The COFFEE Project Newsletter, May 2020

Dear COFFEE Project Partners,

This edition of the project's newsletter will provide a brief update on The Cooperation On Fair, Free, Equitable Employment (COFFEE) Project over the course of the first quarter of 2020, including developments around the COVID-19 pandemic. As you are already aware, the coffee supply chain has been experiencing a turbulent landscape with price volatility in the last few years and this new crisis only exacerbates the challenges ahead, with consumers continuing to drink coffee, but likely purchasing less expensive coffee brands.

Given COVID-19 is creating additional pressures on core supply chain functions, the pandemic could drain collective interest and resources for addressing coffee sector sustainability challenges, jeopardizing current agendas of government and private sector actors that seek to create coffee supply chains that profitably produce high-quality coffee while creating value for farmers, farmworkers, and their communities.

Verité and The COFFEE Project are supporting ongoing dialogue on the challenges and solutions to the emerging impacts of the pandemic on coffee production, trade, and consumption, while advocating for farmers and farmworkers interests. Partners interested in leveraging their leadership positions and developing sound, socially-responsible strategies for responding to the COVID-19 pandemic can access Verité's COVID-19 Pandemic Guidance or connect with us directly to explore options for collaboration.

Despite the challenges caused by the pandemic, The COFFEE Project has been able to successfully complete a first round of dialogue in Brazil, Colombia, and Mexico, along with the development new materials:

1. **PSA Report.** Verité carried out a pre-situational analysis (PSA) to better understand stakeholders' capacities and their perspectives, needs, and priorities for improving working conditions in the coffee sector. The PSA is comprised of three main components that together will inform the project strategy:
    a. Stakeholder capacity and needs questionnaire: This objective of this survey was to establish a baseline of institutions' capacity to address labor risk in coffee supply chains. The results were used to identify priorities and gaps related to tools, practices, and guidance materials.
    b. Analysis of worker interview data: Verité analyzed data from interviews carried out in the coffee sectors of Brazil, Colombia, and Mexico to ensure that workers' perspectives and conditions on the ground are taken into account in the design of the Toolkit and pilot projects.
    c. Stakeholder and initiatives mapping: Leveraging expertise from coffee sector connoisseurs, Verité assessed the institutional landscape to flag areas for collaboration and collective leverage points with existing initiatives in each country.
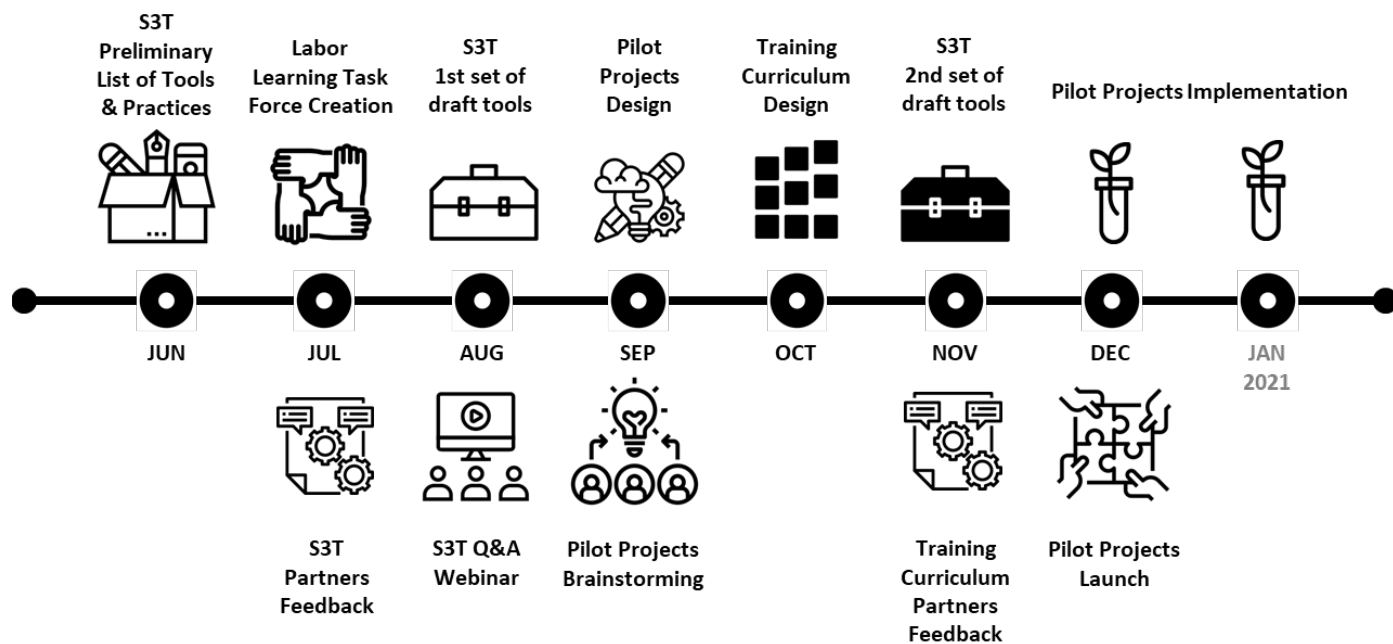
2. **The Sustainable Sourcing Toolkit (S3T)** being developed by Verité will be a comprehensive resource that will provide companies and other stakeholders in the coffee sector with information, tools, and practical guidance on instruments, methodologies, and best practices that when properly implemented will allow the detection, prevention, and resolution of labor challenges in the coffee supply chain.

3. **Learning Agenda and Task Force creation:**
   a. Learning Agenda: A Learning Agenda is a set of broad questions to intentionally orient knowledge generation and management. For The COFFEE Project, it will help to ensure that we are addressing the specific informational and knowledge needs and gaps identified by our stakeholders at the global and national level.
   b. Coffee Sector Task Force: Linked to our upcoming country-level dialogues, Verité will propose the creation of a task force that will support the design and adaptation of the COFFEE Project Learning Agenda in each country. Institutions involved in this activity will provide valuable insights and feedback on the three core elements of our Learning Agenda: learning questions, knowledge generation, and communications strategy.

As part of our desire to keep up project momentum, Verité is adapting its workplan and timelines to account for the effects of the COVID-19 pandemic. Key activities for 2020 are mostly related to the design and development of the *Socially Sustainable Sourcing Toolkit* and *Pilot Projects*. The pilot projects represent our action- and solutions-oriented approach to labor issues, and the Toolkit reflects our intention to meet the need for hands-on, concrete tools and practices for addressing labor risks in the coffee sector.

Furthermore, we will keep moving forward with our networking, partnership building, and engagement and dialogue with key coffee sector stakeholders internationally and in Brazil, Colombia, and Mexico. Verité will work with stakeholders to develop the toolkit and pilot projects, identify win-win solutions, and make positive changes in coffee production and sourcing practices.

During the rest of the 2020 calendar year, the project will focus on key activities that are described in the timeline below. These milestones will help to orient our collaboration and engagement strategy in each country to promote the adoption of innovative, socially inclusive sourcing tools and practices for improving labor practices in the Latin American coffee sector.

Milestones Timeline

S3T Preliminary List of Tools & Practices	Labor Learning Task Force Creation	S3T 1st set of draft tools	Pilot Projects Design	Training Curriculum Design	S3T 2nd set of draft tools	Pilot Projects Implementation
JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN 2021

S3T Partners Feedback

S3T Q&A Webinar

Pilot Projects Brainstorming

Training Curriculum Partners Feedback

Pilot Projects Launch
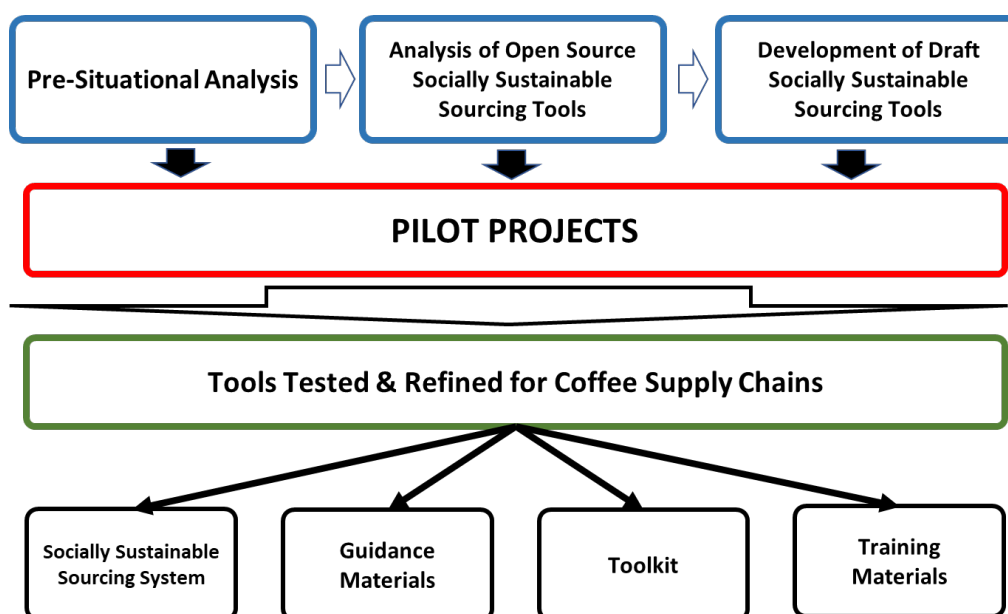
01	Progress in the Face of COVID-19

As essential workers that keep our food and beverages available and affordable, farmworkers are at the forefront of the COVID-19 pandemic, helping to minimize the impact of the pandemic on the society as a whole. Moreover, farmworkers are generally a major blind spot in supply chains and our society at large.

Collective interests must prevail during this global health crisis, and it is crucial to raise awareness that a chain tends to break at its weakest link (i.e., smallholder farmers and farmworkers) during critical junctures.

The COFFEE Project is adapting to the COVID-19 crisis, being creative and flexible in responding to rapidly changing and unpredictable circumstances, and advancing the agenda and activities with a commitment to the safety and security of our staff, partners, workers, and other stakeholders. Due to travel restrictions, one of the short-term strategies will be to carry out remote versus in-person meetings with project partners and other stakeholders. In adapting to the crisis, Verité will be mindful to minimize the negative impacts on the project.

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│ Pre-Situational     │→  │ Analysis of Open    │→  │ Development of Draft│
│ Analysis            │   │ Source Socially     │   │ Socially Sustainable│
│                     │   │ Sustainable         │   │ Sourcing Tools      │
│                     │   │ Sourcing Tools      │   │                     │
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┌───────────────────────────────────────────────────────────────────────┐
│                          PILOT PROJECTS                                 │
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│              Tools Tested & Refined for Coffee Supply Chains            │
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│ Socially    │ │ Guidance    │ │ Toolkit     │ │ Training    │
│ Sustainable │ │ Materials   │ │             │ │ Materials   │
│ Sourcing    │ │             │ │             │ │             │
│ System      │ │             │ │             │ │             │
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Our Agenda Moving forward: Virtual Meetings

Collaborating with our in-country implementers in Brazil, Colombia, and Mexico, we are designing an innovative, virtual dialogue agenda that can help to promote active engagement with key stakeholders, maximizing participation and minimizing the limitations of collaboration and feedback through online meetings. Two strategies will be tested:

1. **Sectoral Grouping:** Two key groups of stakeholders (private sector and social organizations) will develop sector-specific dialogues on labor, reducing the time needed for each session and allowing stakeholders to freely share their perspectives on issues.

2. **Bilateral Meetings:** We will carry out a series of one-on-one meetings with key stakeholders based on needs, action plans, and/or preferences identified during the sectoral dialogues.
3. **Dynamic Meetings:** Real-time feedback visualization tools will be incorporated to gather perspectives and insights on relevant topics, inform conversations, and make the conversations more interactive.

Verité and key in-country implementers will analyze results and feedback on the format of meetings, encouraging a continuous learning approach on these innovations in order to improve and adapt the virtual meeting structure. We will continue to update the structure based on stakeholder feedback and the evolution of social distancing measures due to COVID-19.

In addition to the milestone timeline described in the previous section, Verité will keep promoting active dialogue with our stakeholders and partners, amid the pandemic disruption, among other activities. A brief description of this general plans is included in the following lines.

Brazil

With InPACTO as our closest in-country partner, and supported by their expertise on slave labor and the coffee sector, The COFFEE Project will resume its meetings with the _Grupo de Trabalho_ (Working Group) on labor in the Brazilian coffee sector. Dialogue and feedback on the S3T and Brazilian pilot project are also expected during the second and third quarters of 2020 to inform the design of the toolkit, tools, and pilot project. Verité will also engage with other organizations' initiatives active on labor issues in the Brazilian coffee sector and will share and discuss tools and best practices being developed in the coffee sector to better inform The COFFEE Project activities. Depending on the evolution of the coffee harvest and the pandemic, we will adapt our plans in coordination with our partners and other key stakeholders.

Colombia

As an independent, non-profit organization with representation from all the relevant stakeholders in the coffee supply chain, the Colombian Association for Coffee Excellence (ASECC) provides The COFFEE Project with a unique integral vision of the Colombian coffee sector. In collaboration with ASECC, Verité will resume virtual meetings and dialogues during the next quarter with key private sector and CSO stakeholders on the design of the S3T and the pilot project in Colombia. The workplan in the country is also contingent on government and coffee sector pandemic measures.

Mexico

In Mexico, Verité has held meetings with the Secretariat of Agriculture and Rural Development (SADER) and the Mexican Association of the Coffee Productive Chain (AMECAFE). Both organizations have expressed an openness to supporting the COFFEE Project, along with committing to improving working conditions and farmer incomes in the Mexican coffee sector. The support of SADER and AMECAFE will help Verité to successfully navigate the Mexican coffee sector and interface with relevant stakeholders. With expert support from CHIHUA Consulting, during the next quarter Verité will resume (virtual) meetings and dialogues with the private sector and civil society on the design of the S3T and pilot project. The workplan in Mexico is contingent upon how the pandemic situation develops and the measures taken to contain it.

02	**Toolkit & Tools**

The *Socially Sustainable Sourcing Toolkit* (S3T) is a coffee industry-oriented resource that will be designed with inputs and feedback from companies and other relevant stakeholders interested in preventing and addressing labor issues in coffee supply chains. The framework for the S3T is based on US-DOL's *Comply Chain*, and will incorporate an emphasis on learning and continuous improvement based on Verité's experience on action-oriented collaboration with the private sector to improve adoption and implementation of the tools and guidance included in the S3T, with the goal of promoting acceptable conditions of work in the coffee sector.

Coffee supply chains labor gaps: Tools feedback from our partners.
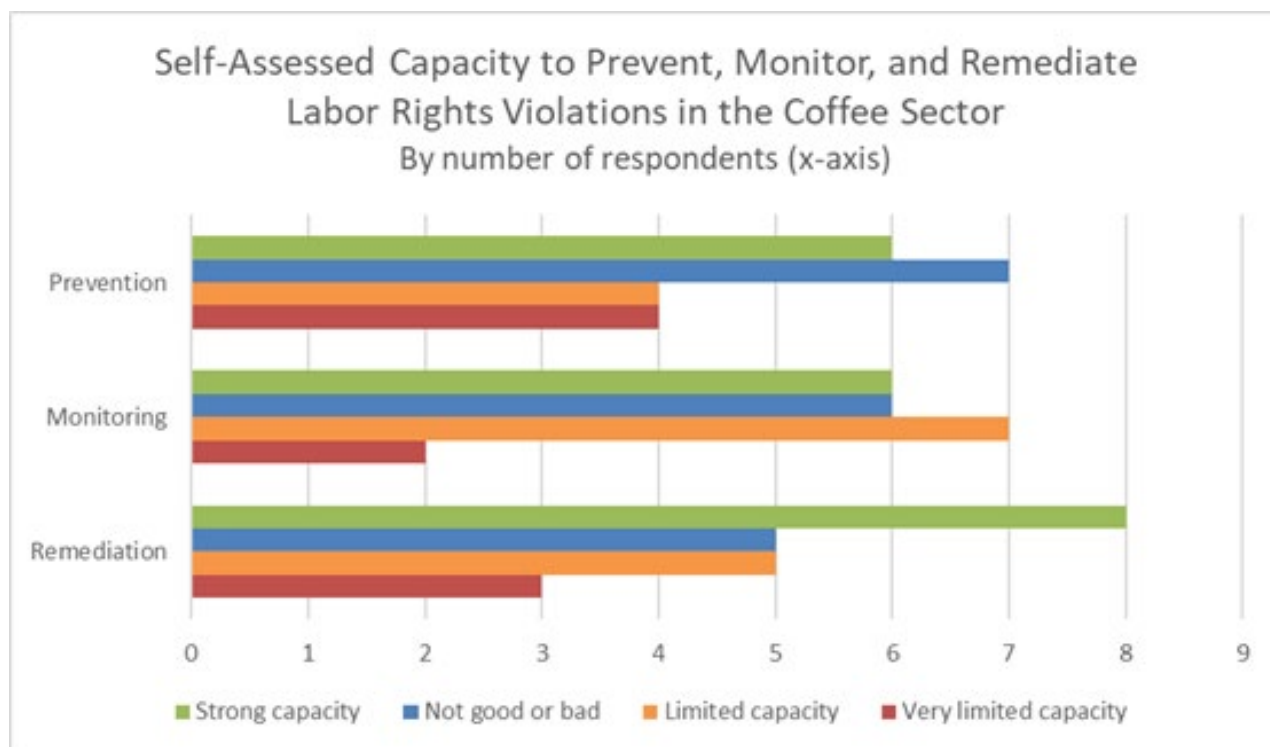
Respondents by Stakeholder Type
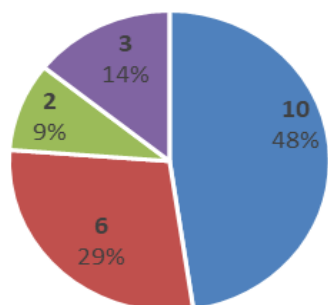
- Private Sector
- Industry Association
- NGOs and Certifiers
- Multi-Stakeholder Initiatives

The *Stakeholder Capacity and Needs Questionnaire* data collection was completed in March 2020, after a second and final round of survey dissemination.

The respondent breakdown by stakeholder type and country shows that respondents largely represented the private sector and international institutions. Forty-eight percent of survey respondents represented private sector institutions, and the remaining respondents included industry associations, NGOs/certifiers, and multi-stakeholder initiatives.

Respondents were asked to self-assess their institutions' capacity to (1) prevent, (2) monitor, and (3) remediate labor rights violations in the coffee supply chain. The area with the lowest ranking was *prevention*; remediation received the highest ranking.

Self-Assessed Capacity to Prevent, Monitor, and Remediate Labor Rights Violations in the Coffee Sector
By number of respondents (x-axis)

Legend: Strong capacity · Not good or bad · Limited capacity · Very limited capacity

Tool priorities and gaps.

In addition to the self-assessment, the Stakeholder Questionnaire inquired about institutions' priorities for tool development and related gaps. Based on an analysis of the responses, Verité identified the following top ten priorities, listed from highest to lowest score:

1. Guidelines for assessing risk and measuring impact
2. Risk and root cause analysis of labor violations in the coffee sector
3. Digital supply chain mapping tools
4. Guidance on continued stakeholder engagement
5. Curriculum for training of key personnel, suppliers, and workers
6. Guide on best practices in public reporting for private sector stakeholders
7. Tools for auditors and certifiers specific to the coffee sector
8. Due diligence questionnaires for labor brokers, producers, and traders
9. Remediation best practices guide
10. Labor broker screening questionnaire

As part of this process Verité conducted a gaps analysis, identifying the tools not currently being used by respondents, as well as their perceptions of the effectiveness of the tools in. Below you can find listed the top ten needs for tools identified:

1. Labor broker screening protocol

2. Protocol for referring victims to appropriate services
3. Due diligence questionnaires for labor brokers, producers, and traders
4. Protocol for addressing worker grievances
5. Workers interview instruments
6. External impact assessments of social compliance efforts
7. Communications protocols for social performance
8. Documented strategy for communicating social objectives
9. Monitoring protocols for certifiers and auditors
10. Tools for auditors and certifiers specific to the coffee sector

The COFFEE Project Pre-Situational Analysis (PSA) report was developed to better understand the coffee sector landscape in Brazil, Colombia, and Mexico regarding labor issues and social sustainability. The PSA report is comprised of three main components: 1. stakeholder and initiatives mapping, 2. analysis of worker interview data, and 3. the stakeholder capacity and needs questionnaire. The Executive Summary of the PSA report (analysis and information) will be used to inform discussions during upcoming stakeholder meetings.

Collaboration with the COFFEE Project: Moving the social sustainability needle

Collaboration with key coffee sector stakeholders internationally and in Brazil, Colombia, and Mexico is of paramount importance in advancing The COFFEE Project's agenda. Stakeholders can collaborate with Verité and our in-country implementers on 1. pilot project design and implementation, 2. S3T design and refinement, and/or 3. active engagement in dialogue and learning. Examples of these activities are described in the table below.

OPTIONS AND EXAMPLES FOR COLLABORATION IN THE COFFEE PROJECT
Pilots Projects Design and Implementation 1. Support (jointly with suppliers) the design and development of Pilot Projects in Brazil, Colombia, and Mexico, including the piloting of tools and innovative practices to address labor risks. 2. Support (financially/in kind) the pilot projects, including piloting tools in supply chains and encouraging the participation of suppliers and local partners. 3. Share best practices and learnings from projects already being implemented. 4. Improve sourcing processes and practices (with suppliers) using the tools developed by the project.
Tool Design and Refinement 1. Provide feedback on the S3T framework, toolkit, tools, and best practices. 2. Share examples of tools already created and/or best practices in coffee sourcing and management systems (including via suppliers). 3. Support networking with other institutions that could provide valuable inputs in tool design and development.
Active Dialogue and Learning 1. Provide opportunities for key staff and/or suppliers to participate in remote and in-person meetings and project activities that are of interest to your company. 2. Share information with Verite (on a confidential basis) to help us to improve practices in your company supply chain. 3. Active involvement in dialogue related to human rights, ethical sourcing, and sustainability issues. 4. Support communications related to pilot project implementation and/or adoption of best practices by suppliers.

The COFFEE Project and Verité are open to further explore innovative ways to collaborate, acknowledging that complex problems require not only complex solutions, but higher levels of collaboration and commitment to guarantee the sustainable adoption of tools and practices to prevent and address labor issues in coffee supply chains. Partnerships in the development, testing, and refinement of tools and practices are the pathway for continuous improvement of labor practices and the elimination of child labor and forced labor in the coffee sector.

03	Knowledge Management and Learning Agenda

As an evidence-based project, The COFFEE Project was designed on the premise that deep engagement with private sector partners in the coffee industry could provide valuable insights on labor gaps and needs in supply systems that could be leveraged by Verité and our in-country implementers and allies for increased adoption and impact.

Pilot project implementation for on-the-ground learning is one of the key innovations promoted by Verité. Conventional actions on labor issues are usually focused on "the problem." but provide minimum inputs on viable and actionable solutions to address these challenges. The COFFEE Project is prioritizing not only identifying bottlenecks and designing tools/practices to address these issues, but also implementing (jointly with interested private sector companies) solutions in coffee sourcing systems using the tools and guidance included in the *Socially Sustainable Sourcing Toolkit* under development.

Verité has developed a learning agenda that will serve as our compass for data and information gathering. Knowledge generation and dissemination of our experiences from the pilot projects will inform dialogue on solutions that deliver lasting impact on labor issues and coffee sustainability. Continuous learning about the implementation and impact of the tools and practices will facilitate dialogue with interested stakeholders, that we expect will trigger further commitments to the adoption of ethical sourcing practices.

In meetings to come, we would like to receive feedback from key stakeholders on their learning needs, which will inform our activities to address labor challenges in coffee supply chains. We have listed several proposed questions below. Further, we will be establishing a task force with those companies and organizations interested in our knowledge management and learning strategies on labor issues in the coffee sector.

The COFFEE Project has created a preliminary learning agenda which prioritizes five learning questions:

1. What are the drivers for coffee companies to adopt socially sustainable systems in their sourcing networks?
2. What are the best methods for strengthening the capacity of private sector stakeholders to implement comprehensive, socially sustainable sourcing systems in coffee supply chains?
3. What can we learn from piloting (new) social/ethical sourcing tools and practices to address "supply chain labor risks/challenges" in coffee supply chains?
4. How can we disseminate findings and learnings to influence industry-wide stakeholders in the promotion of acceptable conditions of work and the elimination of child labor and forced labor in coffee supply chains?

5. What are the drivers (root causes) that increase farmworkers' risk of being negatively affected by "labor issues"?

Each learning question is accompanied by specific sub-questions and identifies corresponding project components or activities, the level at which the learning will be used, the learning activities aimed at answering each question, and the "product" for disseminating learning. The COFFEE Project team acknowledges that some questions are beyond the scope of the project, implying a longer-term learning agenda. The COFFEE Project stakeholders will have an opportunity to provide feedback on the learning agenda to ensure their learning priorities are incorporated, where feasible.