

Darwin Initiative for the Survival of Species

Annual Report

1. Darwin Project Information

Project Ref. Number	162/11/014
Project Title	<i>Biodiversity and Colombian Coffee Farmers: Capacity Building for Added Value</i>
Country(ies)	COLOMBIA
UK Contractor	CABI BIOSCIENCE
Partner Organisation(s)	<i>Cenicafé, Colombia</i>
Darwin Grant Value	£134,677
Start/End dates	<i>April 2002 to March 2005</i>
Reporting period (1 Apr 200x to 31 Mar 200y) and report number (1,2,3..)	<i>April 2003 to March 2004</i>
Project website	
Author(s), date	<i>PS Baker May 25, 2004</i>

2. Project Background

Colombian coffee is cultivated on about 900,000 ha of the northern Andean chain and it has been a major factor in the relative economic success and stability of those regions where it is grown. In recent years however, the Colombian coffee industry has faced a major and complex crisis, which globally has led to oversupply and nationally to loss of competitiveness with other countries. This has caused greater intensification of production on the one hand and some diversification on the other.

Both of these responses cause concern for their impact on the environment, including greater use of agri-chemicals and diversification to less suitable enterprises, e.g. beef production on steep mountainsides.

Colombian coffee officials are well aware of these problems and have carried out successful research and development of some environmentally friendly cultivation and processing techniques. They are also studying the biodiversity of coffee plantations, especially the bird fauna.

Little however has been done to understand farmers' knowledge and preoccupations over the environment. The main tenet of this project then is that since Colombia, the Coffee Federation and the coffee industry are all changing rapidly, farmers should be better understood, consulted and play a full part in the inevitable changes ahead.

3. Project Purpose and Outputs

Purpose: to develop coffee biodiversity concepts with Colombian coffee farmers in order to realise its commercial potential. (See Annex 1 for Project LogFrame).

Objectives: the project will undertake detailed participatory rural assessments of farmer knowledge, biodiversity concepts and vocabulary used so that a field manual can be prepared and tested with extensionists and researchers.

The project will also develop contacts with commercial companies and hold a stakeholder workshop to determine ways to promote and sell "biodiverse coffee".

Forest patches within the coffee region will also be identified and studied to assess their potential.

To this end the project will also assemble a database of plant and animal species with an extensive photo library that can be used in future promotional and commercial campaigns.

It will also produce a draft biodiversity policy document for consideration by the National Coffee Congress, a democratic farmers' decision-making body.

Promotional materials will be produced and used to promote the work of the project at an international trade event.

4. Progress

A brief history of the project to the beginning of this reporting period

Project farm areas selected and semi-structured interviews and group interviews carried out. A range of data about farmers, how they live, their attitudes to the environment, their uses of biodiversity were all collected, the first time that this has been done. An outline for a manual was prepared to guide future workers on methods to assess farmers needs and work successfully with them on environmental projects. Plant and bird species inventories were started to determine main plants present and birds as an indicator of habitat disruption.

Progress over the last year against the agreed baseline timetable for the period.

- Manual in draft form available. Field testing of the manual with extensionists not carried out since the preparation took longer than envisaged.
- Farm appraisals were completed.
- Database has been started in Excel only at the moment. The Cenicafé website is nearing a launch and the database will be placed there initially.
- Stakeholder workshop successfully carried out in September
- Surveys of flora undertaken, main species identified. Fauna survey limited to birds as indicator species.
- Promotion: posters and video not carried out, due to time and resource constraints we believe it better to leave this to the end of the project and combine with our final presentation at the international event in Seattle.

Research -farmers

It is very clear that Colombian farmers have considerable local environmental concerns and that these include biodiversity. In a recent project sample, 100% of farmers (n = 40) identified some local environmental factor as causing concern. Between 60 and 80% affirm that:

- biodiversity is decreasing on their land,
- they themselves have contributed to this decline
- they believe that the decline is very serious
- they are willing to undertake measures to improve this
- but only if they get a better price for their coffee – the majority wanting at least 30% more than the current price they receive.

Cenicafé now has skilled staff who can establish a good rapport with farmers and obtain useful information that has never been gathered before which is of potential value to decision makers

Research - biodiversity

177 visits to 80 coffee farms have been carried out, with 2202 birds counted from 95 species. A database of birds was compiled and will be used to relate species and abundance to habitat. One analysis shows 65 species with low-sensitivity to habitat fragmentation, 18 medium and only 1 highly-sensitive species. Another shows 48 open species, 31 edge and 5 secondary forest species. 89 resident and 11 migrant species were recorded and only one endemic.

In Colombia, coffee cultivation ranges from rustic production to highly intensive. The present project has concentrated on the more intensive areas which are the majority. In these areas, biodiversity is indeed frequently limited to a very few forest fragments plus stands of mostly *Bambusa guadua* around ravines, fruit trees and garden plants.

Work at Cenicafé has found that the Colombian coffee lands are very heterogeneous and highly fragmented. This fragmentation limits the biodiversity potential. These lands also lack any state protection such as national parks or protected areas. Conservation is usually left to coffee farmers themselves.

The study has confirmed that this coffee landscape still harbours species in danger of extinction and others of special interest, e.g. many migratory bird species. JE Botero's studies also suggest that these species are under threat both locally and regionally.

Forest fragments, scarce in some parts, harbour some important elements of biodiversity, many of which are absent on the farms themselves. Other studies at Cenicafé have begun to suggest that there is potential for tree-lined canyons and hedges to act as corridors. Shade coffee too has value as a link to corridors and as buffer zones.

It has been possible to prove the great interest of many individual coffee farmers, communities and extension committees to undertake actions to promote conservation in their fincas. This in part because they understand the value of the services that the biodiversity supplies. Nevertheless the processes of deterioration that we have seen may have serious effects on the sustainability of the coffee lands and compromise the livelihoods of future coffee producers. Thus there is an urgent need to foment the actions of farmers and communities who are the ones that will have to have to take this forward. The result of surveys point the way to develop this work – by starting with issues that most concern farmers directly.

Training

The September workshop was an excellent chance to expose a wide range of Colombian stakeholders to the issues surrounding sustainable coffee production (CD of presentations available upon request). The Director of Cenicafé considered it one of the most successful courses held at the institute in recent years. It has led to the call for a more planned approach to assisting farmers adapt to new sustainable opportunities and has led us to appreciate the importance of assisting the broader Colombian coffee sector plan strategically.

Planning

We hope to hold a planning workshop this year to eventually arrive at a comprehensive policy document.

Significant difficulties encountered during the year.

No significant difficulties were encountered

Refining of methods, indicators for measuring achievements, exit strategy.

Our assessment of commercial trends have caused us to believe that marketed biodiversity related coffees have small growth potential which will do little to add significant added value for the Colombian coffee lands. This has caused us to conclude that a broader sustainable coffee trajectory, within which biodiversity considerations are included, is potentially much more viable for Colombian coffee and is currently of greater interest to mainstream coffee companies. Hence the need for an exit strategy that leaves Colombia in a good position to play a full role in negotiation and influence policy in other countries of the region. This will have, in our estimation, the greatest positive effect on protection of the main coffee lands and is more fully explored in Annex 2.

Workplan for 2004-05

a) Second draft of manual by August (work by PSB required for Chapter 6). Then to designers by October, for publishing in Jan-Feb ready for Seattle conference in April.

b) Additional farmer studies

i) Willingness to comply

Initial studies with farmers have shown that they are willing to consider sustainable coffee practices but require recompense. Their answers were very interesting and very important to the success of future sustainability programmes. These studies therefore should be expanded to cover more detail. A few (say, four or five) currently recommended measures could be selected from published certification requirements by Rainforest Alliance and Starbucks (e.g. shade planting, 100m 'no-spray' zones near running water) and the farmers' reward expectation for compliance measured. The Cenicafé economics unit could also estimate how reasonable these requests are from their knowledge of the cost-benefit of each selected practice (e.g. say, a yield reduction of 20% for a 40% shade compliance requirement). Certification requirements to be assessed should be thus selected from those that the economists feel they have the most precise estimates.

ii) Adoption of sustainable coffee technologies, the current position

A rapid evaluation, from a check list, of what measures project farmers are currently adopting to limit environmental damage, including water pollution prevention, soil erosion, pesticide spraying etc. If possible also, to explore why some adopt and others not.

iii) Economic benefit

Apart from the general services that any biodiversity supplies to the farmer, e.g. erosion protection, what do farmers directly gain from biodiversity on the farm: e.g. timber, fruit, or others? We expect that this is a very small component of their income, so what stops farmers from increasing this – lack of knowledge, opportunity cost etc?

c) Workshop in September: "Developing a Sustainable Coffee Strategy for Colombia"

A small expert group (no more than 20) to discuss how Colombia should

- Prepare for initiatives by mainstream coffee roasters
- Advise farmers on the best sustainable coffee schemes to enter
- Determine how to collect and update costs and benefits of each scheme
- Determine how any such strategy would relate to national biodiversity strategies
- Requirements for research to fill knowledge gaps, e.g. true costs of compliance and maintenance of sustainable standards
- Sustainability indicators and how these can be made useable by farmers
- Other aspects to be determined.

Draft policy-guide document by November for discussion. Completed policy-guide document by February 2005.

d) Completion of biodiversity database and insertion into the Cenicafé website.

e) January to March 2005: preparation for the Seattle Specialty Coffee Association conference.

5. Actions taken in response to previous reviews (if applicable)

From the points raised from the review of the first annual report, some activities have been scaled down. We have agreed that it is too early in the project to produce video and information leaflets for broad dissemination, and number of farms to be surveyed have been reduced. Forest surveys are now limited to fragments associated with coffee.

6. Partnerships

Collaboration between UK and Colombia and difficulties or unforeseen problems

Collaboration has been excellent, they have worked hard to provide the first draft of the manual and complete field tasks. No difficulties or unforeseen problems. We have been working with them for many years and this gives us confidence that work is to good standard and will be duly noted and acted upon.

Collaboration with similar projects (Darwin or other) in the host country or other regions, or establish new links.

Not in biodiversity conservation per se, but we (PSB from CABI and three from Cenicafé) visited the Specialty Coffee Association of America conference in Atlanta, to gauge interest and new initiatives in biodiversity coffee, in order to orient our strategy for promoting the biodiversity aspects of Colombian coffee. It was clear from the conference and review of nearly 800 stands that the biodiversity theme is getting weaker and the Fair Trade and sustainable coffee concept are predominating. This and other evidence convinces us that working on a biodiversity component to an overarching sustainable coffee strategy is the best strategy for Colombia.

7. Impact and Sustainability

Profile of the project within the country

As yet any impact in Colombia is limited to parties interested in coffee and the environment. The September 2003 workshop was a very useful way of raising awareness with coffee extension departments. They have requested the development of a plan to help them prepare coffee farmers for the various current sustainable coffee schemes. PSB is hoping to prepare a draft plan for this in the next three months and present it as part of discussions at the September workshop.

The main area of demonstrable interest is by the Director of promotion of Colombian coffee in the US (see Annex 3) and we are now planning our strategy for the Seattle conference in 2005 which will be a major coffee event with 8000 delegates expected.

In general we perceive that interest in biodiversity in coffee is mostly expressed by specialist NGOs such as Conservation International and Rainforest Alliance, whereas it is Sustainable Coffee (which encompasses biodiversity considerations) that seems to be the growth area, with major initiatives by International Institute of Sustainable Development http://www.iisd.org/trade/commodities/sci_coffee.asp, and the major agri-food companies (<http://www.saiplatform.org/our-activities/coffee/default.htm>). Accordingly we are orienting our exit strategy at helping Colombia prepare for these initiatives rather than concentrating on what we think will remain a niche market only.

8. Post-Project Follow up Activities (max 300 words)

Please see Annex 2 memo entitled, “A Strong Exit Strategy for the Darwin Initiative

We have been working with the Colombian Coffee Federation for more than 10 years. They are strongly committed to biodiversity issues and sustainable coffee. The main limitation is the severe downturn in funding that they have suffered as a result of the halving of coffee prices over the last five years. This has led to widespread redundancies and hence they lack time and some expertise to develop these themes and promote them internationally and hence reach an audience that can appreciate their significance. This project will give a strong boost to their expertise and international reach.

9. Outputs, Outcomes and Dissemination

Differences in actual outputs

The videos, posters, TV slots have not been realised because it was deemed to be too soon to present a succinct case in what is a complex and evolving situation. We now think that the commercial potential of biodiversity related coffees *per se* is too small to have a major impact on Colombian coffee. Biodiversity coffee areas are growing by hundreds of ha per year world wide, whereas Colombia has nearly 900,000 ha.

Dissemination activities in the host country during the year, including information on target audiences.

Our training workshop in September 2003 (CD of presentations available in Spanish only) for over 60 people involved in coffee was very well received. This combined presentations on various niche coffees, organic, biodiversity, Rain Forest etc. with a focus on development of good cup quality.

Continuance of dissemination activities by the host country when the project finishes, and how will this be funded and implemented?

Our partners have an excellent publishing and promotion department and have proven experience in dissemination of a wide range of information.

We feel that a second phase of this project is needed to fully develop a sustainable coffee programme, over the coming months we will be discussing the possibilities with the Colombians. Unfortunately DfID has more or less abandoned funding in Colombia, we are wondering if the EU, with its new greener policy of decoupling agricultural subsidies from production levels, might find this of interest. Generally however we feel that it will have to be industry sources that must pay for this work. We have been discussing this possibility with Kraft Foods (Altria).

Table 1. Project Outputs (According to Standard Output Measures)

Code No.	Quantity	Description
6A	60	Training on sustainable coffee principals and schemes
8	3	Project monitoring and workshop activities
12A	1	Database of farm plant species and birds recorded

Table 2: Publications

Type *	Detail	Publishers	Available from	Cost £
(e.g. journals, manual, CDs)	(title, author, year)	(name, city)	(e.g. contact address, website)	

10. Project Expenditure

Table 3: Project expenditure during the reporting period (Defra Financial Year 01 April to 31 March)

Item	Budget (please indicate which document you refer to if other than your project schedule)	Expenditure	Balance

11. Monitoring, Evaluation and Lessons

Methods employed to monitor and evaluate the project this year

Monitoring was carried out by two visits, in September 2003 and March 2004 as well as regular email contact.

Demonstrating that the outputs and outcomes of the project actually contribute to the project purpose.

Project purposes are broad and it will not be possible to evaluate success until well after the end of the project. The aim of the project is to help Colombia strengthen its knowledge base on biodiversity issues at the farmer level to meet new market opportunities, so effectively it is merely helping laying the foundations of what we think needs to happen. Perhaps the stated purposes were too long-term for the size of the project, nevertheless the importance of the project has been borne out by the level of current interest in the sustainable coffee sector.

The logframe purposes are:

- *To protect biodiversity in coffee growing regions of Colombia by improving farmer knowledge* – this will most likely come about through sustainable coffee implementation projects built around an accurate assessment of farmers' needs and capabilities. From our work we have shown that it may be advisable to concentrate on water and soil issues than directly on biodiversity problems. From our evaluation of the developing commercial sustainable coffee outlook, biodiversity will only be a small component of any scheme, hence the emphasis we are currently placing on developing a full Colombian policy to sustainable coffee.
- *Enhanced economic viability of coffee produced under agro-forestry and shade conditions* – we believe that the market for agro-forestry type coffees, in or near biodiversity hot spots, will remain small. The advance of shade coffee in Colombia is compromised by the lower yields and poor premiums paid for the lower production by existing small-scale schemes. Again, we see the best hope for biodiversity of Colombian coffee lands residing in the development of a full policy with which to negotiate a viable plan with the major roasters, this will be the major challenge for the final year of the project.
- *Enhanced understanding by roasters and traders* – this is chiefly addressed by the planning we are doing for the Seattle 2005 conference which will involve a conference lecture, stand and display of posters, printed material.

The indicators of achievements (both qualitative and quantitative) and how are you measuring these?

The collected data, draft manual and database are indicators that project objectives are being met.

The subsequent use of the project manual will be a principal way to evaluate the results of the project, this is in draft form and with the experience we have of producing previous publications (we have our own joint publishing enterprise called The Commodities Press with 17 titles produced and in press) we are confident of creating a useful product.

Lessons learned from this year's work,: We have certainly chosen a difficult topic because of the size and heterogeneity of Colombian coffee. However we are pleased that we picked a topic that is the centre of much global attention.

Despite the expertise of the Colombian Coffee Federation, in general CABI *Commodities* is surprised by its lack of an integrated approach to the developing sustainable/niche coffee market. Policy, marketing, research and extension are poorly linked and we feel this is affecting their image with buyers.

Build this learning into future plans? Yes, probably the most important objective is to help Colombian coffee officials develop a sustainable coffee policy with a well argued position backed by good science and socio-economic evaluation. This to assist them in future negotiations with major roasters, NGOs and others, most of whom tend to have a special issue that they are promoting that may not necessarily be in the best long-term interests of the Colombian coffee lands and the people who live there.

12. OPTIONAL: Outstanding achievements of your project during the reporting period (300-400 words maximum)

Annex 1 Report of progress and achievements against Logical Framework for Financial Year: 2003/2004

Project summary	Measurable Indicators	Progress and Achievements April 2003-Mar 2004	Actions required/planned for next period
<p>Goal: To draw on expertise relevant to biodiversity from within the United Kingdom to work with local partners in countries rich in biodiversity but poor in resources to achieve</p> <ul style="list-style-type: none"> • The conservation of biological diversity, • The sustainable use of its components, and • The fair and equitable sharing of the benefits arising out of the utilisation of genetic resources 			
<p>Purpose</p> <ul style="list-style-type: none"> • To protect biodiversity in coffee growing regions of Colombia by improving farmer knowledge. • Enhanced economic viability of coffee produced under agro-forestry and shade conditions • Enhanced understanding by roasters and traders 	<ul style="list-style-type: none"> • Extensive database of local knowledge and training needs • New contacts with commercial coffee companies • Exposition of Colombia's biodiversity knowledge and commitment 	<ul style="list-style-type: none"> • Database started. First draft of farmer manual prepared • Chiefly with US office of 100% Colombian Coffee and Green Mountain Coffee 	<p><i>Lessons learned:</i></p> <ul style="list-style-type: none"> • Commercial biodiversity coffee growing too slowly • Sustainable coffee is where things are happening. <p><i>Actions:</i></p> <ul style="list-style-type: none"> • Detailed policy document to help Colombia prepare for large scale sustainable coffee • Help Colombia promote sustainable coffee at Seattle 2005 conference
<p>Outputs</p>			
<ul style="list-style-type: none"> • Researchers and Extensionists trained • Farmer attitudes to biodiversity codified • A regional policy developed • Produced materials for 	<ul style="list-style-type: none"> • Training course • Rural appraisals • Policy document • Field manual elaborated • Posters/TV slots, video 	<ul style="list-style-type: none"> • Workshop on sustainable coffee • Largely completed • To be developed • First draft manual done • Posters for Seattle meeting 2005 	<p>A guide is needed for farmers entering sustainable coffee schemes</p> <p>Detailed policy doc urgently needed but requires expert help and further funds</p> <p>Propaganda should await a clear</p>

<p>marketing and farmers</p> <ul style="list-style-type: none"> • Extensive database created • Links to roasters & traders • Forest patches identified and studied 	<ul style="list-style-type: none"> • Database constructed • Promotion at trade fair • Areas mapped out 	<ul style="list-style-type: none"> • Database started • Planned for Seattle 2005 • Data not physically mapped yet 	<p>policy document for Colombian sustainable coffee</p>
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Note: Please do NOT expand rows to include activities since their completion and outcomes should be reported under the column on progress and achievements at output and purpose levels.

Annex 2

A Strong Exit Strategy for the Darwin Initiative Project: *“Biodiversity and Colombian Coffee Farmers: capacity building for added value”*

PS Baker, CABI Commodities, May 2004

Introduction

We want to achieve the maximum leverage from the project in order to have a lasting effect on future strategy and action in the Colombian coffee lands, to protect existing biodiversity and improve it where possible. Because of the size and complexity of the region and its rapidly changing relationship to the commercial coffee world, this is indeed a challenging task for a small project. Hence this position paper is an attempt to outline the current situation and suggestions for proactive measures, based on a number of sources and recent meetings attended.

The Project

As things stand, we will provide a body of work on the nature of biodiversity in the coffee lands, the farmers' perceptions of environmental problems affecting them, a manual/guide for future projects and a species database. All this will establish important baseline information that will be needed for successful implementation of future sustainable coffee projects, either by the public or private sector.

However, we were always aware that these media by themselves are not sufficient to bring about change, since frequently they are not fully taken into account by decision makers who have little time for anything more than immediate commercial concerns. Thus we will also be helping to promote commercial awareness of sustainability issues at the 2005 Seattle conference of the Specialty Coffee Association of America. This is the world's largest and most important gathering of the specialty coffee industry and the proximity of Starbucks headquarters will make this an especially important event.

Such a meeting though, only targets the specialty side of the market and because of the scale of coffee production in Colombia, we also need to consider the events occurring in the broader commercial scene, especially since here things are showing signs of rapid development.

The International Coffee Scene

The current situation is complicated by the enduring global coffee crisis and the large number of stakeholders and programmes now involved. This is

making for a very fluid situation which is difficult to appraise. We note the following points about what we think is happening:

- Intensive 'sun' coffee in Colombia is economically more productive than the shade coffee that is widely regarded as a pre-requisite for any biodiversity coffee scheme.
- Premiums now gained for shade coffee (e.g. Rainforest Certified) are rather small and less than what farmers regard as an acceptable recompense (data from our project farmers).
- Sales of coffees with a biodiversity theme (e.g. shade coffee, bird-friendly coffee) will grow only slowly and have minimal impact on the huge area occupied by coffee in Colombia (~900,000ha).
- With supply outstripping demand, premiums for sales of shade coffee are self-limiting because as more is grown, the premium tends to fall to an amount that discourages new entrants.
- When coffee prices eventually improve (e.g. due to a drought-caused bad harvest in Brasil) it is unlikely that most premium schemes will be able to adjust as quickly as local traders, so that farmers will sell to the latter and some of these schemes may collapse.
- Hence although the various current niche schemes for coffee, e.g. organic, Fair Trade, shade, have had a positive effect in putting sustainability issues into the public domain, we feel they are unconvincing long term strategies for the majority of farmers in principal coffee countries such as Colombia.
- Thus with current economic conditions it is more likely that sun coffee land will move to pasture or annual crops than to shade coffee.
- More pasture means greater soil and biodiversity loss, so currently diversification is a critical threat to the long-term bio-stability of the coffee lands, i.e. it is better to have sun-coffee than pasture in order to protect soils which are fundamental to any ecosystem.
- For coffee production as large as Colombia (2nd or 3rd largest in the world), it has to engage with the major coffee companies. Here it has competitive advantages: year-round volume production, mild arabicas with good quality control, relatively good long-term climate prospects (according to the Hadley model).

- The unprecedented coffee crisis of the past four years has caused considerable discussion and activity at the international level. There is encouraging evidence that major coffee companies such as Kraft, Nestlé and others are becoming more concerned about sustainable production practices.
- Since the Darwin project was first developed in 2001, new initiatives have developed, including the Sustainable Agriculture Initiative (www.SAIplatform.org) as well as the formation of the Sustainable Coffee Partnership by the International Institute of Sustainable Development and the work of the Common Codes for the Coffee Community project (GTZ). CABI Commodities has been active in all these initiatives (attended at least 6 international meetings over the last year, made inputs to two planning documents).
- The initiatives of the mainstream coffee roasters are perhaps the most encouraging aspect of the last two years and thanks to the work of the project we are well placed to make an active commitment to the development of this movement.
- However there are major risks e.g. that mainstream schemes will be 'environment-lite' or 'greenwash', that they will be recognised as such by farmers and that when the next price spike comes, farmers will abandon any sustainability schemes in which they are involved.
- Alternatively, that such schemes may set the bar too high for many smallholders to enter.
- Those representing Colombian coffee may have a difficult task to convince their farmers to enter such schemes but may feel obliged to do so because of the commercial pressures that these companies can exert.

From all this we see various possible scenarios:

- a) Business as usual: gradually improving coffee prices will stabilise current coffee areas: intensification and niche coffee growth will cancel each other out (biodiversity-neutral).
- b) Weak prices will mean a continued decline in coffee area, leading to greater contrasts between highly productive farms, static areas of 'biodiverse' coffees, more pasture and annual crops (biodiversity-negative).

- c) Niche coffees (Fair Trade, organic, shade, etc.) will grow fast enough to make a regional impact on retaining or improving regional biodiversity (biodiversity-positive).
- d) Mainstream coffees (Nestlé, Kraft, etc.) will make strenuous efforts to develop a more sustainable base for most Colombian coffees (biodiversity-positive).
- e) Mainstream coffees will make half-hearted/moderate attempts that will satisfy customers that all coffee is sustainable, leading to decline of niche coffees (biodiversity-negative).

This leads to the following possible strategies to promote Colombian coffee biodiversity:

- 1) Government action (national or departmental) to establish reserves or restricted practices to safeguard existing biodiversity (scenarios a, b, or e)
- 2) General support by stakeholders to facilitate current niche coffees (scenario c)
- 3) A concerted response on behalf of Colombian coffee officials to proactively engage with mainstream coffees e.g. a Public Private Partnership approach (scenario d)

CABI's best guess is that option 3) is the most likely to yield significant results and that it is worth making a concerted effort for Colombia to engage with the major coffee roasters on the sustainability issue - there is a window of opportunity to build a long term relationship which might later disappear if/when there is another price surge and a new free-for-all. However this needs to be carefully thought through, e.g. to fully explore and quantify the various points made above. At present it is far from clear that any of the major roasters have adequately considered the costs for implementation and monitoring of even very weak sustainable standards.

Colombia therefore needs to put forward a well-reasoned case, based on production costs, objective assessments of farmers' abilities and willingness to enter new schemes, the country's present biodiversity strategy, pros and cons of alternative biodiversity enhancing measures and other criteria. Such a resource would be of considerable assistance for the Colombian Coffee Federation in any future substantive negotiations with major coffee roasters.

Because of its size, Colombia is a pivotal country for such negotiations and hence we should do everything possible to help it develop a strong position.

A Planning Workshop

Accordingly, we believe that we now need an intensive period of consultation leading to a detailed position on what is the most cost-effective path that will lead to the best outcome – profitable farmers and a baseline of environmental and social stability for the region that can be built upon over the long term. Essentially this is what is planned by the policy document output of the present project, but neither CABI nor Cenicafé has access to sufficient expertise or resources to do the sort of job that the size and complexity of the situation demands.

We suggest a workshop with some key experts to help us determine such things as:

- Implications for biodiversity of the various scenarios outlined above (e.g. possible counter-intuitive results where a policy results in small-holders abandoning coffee or unsustainable intensification)
- Cost-benefit underpinning for all suggested new policies, e.g. the true cost of conversion and maintenance of Common Code standards, Starbucks' Preferred Supplier standards, Rain Forest certification etc.
- Likely sustainability indicators and cost-effective ways of measuring them
- Requirements for training of extensionists and farmers
- Research requirements

From this, the elaboration of a draft plan which arrives at a well-reasoned and quantitative Colombian position with which to engage major coffee roasters to match any proposals that they may have. It would also be of wider use in any dealings with NGOs such as Conservation International and Rainforest Alliance.

With current funds we think that we can fund only a small meeting with limited stakeholder involvement to determine how to take forward this sustainable coffee agenda. We would need further funds to complete the job because this would require time and funds to marshal the evidence, collect data where there are obvious gaps and prepare a detailed case for Colombia.

Potentially this could cost an extra \$50,000 to \$70,000 to continue the work of the Cenicafé-CABI group and bring in some key people to assist us. We would look for collaboration with experts identified by the Darwin Initiative, plus some other key individuals such as: Brian Lewin (World Bank), Jason Potts (IISD), Michael Optiz (NKG), Rob Simmonds (LMI International), Stefano Ponte (IIS), Herman Weibel (Hannover Uni).

This would mean we could have a good initial meeting, develop a work plan, carry out the work and write the final document. This would give enough

data, calculations and arguments to strongly support a rational sustainable coffee policy for Colombia.

Sourcing funds

If possible we would like the Darwin Initiative to provide the extra funds, since it would take time and resources to source them from another party. Once we had a clear and coherent document we would then expect to approach industry sources to fund an implementation phase.

Annex 3

Expression of interest by Mary Petitt, US Director of 100% Colombian Coffee on using sustainable coffee concepts to promote Colombian coffee.

Peter Baker

From: Mary Petitt [MPetitt@juanvaldez.com]
Sent: 06 May 2004 18:20
To: Peter Baker
Cc: Carlos Alberto Gonzalez; Mark Holderness; Mauricio Salazar; Jorge Botero; Hernando Duque Orrego; Gabriel Cadena; Denis Blight (D.G.); Juan Esteban Orduz; roberto.velez@cafedecolombia.com
Subject: RE: SCAA Seattle 2005

Dear Peter,

I very much enjoyed seeing you again at the SCAA Atlanta conference. Our (too-brief) discussion about program and theme possibilities for next year's SCAA conference in Seattle was thought-provoking.

Thank you for sharing these detail ideas on how we could collaborate to bring a top-notch, in-depth presentation about ongoing coffee sustainability initiatives in Colombia to the 2005 SCAA conference audience. This is very important work and I am delighted to help promote it.

Since we do not yet know what our FNC booth setup for Seattle 2005 will be, and since the deadline for conference presentation submissions is a week from today, I suggest you and the Cenicafe team coordinate on a few program idea briefs to be sent immediately for the Conference Committee's consideration. Rick Peyser, a champion for sustainability from Green Mountain Coffee Roasters, is the Conference Committee Chair, and I am sure he will receive these proposals favorably. If you need further information on how to submit programs for consideration, check "Call for Presentations" on the SCCAA website at www.scaa.org

Definition of the program for Seattle will be discussed for the next 2-3 months, and the Conference Committee always appreciates the opportunity to be proactive in suggesting topics they believe would be particularly well-received by the audience. So I also recommend that our program idea briefs also invite them to contact us with sustainability topics they believe would be particularly interesting to the conference audience.

I will call Rick today to let him know that we desire to bring a truly outstanding presentation to the conference and that we seek advice from the Committee as their program-building efforts proceed.

Regarding the design and theme for the FNC booth, we simply don't know yet, but surely we could include sustainability initiatives in Colombia as an important feature!

Please contact me with any further thoughts or questions-

Best regards,
Mary