



**Common Code
for the
Coffee Community**

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The Common Code for the Coffee Community

Preamble

The Common Code for the Coffee Community is a **market-based and open initiative to promote and encourage sustainability in the green coffee chain**. Participants in the initiative cooperate to achieve sustainability in the production, post-harvest processing and trading of mainstream green coffee in the long term. It is only through commitment to continuous improvement by stakeholders along the chain, including corporate environmental and social responsibility, that this ambition can be achieved.

The Code's approach to sustainability builds on the Millennium Development Goals of the United Nations, which aim at sustainable livelihoods, and has a **social**, an **environmental** and an **economic dimension**:

- Coffee production can only be sustainable if it allows for **decent working and living conditions for farmers and their families as well as employees**. This includes **respect for human rights and labour standards** as well as achieving a decent standard of living.
- **Protecting the environment** such as primary forest and conserving natural resources such as water, soil, biodiversity and energy are core elements of sustainable coffee production and post-harvest processing.
- **Economic viability is the basis for social and environmental sustainability**. It includes reasonable earnings for all in the coffee chain, free access to markets and sustainable livelihoods.

The objective of the Code is to foster sustainability in the 'mainstream' green coffee chain and to increase the quantities of coffee meeting basic sustainability criteria within all three dimensions. Encouraging sustainability for green coffee is a productive, competitive and efficient way to enhance the economic conditions of the individuals employed and engaged in the growing, post-harvest processing and trading of green coffee.

The mechanisms of the Common Code provide conditions to re-arrange the transfer of added value toward the producers, to optimise cooperation and to raise awareness of responsibilities along the coffee chains. The mechanisms of the Common Code aim to provide consumers and civil society with a credible system that informs them about sustainability performance in mainstream coffee.

The code is open to voluntary participation by all stakeholders in the coffee chain who comply with its principles. Each stakeholder, at their own level of operations and activities, promotes and supports the production, post-harvest processing and trading of coffee on its way to sustainability. This also applies to the promotion of coffee products using or containing such coffee, taking market conditions and practicability into account.



1 The Initiative

Context of the Code

Coffee is one of the world's largest traded commodities and is produced in more than 60 countries, which are often heavily dependent on coffee export earnings. It generates income for more than 100 million people in the coffee growing areas worldwide. In the last decade, new agro-technological methods, cyclical changes in production, volatile markets, structural imbalances in the world economy and political developments have put high pressure on coffee producers.

The consequences of the current situation vary, but in many countries prices paid do not even cover the costs of production. Unsustainable production, processing and trading, therefore, sometimes form the basis for competition, resulting in social and environmental losses.

Motivated by this, the German Coffee Association (DKV) and GTZ on behalf of the German Ministry for Economic Co-operation and Development (BMZ), started a multi-stakeholder initiative, which has resulted in the following Common Code for the Coffee Community.

It aims at enabling social, environmental and economic sustainability in the production, post-harvest processing and trading of "mainstream" green coffee for all actors along the coffee chain, and will support long-term development with continuous improvement (see definition of "mainstream" in the appendix of this document – still to be finished).

The *Common Code* grew out of various existing standards and codes operational in the coffee sector. It serves as a base reference standard applicable to mainstream coffee. It aims at co-operating with existing standards and initiatives based on recognition of content, scope and goals with respect for each other's identity. It helps to establish a new understanding of quality. This includes the intrinsic and sensory quality of the product **and** the quality of sustainability in the production process.

The *Common Code* aims at increasing the supply of and demand for coffee on its way to sustainability based on market-mechanisms. The coffee offered in the major consumer channels under mainstream brands has to meet certain criteria under all three dimensions of sustainability.



Participating Institutions

The Common Code for the Coffee Community has been developed by a tripartite multi-stakeholder group in a transparent participatory process open to all operators active in the global green coffee sector. The document has been developed in a spirit of cooperation. Representatives of institutions in producing countries, trade and industry as well as civil society were involved in the formulation of this Code. Multilateral and international organizations and institutions supported this process and provided their knowledge and experience as Extraordinary Members.

The participating institutions were the following:

Producers:

Conselho Nacional do Café (CNC, Brasil); Empresa Brasileira de Pesquisa Agropecuária (EMBRAPA, Brasil); Cooperativa dos Cafeicultores da Região de Garça (Garcafé, Brazil); Federación Nacional de Cafeteros de Colombia (FNC, Colombia); Centro Nacional de Investigaciones de Café (Cenicafé, Colombia), Asociación agropecuaria de Huila (Colombia), Consejo Cafetalero Nacional (COFENAC, Ecuador); Corporación Ecuatoriana de Cafetaleros (CORECAF, Ecuador); Asociación Nacional del Café (ANACAFE, Guatemala), Federación de Cooperativas Agrícolas de Productores de Café de Guatemala, R.L. (Fedecocagua, Guatemala), Consejo Mexicano de Café (CMC, Mexico); Asociación Latinoamericana de Pequeños Caficultores „Frente Solidario” (Latinamerica); Inter-African Coffee Organization (IACO, Africa); Eastern African Fine Coffees Association (EAFCA); Centre National de Recherche Agronomique (CNRA, Côte d’Ivoire); Nucafe (Uganda); Kagera Cooperative Union (KCU, Tanzania); Indian Institute of Plantation Management (IIPM, India); Association of Indonesian Coffee Exporters (AICE, Indonesia); Vietnamese Coffee and Cocoa Association (VICOFA, Vietnam), Vinacafé (Vietnam).

Trade & Industry:

BR Bernhard Rothfos GmbH & Co/ Neumann Kaffee-Gruppe (BR / NKG); Compañía Mercantil del Café S.A. (CECA); Eugen Atté; European Coffee Federation (ECF); Hamburg Coffee Company (HaCofCo); Kraft Foods International; Nestlé; Sara Lee / Douwe Egberts (SL / DE); Tchibo GmbH; Volcafé.



Civil Society:

International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations (IUF); Kenya Plantation and Agricultural Workers Union (KPAWU, Kenya); Confederação Nacional dos Trabalhadores (CONTAG, Brasil); Unión Nacional Agroalimentaria de Colombia (UNAC, Colombia); Verband der Entwicklungspolitischen Nichtregierungsorganisationen in Deutschland (VENRO) / Food First Information and Action Network (FIAN); Christliche Initiative Romero (CIR); Greenpeace International; Oxfam International; Rainforest Alliance (RA); Solidaridad; SalvaNATURA.

Extraordinary Members:

Bundesministerium fuer wirtschaftliche Zusammenarbeit und Entwicklung (BMZ); Bundesministerium fuer Wirtschaft und Arbeit (BMWA); Centre de Coopération Internationale en Recherche Agronomique pour le Développement (CIRAD, France); Inter-American Development Bank (IADB); International Coffee Organization (ICO); International Institute for Sustainable Development (IISD); Utz Kapeh – Certified Responsible Coffee; The World Bank.

Project Secretariat:

Deutscher Kaffeeverband (DKV); Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH.

Supporting Consultancy:

Commonwealth Agricultural Bureaux International (CABI); Centro Agronómico Tropical de Investigación y Enseñanza (CATIE, Costa Rica); Wageningen University and Research Centre (The Netherlands); Deutsches Institut für Entwicklungspolitik (DIE, Germany); Friedrich-Ebert-Stiftung (FES, Germany); International Labor Organization (ILO); Institute de Recherche pour le Développement (IRD, France); International Social and Environmental Accreditation and Labelling Alliance (ISEAL); Pesticide Action Network (PAN, Great Britain); State Secretariat for Economic Affairs (SECO, Switzerland).

All participants active in the *Common Code System* commit to promote the concept of coffee on its way to sustainability, to convey the information needed, to implement the Code where applicable and to support the provision of training and skills development. The *Common Code System* encourages information exchange and interaction between stakeholders in the coffee industry.



2 Reasons to join the code

The *Common Code* is not a solution to the current Coffee Crisis, but offers a long-term development perspective to suppliers and establishes a new basis for competition with regard to the quality of the product and the quality of sustainable production methods. All actors in the chain cooperate in the *Common Code* to constantly enhance the production and supply of coffee on its way to sustainability and to increase the demand for coffee produced and processed under sustainable methods by promoting this concept in mainstream markets.

Reasons for producers to join the code:

- Empowerment and improved management capacity
- Enhanced returns from production
- Foreseeable demand for Common Code coffee
- Better market access
- Improvement of living conditions
- Improved social conditions for workers and their families
- Preservation of the environment

Reasons for trade and industry to join the code:

- Ensured supply of quality green coffee
- Ensured coffee market for the future
- Commitment to corporate social responsibility and sustainability
- More sustainability for the **mainstream** market
- Positive image
- Enhanced market transparency and traceability
- Preservation of the environment

Producers, processors and traders complying with the requirements of the code will improve their competitiveness and bargaining power as a result of improved management and enhanced returns from optimised production, thereby creating better market access and higher margins. This involves organizing themselves into sufficiently large units - referred to as "*Common Code Units*". Vertical diversification and the creation of added value, accompanied by the *Common Code* system further support competitive producers and processors. A constantly growing demand for *Common Code* coffee supports sustainable development in the coffee sector and encourages stable trading practices between business partners.

Buyers of *Common Code* coffee along the chain strive to expand the proportion of mainstream coffee on its way to sustainability and publicize their performance in regular reports. They seek ways to transfer the added value of *Common Code* coffee to the level of production and processing of green coffee.



3 Accessing the code system

The *Common Code* system is an open system and all operators in the chain are eligible to implement and use the Code in their operations and commercial relations. Participation in the code is open to all forms of production systems – including smallholders, organizations / associations, plantations and estates, provided they are organized in sufficiently large units (*Common Code Unit*).

Information about the system, its requirements and user's conditions, is provided by the *National Common Code Bodies* and the *International Common Code Managing Body* (see annex for definition) directly.

Prerequisites for entering the system are a self-assessment, the exclusion of unacceptable practices and a commitment to continuous improvement. The code then allows for a transition period wherein all stakeholders combine to improve practices in coffee production and processing. The stakeholders are committed to creating the economic and organizational conditions that will enable the establishment of a process of continuous improvement.



4 Verification of compliance with the code

The level of compliance with the requirements of the *Common Code* has to be verified. A self-assessment is a potential candidate's first statement of interest to join the *Common Code* scheme. It is a declaration of having received, read, understood and accepted the relevant documents as well as having excluded all "Unacceptable Practices". With the self-assessment being the "entry ticket" to the *Common Code System*, actors in the chain provide basic information on their current practices, communicate a request for an external implementation audit and develop an improvement scheme with a management plan. Listed existing organizations like national coffee councils or NGOs support the self-assessment and the development of the management plan. This procedure helps *Common Code* Actors to identify their capability to comply with sustainable practices in the coffee sector on the basis of a *Common Code Unit*.

On a national level, *National Common Code Bodies* manage the implementation of the *Common Code*; they represent the stakeholders of the coffee sector in a tripartite structure.

Building on the self assessment report, an independent third-party verification of the self assessment checks the compliance with the requirements of the *Common Code*, rates the current performance of the *Common Code Unit* (e.g. "average yellow") referring to the principles and criteria of the Code Matrix and feeds its results back to the *National Common Code Body* as well as to the *Common Code Unit*. These checks must be conducted by independent third-party verifiers being approved and registered by the *National Common Code Body* concerned. The system recommends to build on the experience and structures of existing initiatives.

If no credible third-party verifier is evident on national level as stated by the *International Steering Committee*, a flexible transition period will be defined in combination with the *International Managing Body*. Clear and precise Terms of reference guide the development during the transition period. The duration of this period has to be confirmed by the *International Steering Committee*. Referring to the existing structures on the national level, the *Managing Body* estimates the time



period needed to establish a credible third-party verification structure, which can at a maximum last for two years. During this period, a credible system check with field level audits has to provide the information necessary for a constant verification of the Code on the level of the *Common Code Unit*. In cooperation with the *International Managing Body*, the *National Common Code Body* supports the establishment of a credible independent third-party verification scheme on the national level. This includes training and workshops for potential independent third-party verifiers. A permanent self-monitoring of the performance of the *Common Code Unit* has to allow high transparency of the production and processing methods used on the level of the Unit.

On the basis of a successful verification, the *Common Code Unit* develops a management plan to remove all remaining “Reds” in an individually defined period of time, but within a maximum of two years. A re-verification checks the level of compliance with the *Common Code*, monitors the continuous improvement process and allows a constant development of management plans. After a successful re-verification, the period to the next verification increases to four years. If verification fails, the *Common Code Unit* loses its license to supply *Common Code* coffee until it once again successfully passes verification. (Note: Frequency of the re-verification (2 or 4 years) will be checked).

Independent third-party auditors, who must be registered and approved by the *International Common Code Managing Body*, audit the whole system of verification. Over a two-year period, they conduct audits of the *Common Code* verification system in place on the national level including selected verifiers. Unannounced random audits at all levels (*Common Code Unit*, producer and even the National Common Code Body) will be conducted to verify their performance.



5 Auditable units

Identity preservation (“traceability”) and transparency in transactions are important conditions for the implementation of the code. In mainstream coffee production and trading, coffee is sold in containers and the smallest unit to trace the product back in a cost effective manner is the level where the aggregated volume of coffee composes at least one container. Therefore, a *Common Code Unit* can be a producer, a farm, an estate, a producer association or cooperative, a buying station, a mill or an exporter that meets this requirement. These *Common Code Units* must be recognizable organized units.

The principles and criteria of the *Common Code* address practices in the entire green coffee value chain. This implies that the *Common Code Unit* must comply with the *Code Matrix* in its regular business transactions in the chain of custody. The *Common Code Unit* is responsible for communicating the requirements and procedures accompanying the code to its business partners. Likewise, the business partners of the *Common Code Unit* will accept random audits by the *National Common Code Body*.

6 Audit results

The *Common Code Unit* enters the *Common Code* system with the self-assessment and receives a license to supply *Common Code* coffee after a successful implementation verification confirming that it has achieved the status of “average yellow” and the exclusion of all unacceptable practices. The implementation verification also provides a report on the current status of production as a basis for developing a management plan to start the process of continuous improvement. On the basis of this implementation report, the *Common Code* system will facilitate access to the support and resources needed for improving practices in use.



7 Arbitration procedure

Neither the complaint mechanism nor arbitration procedures have been agreed so far. Proposals are still under discussion. Reference will be made to existing systems.



8 Rules of Participation

Wording and Agreement on Rules of Participation are still under discussion.

The Steering Committee of the Common Code for the Coffee Community agreed to include the following topics in the Rules of Participation:

- Transparency
- Remuneration of Common Code coffee
- Capacity building
- Business conduct
- Communication and marketing
- Position on GMO



9 Unacceptable Practices

The *Common Code for the Coffee Community System* excludes the worst forms of social, environmental and economic practices in the production, post-harvest processing and trading of green coffee. Those practices are called “unacceptables”. Definitions are primarily based on the UN Human Rights Declaration as well as existing UN conventions and standards and, usually, national legislation. The exclusion of unacceptable practices must be documented in the self-assessment report.

- Worst forms of child labour (referring to ILO Convention 182)
- Bonded and forced labour (referring to ILO Conventions 29 and 105)
- Trafficking of persons (UN Convention against transnational organized crime, protocol on trafficking and smuggling, adopted 2000, effective December 2003)
- Prohibiting membership of or representation by a trade union (referring to ILO Convention 87 and 98).
- Forced eviction without adequate compensation (International Covenant on economic, social and cultural rights, art. 11; General Comment no.7 on the rights to adequate housing (E/C.12/1997/4); Commission on Human Rights Resolution 1993/77 on Forced Eviction; Sub-Commission on the Protection and Promotion of Human Rights Resolution 1998/9 on Forced Evictions.
- Failure to provide adequate housing where required by workers (referring to ILO Convention 110 on Plantations)
- Failure to provide potable water to all workers (referring to the United Nations’ Report of the World Summit on Sustainable Development, Johannesburg 2002)
- Cutting of primary forest or destruction of other forms of natural resources that are designated by national and / or international legislation (protected areas)
- Use of pesticides banned under the Stockholm convention and listed in the Rotterdam Convention on Persistent Organic Pollutants (POPs)
- Immoral transactions in business relations according to international covenants, national law and practices (referring to OECD Guidelines for multinational enterprises and UN Convention on Contracts for the International Sale of Goods) (May be included in rules of participation later on – still under discussion.)



10 Assessing performance in terms of sustainability

Referring to a comprehensive concept of sustainability, the Common Code consists of a social, an environmental and an economic dimension. The concept of sustainability is specified in the *Code Matrix*, which consists of categories, principles and criteria. Categories refer to the main aspects of the production, post-harvest processing and trading of green coffee. Principles are positive statements that indicate the desired performance for each of the listed practices. To assess the performance of a *Common Code Unit*, criteria specify the compliance with the requirements of these Principles.

The traffic light system

This is shown in a “**traffic light system**”, illustrating the **concept of continuous improvement**:

- Red** indicates that the current practice must be discontinued
- Yellow** indicates **a practice that needs to be further improved within a transitional period**
- Green** reflects a desirable practice.

The process of continuous improvement provides the basis both for strengthened cooperation along the supply chain and for competition on the new understanding of quality. In this inclusive system of the *Common Code*, unsustainable practices as formulated in the red Criteria are acceptable, if there is at least the same number of green criteria in the same dimension. This situation indicates the status of “**average yellow**”, which allows the actors along the chain to market their coffee as *Common Code* coffee.



11 The Code Matrix

Social Dimension			Criteria			Level of Monitoring
Category	No.	Principle	Green	Yellow	Red	
Freedom of association	1	Workers and producers have the right to found, to belong to and to be represented by an independent organization of their choice.	Resources, information and institutional structures are available to improve representation of workers and farmers by their organization	Right to found, belong to and to be represented by an independent organization of free choice is accepted and easy access to it exists.	Organizations exist but are not accepted as valid counterparts / interlocutors.	4C Unit
Freedom of bargaining	2	Workers have the right to bargain collectively	Collective bargaining results are applied to all workers	Trade Unions and / or worker's organizations are bargaining collectively.	The right to and the outcomes of collective bargaining are ignored.	4C Unit
Discrimination	3	All actors along the chain implement positive action to secure equal rights with respect to sex, religion, ethnicity and political views.	Positive action programmes to secure equal rights are in place	Awareness to secure equal rights is raised and concrete steps to develop positive action programmes are evident.	No positive action to raise awareness of equal rights is evident.	4C Unit and entire chain
Right to childhood and education	4	Children have effective rights to childhood and education.	Children's rights to childhood and education are implemented.	Deliberate efforts to remove children from work and get them into education are evident.	There are no measures to encourage the education of children.	
Working Conditions	5a	Workers receive a labour contract	All workers receive written and legally registered labour contracts	Informal but transparent contractual agreements are used.	Workers do not receive any kind contractual agreement.	4C Unit
	5b	Working hours comply with national laws / international conventions and overtime work is remunerated.	Working hours comply with national laws / international conventions and overtime working hours are fully remunerated.	Transparent working hour timetables exist and working hours are recorded individually.	Working hours do not comply with national laws / international conventions and overtime working hours are not remunerated.	4C Unit and below
	5c	Wages comply with national laws or sector agreements.	Wages are above existing national Minimum wages or sector agreements, whichever is higher	Wages comply with existing national minimum wages	Wages are below existing national minimum wages	4C Unit and below



Social Dimension			Criteria			Level of Monitoring
Category	No.	Principle	Green	Yellow	Red	
	5d	Employer assures proper occupational health and safety conditions for workers.	Proper health and safety conditions are assured by existence of a monitoring system.	Procedures and equipment to avoid unhealthy and unsafe working practices exist.	Unhealthy and/or dangerous practices are used with high frequency.	4C Unit
	5e	Seasonal and piece rate workers are equitably treated.	Seasonal and piece rate workers are equitably treated.	Seasonal and piece rate workers receive minimum wage but get no other benefit.	Seasonal and piece rate workers do not get the equivalent of minimum wages in normal working hours and have no access to other benefits.	
Capacity and skill development	6a	Workers are entitled to receive training to improve their skills and capacities.	All workers are given access to relevant training and skill development in order to apply good practices in coffee production and post-harvest processing.	Workers are trained in relevant technical skills.	Training to improve technical skills for workers is not provided.	4C Unit
	6b	Cooperatives, Unions and associations work towards skills development and improvement of capacities.	Cooperatives, unions and associations provide access to relevant training and skill development in order to apply good practices in coffee production and post-harvest processing to all their members.	Members of cooperatives, unions and associations are trained in relevant technical skills.	Training to improve technical skills is not provided by cooperatives, unions and associations	4C Unit
Living Conditions and education	7a	Cooperatives, unions and associations work towards improving living conditions and support the basic education of their members.	Cooperatives, unions and associations deliver full services to their members.	Cooperatives, unions and associations deliver limited services to their members.	Cooperatives, unions and associations do not deliver any services to their members.	4C Unit
	7b	Workers are entitled to improve their living conditions and their education	Workers are provided with all defined living conditions and their basic education is supported.	Workers are partly provided with defined living conditions and continuous improvement is visible.	Workers are not provided with any service.	4C Unit



Environmental Dimension			Criteria			Level of Monitoring
Category	No.	Principle	Green	Yellow	Red	
Biodiversity	1a	Conservation of wildlife and endangered species is facilitated and supported	Conservation of wildlife is practiced and endangered species are protected by demarcation and signage on coffee farms.	No hunting, ensnaring, poisoning and exploitation of endangered and protected species is practiced and actors along the chain cooperate to develop a communication strategy for the conservation of wildlife.	Hunting, ensnaring, poisoning and exploitation of endangered and protected species is partly practiced.	4C Unit and below
	1b	Native flora is protected and enhanced.	Native flora including watersheds and biodiversity habitats are protected and enhanced.	According to national legislation, no exploitation of native flora or watersheds on the farm is evident and a strategy to protect and enhance native flora is developed.	Irreversible, destructive exploitation of native flora.	4C Unit and below
Agrochemicals	2	Use of pesticides and the effect on human health and on the environment is minimized.	Crop Management (shadow, fertilization, varieties, plant density) for the prevention of phytosanitary problems is in use. Use of natural enemies and the least toxic pesticides is practiced.	Keep to FAO code recommendations regarding WHO I+II and all pesticides of low acute toxicity (see annexed list). System to minimize spraying is in place.	Use of most hazardous pesticides is practiced (see annexed list). There is no system in place to minimize spraying.	4C Unit and below
Soil Fertility	3a	Soil conservation practices are in place.	Full implementation and periodical review of a soil management plan is evident.	Assessment of management options with the preparation of a soil management plan is in line with conservation agriculture. Implementation has started with measures of highest priority.	Observable, continuous, severe, degradation of soil resources by erosion.	4C Unit and below
	3b	Fertilizers are used appropriately	Application of fertilizers is in accordance with the needs of the crop (i.e. based on expected yield) derived from monitoring and soil / plant analyses, encouraging the use of organic material without depleting nutrient stocks in other areas.	A monitoring system for soil / plant analyses is in development. Application of fertilizers is based on standardized prescriptions.	Excessive use of fertilizers polluting water systems, streams and aquifers.	4C Unit and below



Environmental Dimension			Criteria			Level of Monitoring
Category	No.	Principle	Green	Yellow	Red	
	3c	Organic matter management is in place.	Proper use of organic matter as fertilizer to replace mineral fertilizers in a specified time period in accordance with the management plan to enhance biological and physical soil properties.	Organic matter is reused and recycled.	Wasteful and improper disposal of organic matter.	4C Unit and below
Water	4a	Water resources are conserved, this applies to both the quality and quantity aspects.	Water replenishment capacity / quality / water saving technologies are enhanced.	Water conservation practices are implemented.	Withdrawal of water beyond replenishment capacity and pollution of water sources.	4C Unit and below
	4b	Wastewater management is in place.	Discharged load of contaminants is minimized.	Treated wastewater is recycled and reused.	Discharge of untreated wastewater.	4C Unit and below
Waste	5	Safe waste (including packaging waste) management is in place.	Waste generation is minimized, reuse and recycling is maximized. Safe disposal of waste is ensured.	Hazardous waste is recovered, segregated and the safety of farmers, municipality and suppliers is assured.	Unsafe disposal of hazardous waste.	4C Unit and below
Energy	6a	Preferential use of renewable energy.	Maximization of renewable energy sources without surpassing their regeneration capacity is evident.	Management options for use of renewable energy are assessed, and implementation according to priority for the replacement of fossil with renewable energy is started.	Extraction of wood fuel beyond regeneration capacity.	4C Unit
	6b	Saving Energy	Energy use is minimized as evident in regular evaluation.	Use of energy is regularly evaluated and first steps of energy efficiency and alternative options are implemented.	Wasteful use of energy as input for coffee production or processing.	4C Unit and below



Economic Dimension			Criteria			Level of Monitoring
Category	No.	Principle	Green	Yellow	Red	
Market information	1	The coffee market is transparent and its information available to Common Code suppliers and buyers.	All actors along the chain provide market information, logistics and access to technical as well as administrative means in order to make the quality demands of the market transparent.	Information on market and coffee specifics is available to all actors along the chain.	Market information is not passed along the chain.	4C Unit, above and below
Market access	2	Cooperatives / exporters / associations improve the ability of producers and smallholders to gain adequate market access (e.g. market information, financial credit and supply of inputs).	Cooperatives / exporters / associations provide producers and smallholders with access to adequate services for better market access.	Cooperatives / exporters / associations develop a system for producers & smallholders to gain access to adequate services.	Producers & smallholders do not have access to adequate market information, financial credit or supply of inputs.	4C Unit, above and below
Quality	3a	A transparent product quality refers to best agricultural practices and complies with national and international export standards.	The product quality is measured transparently throughout the supply chain and complies explicitly with good agricultural practices as well as national and international export standards.	Actors along the chain develop and implement a system to measure product quality in compliance with good agricultural practices in coffee production as well as national and international export standards.	Product quality is not measured at export side and / or does not comply with national and international export standards.	4C Unit and above
	3b	Intrinsic and sensorial green coffee quality is improving due to actors along the chain developing their skills in good agricultural practices.	All actors have the necessary knowledge of good agricultural practice in coffee production and good practices in post-harvest treatment in order to produce green coffee in agreement with national and international export standards.	Intrinsic and sensorial green coffee quality is improving with training and skill development on good agricultural practices in coffee production and good practices in post-harvest treatment.	Actors do not improve their skills in order to reduce inadequacies in coffee production.	
Commerce	4	Prices reflect the quality, including the quality of the product and the Common Code quality of sustainable production and processing practices.	The qualification process to establish a relationship between quality and price is established and quality is rewarded by a freely negotiated margin as agreed by the direct business partners.	A qualification process to establish a relationship between quality and prices is developed and tested by direct business partners.	There is no evident relationship between quality (product and production) and prices.	4C Unit
Supply chain	5	The coffee is traceable from 4C Unit to cup (chain of custody).	Identity preservation is ensured by written standardized documentation.	Documentation methods to trace the coffee along the chain have been developed.	Coffee is not traceable below export level.	4C Unit and above



12 General Guidelines

The general guidelines specified below indicate different roles and responsibilities during the implementation of the code. The implementation of the code starts by communicating its concept and intending to stakeholders along the chain and ends by the actual supply and sales of *Common Code* coffee. In between many other tasks have to be performed. The guidelines specify the roles and responsibilities of different stakeholders in the main activities. Realizing that supply chains are organized differently all over the world, the precise institutional configuration handling all these tasks definitely depend on the specific situation. The general guidelines sketch the landscape of joint efforts and activities at different levels that will make the code work.

To implement the improvement process and to build capacity,

The production level needs to

- Intensify cooperation with actors along the chain needed for successful improvement process
- Conduct improvement process by implementing management plan
- Constantly provide information for monitoring reports of improvement process based on Common Code report
- Constantly monitor and report results of improvement process

The processing level needs to

- Intensify cooperation with actors along the chain needed for successful improvement process
- Conduct improvement process by implementing management plan
- Constantly provide information for monitoring reports of improvement process based on Common Code report
- Constantly monitor and report results of improvement process

Producer associations need to

- Intensify cooperation with actors along the chain needed for successful improvement process
- Conduct improvement process by implementing management plan
- Constantly provide information for monitoring reports of improvement process based on Common Code report
- Constantly monitor and report results of improvement process
- Build capacity by providing training, skill development and technical assistance
- Provide services and financial tools to their members
- Facilitate joint action for improvement of business relationships and provide a secure environment for investment



Unions need to

- Intensify cooperation with actors along the chain needed for successful improvement process
- Provide best practices to actors along the chain by experience of Pilot Projects
- Build capacity by providing training, skill development and technical assistance to workers and their members

International and national Common Code Bodies need to

- Intensify cooperation with actors along the chain needed for successful improvement process
- Provide best practices to suppliers by experience of Pilot Projects, different Common Code Bodies and other audited units
- Provide training methods needed for improvement process on regional and / or national basis, based on experience of auditors and existing management plans
- Contact relevant institutions / companies / NGOs / organizations to support improvement process
- Identify need for support referring to results of self assessment and implementation audit
- Provide contact to supporting institutions
- Channel resources to support improvement process
- Identify and stimulate the support of research institutes to accompany implementation of the Common Code

Intermediaries need to

- Intensify cooperation with actors along the chain needed for successful improvement process
- Constantly provide information for monitoring reports of improvement process of Common Code Unit based on Common Code report

Exporters / traders need to

- Intensify cooperation with actors along the chain needed for successful improvement process
- Constantly provide information for monitoring reports of improvement process of Common Code Unit based on Common Code report
- Support improvement process of Common Code Unit by providing knowledge, experience and identified resources
- Provide market information and demands of coffee buyers to business partners along the chain
- Support direct business partners too improve quality aspects of the coffee produced and processed
- Facilitate joint action for improvement of business relationships and provide a secure environment for investment



Roasters / manufacturers need to

- Provide best practices to suppliers by experience of Pilot Projects
- Provide incentives to preferred suppliers
- Intensify business with suppliers of Common Code coffee
- Commit themselves to improvement process by communicating their demands for quality coffee
- Support improvement process of Common Code Unit by providing knowledge, experience and identified resources
- Intensify business relationships with producers of good quality performance
- Facilitate joint action for improvement of business relationships and provide a secure environment for investment
- Provide mechanisms and / or resources to internalize costs for social and environmental improvement during transition period
- Strengthen coordination of engagement in the coffee sector (projects) with Common Code Body and partners of international cooperation
- Provide a price differential for high quality coffee in the understanding of Common Code quality

The civil society needs to

- Provide best practices to suppliers by experience of Pilot Projects
- Support improvement process of Common Code Unit by providing knowledge, experience and identified resources
- Strengthen coordination of engagement in the coffee sector (projects) with Common Code Body and partners of international cooperation
- Provide mechanisms and / or resources to internalize costs for social and environmental improvement during transition period

The public sector needs to

- Provide best practices to suppliers by experience of Pilot Projects
- Support improvement process of Common Code Unit by providing knowledge, experience and identified resources
- Strengthen coordination of engagement in the coffee sector (projects) with Common Code Body and partners of international cooperation.
- Provide mechanisms and / or resources to internalize costs for social and environmental improvement during transition period



13 Support to the improvement process

Analyses of the current practices in use on regional and / or national level provide feedback to the *National Common Code Body* and the *International Common Code Managing Body*. This feedback is the basis accompanying the creation of support strategies on a broad regional / national level, conducted in development projects and programmes of national / international organizations / institutions. The *Common Code* system provides the contact and the access to these interested partners, development agencies and programmes to support the improvement process on a national or regional level.

Together with the results of the self-assessment on the level of the *Common Code Units*, the *National Common Code Body* offers training modules and access to specific resources for improvement in order to enable capacity building at the level of the *Common Code Units*. The experience of Pilot Projects, which bring together public and private partners in the sector, provides the basis for specification on a regional and / or production system level (e.g. plantations and small farmers) and helps to improve the development of individual management plans after the self-assessment and the *Common Code* verification.

Indicators especially need specification, and will be modified according to the experience gained in these Pilot Projects. A time frame to comply with the specific requirements of the individual management plans is being defined, taking into account the results of Pilot Projects and individual performance of the *Common Code Units*. This time path encourages a dynamic process of continuous improvement and allows credible monitoring. Furthermore, compliance with the requirements of the *Common Code* helps to channel resources for the specific interests of *Common Code Units*, if requested.



14 Institutional structure to support the improvement process

The *International Common Code Managing Body*, in cooperation with engaged partners, develops concepts to enable capacity building by channelling resources and providing training. These are based on feedback reports summarizing results from and experiences with the self-assessment and the implementation audits. The analysis of the current practices will take place on the regional and / or national level and will be compiled by the *National Common Code Body*.

All actors along the chain will assume the responsibility to cooperate for further improvement in production, post-harvest processing and trading methods leading towards a sustainable coffee sector. With the coordination of the *International Common Code Managing Body* on the international and the *National Common Code Body* on the regional levels, tools and instruments to accompany the implementation of the *Common Code* and the continuous improvement will be supported: i.e. access to information, diversification programmes, access to financial instruments, capacity building and institutional development.

Users of the *Common Code* agree to strive for the development of Public-Private Partnerships to implement the *Common Code* and to support implementation. Coordinated by the *Common Code* system, approaches by national and international initiatives, organizations, programmes and companies will guide the way to sustainable development and support continuous improvement. To achieve this, all actors in the *Common Code* system commit themselves to cooperate in order to channel resources and activities for the benefit of a sustainable coffee sector.



15 Communication

The various stakeholders in the chain can use the results of the implementation of the Common Code in their communications. All actors agreeing to use the Common Code for promotional aspects must accept the “General guidelines” of the *Common Code* system and “Rules of Participation”. Reporting and communication on the *Common Code* contributes to a better image of coffee in world consumer markets and can counteract any negative product connotation related to developments in the green coffee markets affecting the livelihoods of millions of individuals employed in the growing of coffee.

All actors in the *Common Code* system will cooperate to disseminate these positive effects and to transfer this image of coffee on its way to sustainability in order to stimulate consumer demand. *Common Code* coffee will not be communicated through labels attached to the final consumer products. In their communication to the public, buyers of *Common Code* coffee are free to report on the volumes of their *Common Code* coffee purchased and on specific targets for increased market shares for *Common Code* coffee as agreed in the “General Guidelines” and the “Rules of Participation”.

The *International Common Code Managing Body* will support and guide communication practices in consumer markets and is the central institution for communication with the public and interested institutions.

In detail, this means

International Common Code Managing Body

- Screens existing structures in producing countries (organizations and institutions)
- Arranges “Common Code Events” with workshops in producing countries
- Attends dissemination workshops in Common Code-Countries (SC members and other interested countries)
- Develops PR-Material
- Supports the development of National Common Code Bodies

Industry

- Develops promotional concepts
- Publicizes annual “Common Code” Reports
- Presents Common Code concepts to other industry actors
- Supports the development of National Common Code Bodies

Producers

- Inform the Managing Body on organizational structures in producing countries
- Arranges dissemination workshops together with the Managing Body
- Organizes training on the Common Code
- Supports the development of National Common Code Bodies



Civil Society

- Raises the awareness of consumers and producers
- Emphasizes the relevance of social and environmental aspects
- Arranges events and dissemination workshops
- Supports the development of National Common Code Bodies