseline Common Code refers to the recognition of schemes or programs that at least include the defined equivalence criteria and their required minimum compliance level. This means that schemes and programs can be more comprehensive than the BCC.

The Equivalence Mechanism refers both to the criteria and process to make possible the determination of the equivalence. The Equivalence Mechanism is not only applicable to standard systems and other schemes or programs, see section 3.

Equivalence criteria include sustainability (content) criteria as well as criteria to ensure credible implementation of the content (i.e. accompanying or system criteria). Equivalence Criteria = Sustainability Criteria + Accompanying Criteria

Sustainability Criteria
10 unacceptable practices or UAP
27 Minimum practices
Accompanying Criteria
Data
Assurance
Sustainability Claims



Sustainability (content) Criteria: defines the sustainability aspiration of the scheme or program.

- Exclusion of 10 Unacceptable Practices (UAPs): Worst practices to be eliminated from the coffee supply chain.
- 27 minimum practices: yellow level of current BCC is minimum level required. Describes the minimum sustainability practices for baseline sustainability.

For an updated version of the Sustainability Criteria see Baseline Common Code version 2.¹².

Accompanying (system) Criteria: support a credible, measurable and comparable approach between different schemes or programs in different places, so that progress can be credibly tracked.

- Data: Equivalent scheme or program shares with GCP data at an aggregated level related to farmers meeting the criteria of the scheme. The information is shared under a confidentiality agreement with GCP and the Technical Committee. GCP is not allowed to disclose this information beyond those involved in the equivalence evaluation (Technical committee and the Manager

² See link in http://www.globalcoffeeplatform.org/assets/files/GCP_Doc_01_Baseline-Common-Code_v2.1_en.pdf



Code & Equivalence), and will use it only to prepare a consolidated report with total numbers for all farmers meeting the different equivalent schemes.

- Data collected by GCP is at consolidated level. Annex 1 describes the type of information to be shared with GCP.
- The applicant scheme or program is expected to keep data of farmers and farmer groups. In the case of farmer groups, data of individual farmers is kept. GCP does not collect the mentioned data, it is intended mainly for the applicant scheme to support the consolidated data that is provided to GCP.
- Data is kept by GCP under confidentiality agreement with the applicant scheme.
- Assurance system: Equivalent scheme has a defined way by which it knows (can assure) if farmers have excluded unacceptable practices and implemented the 27 baseline practices.
 - Includes at least visits by a third party every 3rd year, a risk based sample of half the square root of the participating farmers.
 - Within the 3 years, visits can be made by first (self-assessment) or second party (interested party, e.g. a buyer).
 - Third party assessments need to be done by independent accredited (ISO 17065) entities. The scheme makes use of an oversight mechanism in order to assure that third parties meet criteria on accreditation, personnel competencies, assessment methodology (consistency) and the management of the assurance system.
 - Exclusion of unacceptable practices – UAP – is key, therefore the applicant scheme or program is expected to have close contact with each participating farmer as to guarantee this. For equivalence to be possible, the scheme or program should, after 3 years have visited all farmers to check that UAP are excluded. In case this is not possible, a goal should be set and progress on this goal should be reported every year after.
- Sustainability Claims: Claims need to be credible so as to support collective effort. In this respect, the equivalent program or scheme defines how and which claims can be made according to the following:
 - Rules for possible claims are defined by the scheme and are not in contravention with the ISEAL Sustainability Claims Good Practice Guide, including:
 - Claims are consistent with the scope of the scheme or program,
 - Claims are consistent with the performance level of the scheme or program,
 - Claims are consistent with the assurance model used to assess compliance with the scheme or program,
 - Claims are appropriate to the chain of custody model used in the scheme or program.
 - A system to control claims needs to be in place.



The Equivalence Mechanism follows these principles:

- Ensure credibility of claims and contribution to baseline sustainability by schemes or programs.
- Include both content (sustainability) criteria and accompanying criteria (i.e. assurance and claims regarding sustainability and GCP).
- Collect impact M&E data to enable GCP to track progress in its Global Progress Framework
- Equivalence is recognized to those schemes or programs that include all required content (sustainability) criteria of the BCC and all criteria that frame a credible implementation of the content (i.e. accompanying criteria).
- Inclusiveness. Schemes or programs which may lack a few criteria, will be recognized as "Equivalence in transition" for the first year after which they should have included missing elements.

3. WHEN DOES THE EM APPLY?

Organizations and entities engaged in programs towards sustainability in coffee are encouraged to include the sustainability practices defined in the Baseline Common Code as well as the accompanying criteria and to assess the level to which they are equivalent.

The Equivalence Mechanism can be applicable to schemes and programs, examples of which are described below:

- Schemes, or standard systems (or certification systems)
- Government schemes
- National curricula
- Company sourcing programs.

Note: The Equivalence Mechanism aims to recognize programs that have a long-term relation with the farmers and are meant to create systemic change, rather than short-term projects.

4. EQUIVALENCE PROCESS

Equivalence evaluation will be kept as simple as possible and will build on existing credibility mechanisms (e.g. ISEAL membership, GSCP benchmarking or others). Evaluation costs will be covered by the applicant. To keep costs low, the evaluation shall start with desktop evaluations done by GCP itself, supported by its Technical Committee. Depending on credibility and expertise needs the evaluation could include third-party and / or on-the-ground evaluations. Applicant submits to GCP Manager of Code & Equivalence details of scheme or program.

1. Confidentiality agreement between interested applicant scheme or program and GCP as to not to disclose outside of the evaluators team both on scheme content and on process results.



Scheme name and content will only be revealed once Equivalence is achieved, and if owner wishes to do so. Results of scheme evaluation will only be made public if owner wants to claim equivalence.

2. Desk comparison of content of applicant scheme or program and defined criteria for Equivalence with BCC is outsourced to independent experts (max 2) accompanied by Manager Code & Equivalence. In parallel, the scheme is encouraged to submit a self-assessment.
3. Exchange between applicant and Code Manager on content aimed to reach agreement on results.
4. A summary evaluation report is shared with Technical Committee³, a governance body of the GCP for advice and endorsement.
5. Possible results: Equivalent or not equivalent. Feedback is provided in relation to areas which are strengths as well as opportunities for improvement.
6. The scheme or program is recognized as Equivalent until any change to their criteria, required compliance level and continuous improvement requirements (related to the Equivalence Criteria) is introduced. The owner of the scheme or program shall inform GCP of its intention to modify and together schedule a date for a new Equivalence evaluation. Time and depth of assessment will depend on the type of changes made. To be judged by the Technical Committee based on the recommendation by the Manager Code & Equivalence.
7. In case GCP modifies the Equivalence Criteria (either sustainability or accompanying criteria) this will be communicated to the Equivalent schemes or programs and at least 12 months will be provided for them to adapt and apply to a new equivalence evaluation.
8. In case of scheme being Equivalent and found not to be meeting the applicable equivalence criteria, an exchange with the initiative and the Secretariat and Technical Committee will be aimed at. In case there is no possibility to meet equivalence criteria, the status of Equivalence will vanish and the scheme will be informed of the need of adapting their claims in relation to GCP and the BCC accordingly.

5. WHAT IS THE BENEFIT OF THE EM?

A scheme or program can use its status of equivalent to be recognized as one that contributes and participates within a movement towards sustainability together with other leading organizations. The scheme or program is trusted for its credible content and procedures. Members of GCP believe in sustainability and may choose to demonstrate their commitment and contribute to sector wide adoption

³ See By-laws of the GCP Technical Committee, which will be published on GCP website.



of at least basic sustainability practices (as defined in the BCC) by visibly including baseline sustainability into their operations over time either through buying certified/verified coffee or through other options which are then recognized via the EM. As part of the reporting on BCC in the Global Progress Framework, members need to refer to the Equivalence Mechanism or clearly explain how the information was gathered together with the validation process used. Other benefits of the EM:

- Assesses and establishes the level of equivalence with the common reference, ie the BCC.
- Provides the sector with the knowledge of where a standard system or a program is with regards to the minimum sustainability practices as set out in the BCC and therefore provides the necessary transparency to foster synergies in working together.
- Provides confidence that there is a common and comparable way of measuring progress towards the sustainability goals of the coffee sector, and to be able to communicate these in a credible way.
- Provides a measure of the continuous improvement which is sought in the sustainability journey all along the value chain in coffee.
- Allows to make credible claims and support a healthy collaboration.
- Contributes to exchange and learnings among different initiatives on ways they approach specific practices. Harmonization may be a secondary effect that could benefit farmers participating in several supply chains and facing similar but different practices on the same topic.

GCP uses aggregated data to give a picture that describes in time and location how many farmers have reached the baseline level as well as where there are still red practices or where farmers are at risk of falling back into them.

GCP encourages companies and organizations to join and track together progress on elimination of unacceptable and implementation of minimum sustainability practices. Schemes and programs identifying their level of equivalence against the Baseline Common Code will benefit from synergies and from being known on their contribution to baseline sustainability.

DEFINITIONS

Assurance: Demonstrable evidence that specified requirements relating to a product, process, system, person or body are fulfilled (adapted from ISO 17000) (ISEAL Assurance Code)

Benchmarking is a comparison of one standard or benchmark against another to determine the extent of overlap and where the standard being compared exceeds or is lower than the benchmark standard. (ISEAL).

Recognition is a process of deeming one standard partially or fully equivalent to another standard. Recognition can be unilateral or mutual, depending on whether the recognition goes both ways. (ISEAL).



Equivalence: in the context of the Global Coffee Platform and the Baseline Common Code refers to the recognition of schemes or programs that at least include the defined equivalence criteria. This means that schemes and programs can be more comprehensive.

Standard System: The collective of organizations responsible for the activities involved in the implementation of a standard, including standard-setting, capacity building, assurance, labelling, and monitoring. (ISEAL Credibility Principles: 2013).

Sustainability claims: a message used to set apart and promote a product, process, business or service, including a project, with reference to one or more of the three pillars of sustainability: economic, social or environmental (ISEAL Sustainability Claims – good practice guide).

Company sourcing program refers to a program developed by a company in order to source coffee. The program involves investments within the coffee community aiming to support its sustainability. A sourcing program includes internal requirements (GCP own definition).

National Curriculum or Extension Material: refers to guidelines or material used by extension workers of a national or regional or sectoral group that uses this material to support farmers and train them. (own GCP definition: 2016).

NEXT STEPS

1. Start pilot using Equivalence Mechanism with one or two schemes or programs. CAS is one of them.	Quarter 1 of 2017
2. Promote and market concept of equivalence mechanism	Quarters 1 and 2 of 2017



ANNEX 1. TYPE OF DATA BEING KEPT BY THE SCHEME AND SHARED WITH GCP

1. Data provided by the scheme to GCP confidentially for consolidated reports.

1.1. FARMER BUSINESS DATA

Country	Total number of farmers	Total number small holders (<5 ha. Or <10 ha Br)	Total hectares	Number of Female / Male farmers	Bags (60 kg) / year	Number of permanent workers / year	Number temporary workers / year

1.2. FARMER PERFORMANCE DATA

Number of farmers in risk of:

UAP 1	UAP 2	UAP 3	UAP 4	UAP 5	UAP 6	UAP 7	UAP 8	UAP 9	UAP 10

Number of farmers implementing each:

ECO 1	ECO 2	ECO 3	ECO 4	ECO 5	ECO 6	ECO 7	ECO 8		
SOC 1	SOC 2	SOC 3	SOC 4	SOC 5	SOC 6	SOC 7	SOC 8	SOC 9	
ENV 1	ENV 2	ENV 3	ENV 4	ENV 5	ENV 6	ENV 7	ENV 8	ENV 9	ENV 10

2. Data to be kept by the scheme – not shared with GCP.

2.1. FARMER BUSINESS DATA

Farmer name	Farm name	Gender farmer	Farm location (Country, region)	Location (ideally GPS)	ha	Bags (60 kg) / year	Number of permanent workers / year	Number temporary workers / year

2.2. FARMER PERFORMANCE DATA

Number of farmers under license or certificate:

Note: quantity of info depends on scheme rules, e.g. if scheme defines that approval (certificate / license) is provided every single practice or principle is met, then all of them are automatically YES.

If some non-compliance is allowed, scheme or program collects data on specific ones.

UAP 1	UAP 2	UAP 3	UAP 4	UAP 5	UAP 6	UAP 7	UAP 8	UAP 9	UAP 10
ECO 1	ECO 2	ECO 3	ECO 4	ECO 5	ECO 6	ECO 7	ECO 8		
SOC 1	SOC 2	SOC 3	SOC 4	SOC 5	SOC 6	SOC 7	SOC 8	SOC 9	
ENV 1	ENV 2	ENV 3	ENV 4	ENV 5	ENV 6	ENV 7	ENV 8	ENV 9	ENV 10