#### **Global Coffee Platform**

**Equivalence Mechanism Revision** 

Frequently Asked Questions / FAQ

Date: March 2022



## **Frequently Asked Questions**

# 1. What is the purpose of the Equivalence Mechanism?

The Equivalence Mechanism (EM) is a framework developed by GCP to assess whether a sustainability scheme (public, private and voluntary codes, standards and initiatives) can be considered equivalent to the Coffee Sustainability Reference Code (Coffee SR Code). It can be used by sustainability schemes (standards, codes, programs) and/or supply chain actors to assess their schemes/programs against the Principles and Practices outlined in the Coffee SR Code for self-assessment, for credibility purposes or/and to be eligible for the GCP Reporting on Sustainable Coffee Purchases. Overall, it supports an increased demand for coffee that is produced following baseline practices of sustainability and the uptake of these practices in coffee producing countries. Schemes that meet both the Code and the Operational Criteria are recognized as "equivalent" by GCP.

2. GCP recently published the Coffee Sustainability Reference Code. What is the difference between the Coffee SR Code and the GCP Equivalence Mechanism and why is a revision of the Equivalence Mechanism needed?

The Coffee SR Code (previously known as the Baseline Coffee Code) is a sector wide reference on the foundations of sustainability in the economic, social and environmental dimensions for green coffee production and primary processing worldwide.

The EM is a framework developed by GCP to assess whether a sustainability scheme can be considered equivalent to the Coffee Sustainability Reference Code (Coffee SR Code).

The EM evaluates whether the Principles and the Practices in the Coffee SR Code (Sustainability Criteria) are included in those schemes as well as how those Practices are implemented in practice (Operational Criteria). Operational Criteria include topics like governance, standard-setting, assurance, data and claims. In other words, the EM is comprised of the Sustainability Criteria plus the Operational Criteria.

The recent revision of the Equivalence Mechanism (Version 1.2) in early 2020 highlighted areas that required further refinement to consider the changing sustainability landscape and evolving approaches such as private-led sustainability schemes. Following publication of the revised Coffee Sustainability Reference Code, the Equivalence Mechanism needed to be updated to reflect the changes in the Code, as well as consider system aspects that needed further consultation from the last revision, e.g. standard setting and governance.

# 3. How was the proposal of the Equivalence Mechanism v2.0 for consultation developed?

The EM revision project started in November 2021. Building on the work carried out for the Coffee SR Code revision, the research part included an assessment of relevant sustainability/credibility frameworks. The process has been supported by the GCP Technical Committee and an Advisory Task Force that include actors from all segments in the supply chain as well as NGOs. All details about the project scope, the Technical Committee and the Advisory Task Force can be found <a href="here">here</a>.

# 4. How long will the consultation last and what activities will be carried out?

The public consultation will take place from March 16<sup>th</sup> to April 20<sup>th</sup>. The main target for this consultation is supply chain actors and/or organizations that participate in or have developed their own sustainability schemes and any interested stakeholders are encouraged to provide their views. An <u>online survey</u> is the main tool for participants to give their input on the consultation proposal.

5. GCP has a recognized various sustainability schemes as equivalent to the Baseline Coffee Code. Once there is a revised Equivalence Mechanism, will currently recognized schemes be reassessed against the Coffee SR Code?

Yes, all schemes that to date have been recognized by GCP as equivalent to the Baseline Coffee Code will be required to be reassessed against the revised Equivalence Mechanism to maintain their status of equivalency. This will be a full assessment of schemes against the sustainability criteria included in the Coffee SR Code <u>and</u> the revised operational criteria. It is these operational criteria that are the focus of this consultation.

6. How long will be the transition period for recognized schemes to be aligned with the Coffee SR Code and the revised Equivalence Mechanism?

This is one of the questions in the consultation survey. We welcome your opinion on the length of the transition period for recognized schemes.

7. When will schemes start to be assessed against the revised Equivalence Mechanism?

The expected date of publication of the EM is Q4 2022. Further details on the implementation will be shared with the publication of the revised Equivalence Mechanism.

8. What is the relationship between the Equivalence Mechanism and the GCP Reporting on Sustainable Purchases?

The GCP Reporting on Sustainable Purchases includes purchases from roasters and retailers under sustainability schemes/programs that are considered equivalent to the Baseline Coffee Code and have been assessed under the Equivalence Mechanism. To date, there are 13 schemes/programs eligible. For more information on the schemes that are recognized as equivalent to the Code see <a href="here">here</a>.

9. How relevant is this work if it focuses around baseline/foundation practices and if it does not cover some important elements of sustainability at farm level, or along the supply chain?

Sustainability is an evolving concept. The Coffee SR Code and the EM are tools to align on a shared understanding of baseline sustainability and a key opportunity to reach more coffee farmers who are currently not able to access sustainability practices at baseline level. At the same time the Code inspires innovations and investments at farm level and includes the principle of continuous improvement. Therefore, the Coffee SR Code and the EM are complementary to other tools and strategies to drive coffee sustainability forward.

10. Will results of schemes assessed against the revised Equivalence Mechanism be publicly available?

The status of recognized schemes will be published, but not assessments. GCP will not publish information about schemes in process or that may have not met all the EM 2.0 requirements.

### 11. How will GCP drive impact and not a race to the bottom?

Both the Coffee SR Code and the EM 2.0 include concepts of transparency that enable public scrutiny and accountability to build trust, of continuous improvement to reach forward for improvements, and of strengthened criteria for monitoring and evaluation to support reporting on KPI's and drive impact.