

A close-up photograph of a man's face in profile, looking upwards and to the left, smelling a branch of a coffee plant. The branch is covered in green leaves and clusters of red and green coffee cherries. The background is bright and slightly blurred.

TAKING THE DECISIVE STEP

FOR A BETTER COFFEE WORLD

5TH – EXTRAORDINARY – GENERAL ASSEMBLY



**ADDIS
ABABA
ETHIOPIA**



**3RD & 4TH
MARCH
2016**

Why the 4C Association needs to evolve: To better serve its members & its vision!

- Significant growth in terms of membership & volumes of 4C Compliant Coffee produced & traded
- Current business model limits capacity to scale & achieve our shared vision
- Unanimously approved by you (General Assembly in June 2015), the new strategy will enable us to continue leading the coffee sector into the future by scaling up our three core functions
- New strategy framework & business model: Splitting into a dynamic non-competitive multi-stakeholder membership association and a Verification Operations Company
- Principles for future organizational set-up and business model: full transparency, clear communication and equitable distribution of costs amongst members, with commercial activities being paid by those members making use of them while the non-competitive platform is paid collectively

Why the 4C Association needs to evolve: To better serve its members & its vision!

- Vision 2020 shaping up: the sector-wide public-private sector collaboration between IDH, ICO, the 4C Association and others
- IDH's Sustainable Coffee Program: intensification of existing cooperation with pre-competitive agendas
- Other existing sustainability initiatives in coffee wishing to scale up and cooperate

4th General Assembly Strategy process

- Mandate by General Assembly to newly elected Council to deliver complete strategy 2016-2020 at October 2016 General Assembly.
- Joint Strategy Working Group meetings in August, November and December to prepare
 - Chaired by John Schluter,
 - Composed by 6 members (Adriana Mejia/ FNC, Alexandre Monteiro/ Cooxupé, Stefan Canz/ Nestlé, Cornel Kuhrt/ Tchibo, Nadia Hoarau-Mwaura /JDE, Han de Groot/ UTZ), plus Directors and key Secretariat staff
- Council meetings in September, October, November, January and March
- Governance workshop with the International Civil Society Centre/ Berlin in January
- Continued member and stakeholder dialogue and outreach

Vision 2020 unites the sector stakeholders behind one vision to enable collective impact at farm level

Sector diagnostic

Challenges the sector is facing



As it is now

Coffee has lead the way:

- Verification & Standards
- Multi-stakeholder initiatives
- Company programs



Why this is limiting

Current approach not enough

- Fragmentation too many projects
- Verification and training limited impact
- Holistic challenges not solved



Way forward

One aligned approach to sustainability!

- One sector vision
- Aligned public-private agenda and implementation
- Aligned progress measurement

Vision 2020 is a collaborative approach to a sustainable coffee sector

Our vision, mission, and functions



Collective aim

**Resilient farmers
Improved livelihoods
Strong farming communities**

What needs to be done

By aligning public and private actors behind:



One sector vision



Thematic workstreams



National agendas



Global Progress Framework

Public-private coordination

(*) Merger between SCP and 4C Association

Coordination, alignment and development by:



INTERNATIONAL COFFEE ORGANIZATION

Private sector

Baseline Common Code

Public sector

in close collaboration with others



SUSTAINABLE COFFEE CHALLENGE



The Global Coffee Platform will build on the extensive track-records of its founders

More Scope, Scale and Impact: Building on earlier successes



- Broad stakeholder membership (300+)
- Owning largest baseline verification standard in coffee
- Significant representation of producers
- Collaboration with other standards
- Platform function
- Viable farmer aggregation model



- Developing national and global initiatives
- Mechanism for public private funding
- National platforms in different countries
- Field level projects with public private funding
- National Sustainability Curricula

4C ASSOCIATION TODAY: KEY FUNCTIONS & ACHIEVEMENTS



Entry-level
Standard

Spreading baseline sustainability

- Worst Practices ruled out
- 1000s of farmers trainings
- 1,2 Mio workers
- 500.000 farmers
- 46 Mio bags produced
- 10 Mio bags received (2014)



Cooperation with
other standards

Increasing synergies & market access

- Benchmarking: RA/ SAN, FT, CMC
- Collaboration on shared issues, eg. Pesticides
- Stepping up to Utz, RA/ SAN, FT: ~ 10% of 4C Units.



Collaboration
Platform

Connecting stake- holders to join efforts

- Non-competitive collaboration on critical issues
- Sustainability Fora: Sharing learnings & best practices
- Vision 2020: major Public-Private coffee sector alliance

Our shared beliefs

Sustainability is a common objective and shared responsibility:

1. A joint commitment and shared responsibility to work towards a thriving, sustainable coffee sector where coffee farming remains an attractive profession for farmers to secure future supply.
2. Through coordinated collaboration of private sector, civil society, farmer representative organizations, governments and donors to get to a collective, systemic focus rather than individual short-term action.

Our shared beliefs

Sector sustainability requires a strong multi-stakeholder spirit:

3. An inclusive multi-stakeholder membership org for trustful sector dialogue, alignment to an actionable agenda, as a single voice & credible partner to the wider public sector, building on positive achievements & existing networks.

Our shared beliefs

Sustainability is a dynamic journey that needs coordination:

4. A neutral multi-stakeholder platform to facilitate process & ensure consistency between constituents & elements.
5. A sustainability strategy that increases impact and efficiencies, committing & advocate a credible common definition of baseline sustainability and seeking continuous improvement beyond this baseline.
6. Baseline sustainability to be truly baseline and implemented at the local level as part of national strategies; whereas continuous improvement is based on differentiation & competition.
7. Members commit to reporting on our collective commitments, actions, outcomes & impacts for sector-wide transparency to incentivize continuous improvement.

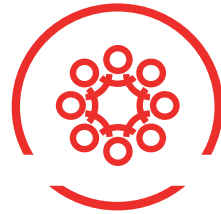


CO-CREATING THE GLOBAL COFFEE PLATFORM!

- The 4C Association with its broad multi-stakeholder membership will evolve into **The Global Coffee Platform**, together with the national and global parts of the Sustainable Coffee Program and other pre-competitive initiatives.
- This open and inclusive space for exchange, agenda setting and collective action for a sustainable coffee world will be providing new services and possibilities for members of all sizes to actively engage and benefit.
- The Verification Operations will continue services delivery through a separate company Coffee Assurance Services GmbH & CO. Kg, delivering services to 4C Units as usual.

"The global multi-stakeholder sustainable coffee platform that unites stakeholders in a non-competitive approach working towards a thriving, sustainable sector for generations to come."

THE GLOBAL COFFEE PLATFORM WILL FOCUS ON THREE KEY FUNCTIONS



The Dynamic Platform

Engage and service members to:

- define joint vision
- enable members to act
- coordinate



The Baseline Common code

Enable the Baseline Common Code to:

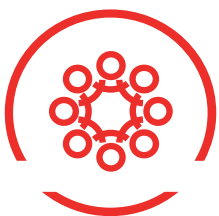
- be recognized as a global reference
- create a level playing field
- underpin national strategies



The Global Progress Framework

Enable the sector to:

- compete on sustainability efforts
- drive improvements



THE DYNAMIC PLATFORM MAKING VISION 2020 ACTIONABLE



Strategies & Services

- Long-term actionable agenda
- Knowledge Hub
- Pre-competitive approach to address key challenges
- Alignment with non-members
- Engage with donors

Benefits for members

- Harvest greater results through collective action and alignment with others
- Participate and engage in strategy development and implementation
- Tap into co-funding
- Showcase leadership in sustainability

Benefits for farmers

- Greater impact at farm level of aligned projects and interventions
- Increased effectiveness of joined interventions



THE BASELINE COMMON CODE WILL BE THE GLOBAL REFERENCE



Strategies & Services

- A true baseline as global reference for the sector
- Integration into national strategies (like National Sustainability Curriculum)
- Annual Progress Report on the Common Code Impact
- Outsourcing verification operations

Benefits for members

- Achieve baseline sustainability
- Secure market access markets
- Choose from diversified pool of operators
- Contribute to long-term coffee supply
- Understand and contribute to impact measurement

Benefits for farmers

- Accelerated transition to a baseline level of sustainability at farm-level



THE GLOBAL PROGRESS FRAMEWORK



Strategies & Services

- Sector-wide accepted Framework for measuring performance
- Transparent monitoring & reporting on progress
- Enable competition on impact
- Annual Progress Report on the Global Framework

Benefits for members

- Improve performance through measurement and sharing
- Understand and address key critical issues
- Attract partnerships & donor funding
- Position of member organization as frontrunners in sustainability

Benefits for farmers

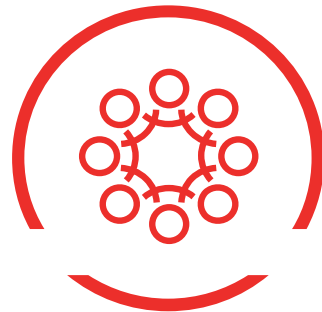
- Interventions beyond certification and verification
- Increased effectiveness of farm-level interventions

OVERVIEW STRATEGIES & SERVICES



Maintain the
Common Code

Producing
Countries



Sustainability
Issues:
Workstreams

Develop
Improvement
Framework

- To ensure that the **Global Coffee Platform** remains more inclusive, user-friendly, and more closely linked to national initiatives and networks, it will be organized around themes, countries, progress frameworks and the baseline standard to allow members to be active on their own levels and topics of interest.
- The new platform will be a membership-based organization that activates existing networks
- Specific regions and countries will be able to focus on case specific issues working through the association
- The Global Coffee Platform aims to be user-friendly, inclusive and specifically of service to small and medium enterprise companies
- Work-streams will be developed in line with specific themes, focusing on member inputs where these themes are most relevant



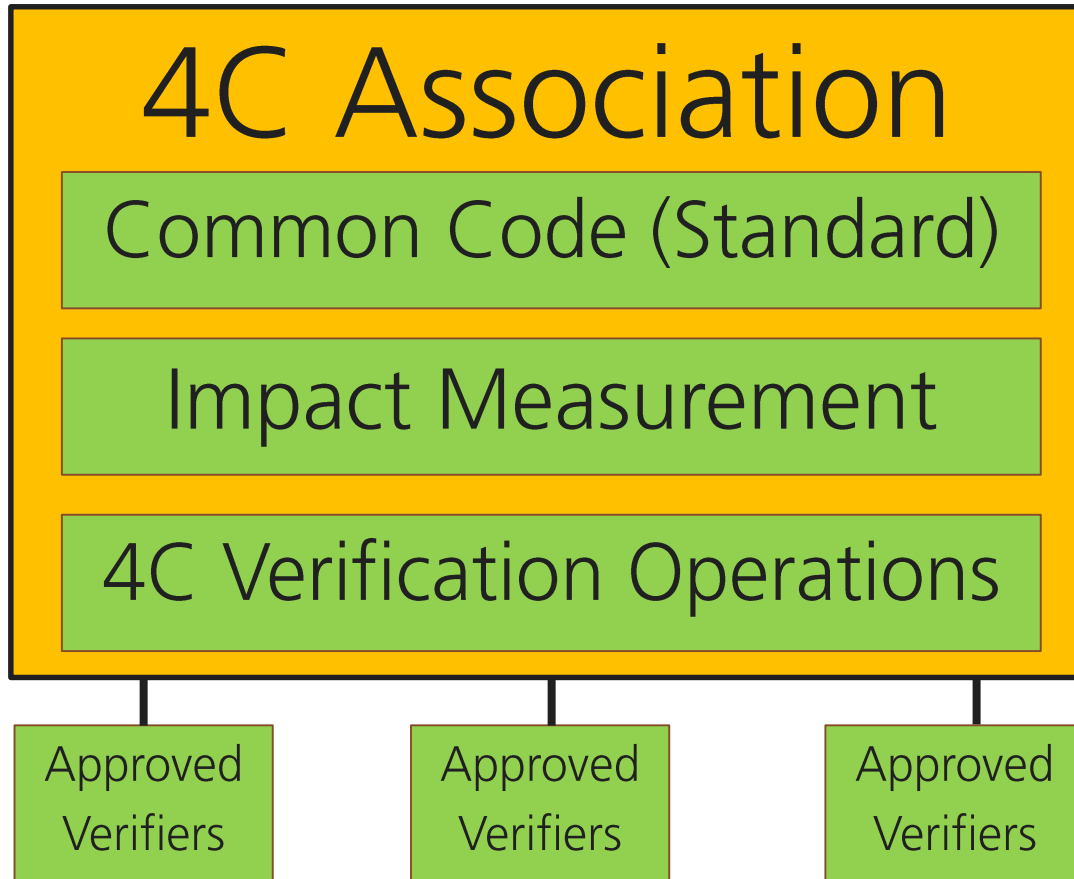
OUR VISION OF SUCCESS

What will have been achieved by 2020? What is better for the members, for the sector? Shared responsibility for the future of the sector (private-public, Vision 2020)

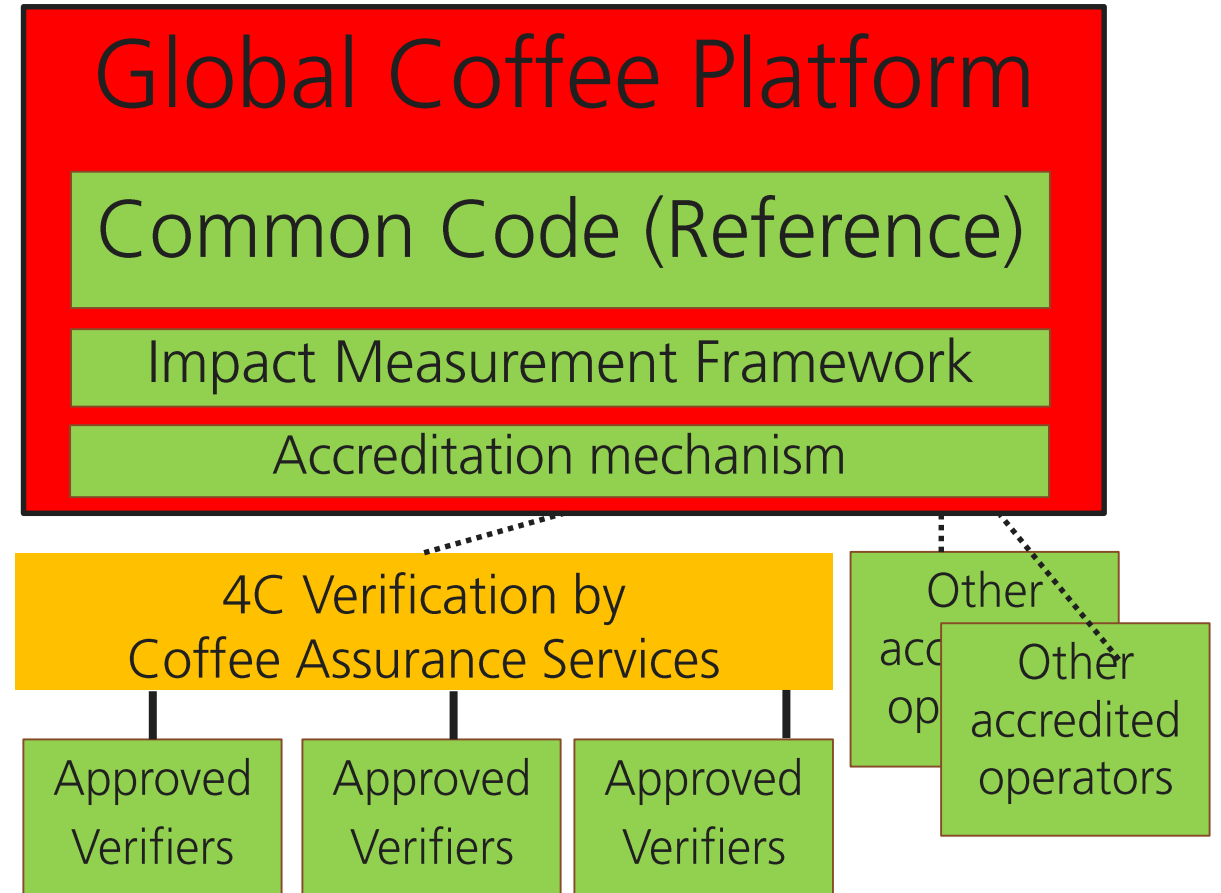
- Common impact: more efficient use of resources & investment to improve livelihood of farmers/ productivity/ profitability throughout sector
- Commitment of members: include integration of sustainability into their businesses & contribution to agenda setting (and implementation if feasible)
- Much more farmers engaged with baseline in a measurable way (through external third-party certification/verification or other innovative, accepted & credible ways to show change on the ground) & improved their practices & have received meaningful support
- Less fragmentation and more aligned action
- A coordinated voice for the (private) sector to engage in a dialogue on critical issues hampering the sustainability performance
- More benefits for the coffee sector as a whole > and clear KPIs to prove that

Spinning-off 4C Verification Operations

2015



1st April 2016 onwards



Different roles going forward

Global Coffee Platform

- Owns and maintains the Baseline Common Code
- Sets the rules for assurance systems
- Annual Progress Report on the Common Code Impact
- Compliance with ISEAL
- External oversight
- Accreditation mechanism

Verification Operations by Coffee Assurance Services

- License decisions
- Approval of Verification Bodies
- Training on Code understanding
- Internal oversight
- Collect data from 4C Units
- Commercial reporting by final buyers

Coffee Assurance Services

Vision

To be one of the leading coffee assurance service providers to enable change towards a sustainable thriving coffee sector.



Coffee Assurance Services

Mission

To globally deliver high quality, independent, credible and innovative services, for 4C Verification of the Baseline Common Code as well as assurance, integrity and progress measurement in coffee.



Coffee Assurance Services

Verification of 4C Units

- ✓ 4C License decisions
- ✓ Traceability and commercial reporting
- ✓ Approval of verification bodies
- ✓ Internal oversight
- ✓ Collect data from 4C Units
- ✓ Training on Code understanding



Next steps

- ✓ Action plan
 - April 2016: Company registration
 - April 2016: Internal agreements (license, leasing, transfer of employment agreement, rules of procedure, others)
 - Until Dec 2016: transition phase based in the service agreement with GCP



Terms and Conditions

Contracts

- ✓ 4C Units <-> Coffee Assurance Services
 - ✓ Final Buyers <-> Coffee Assurance Services
- (Volume based fee: 3 USD per ton)



Projects for 2016

- ✓ Verification process migration to the database
- ✓ Revision of the QMS and SOPs
- ✓ New document templates
- ✓ Verification report
- ✓ More with less!

