



Statement by Karin Kortmann
Parliamentary State Secretary at the Federal Ministry for Economic Cooperation
and Development
at the press conference on the Common Code for the Coffee Community (4C)
in Berlin on 21 September 2007

Check against delivery!

1. Introduction: Today, 4C becomes a reality

- For four years, representatives of coffee producers, the coffee trade and industry, civil society organisations, such as trade unions and NGOs like OXFAM international, and the public sector have been working together hard on developing a Common Code for the Coffee Community. The German Federal Ministry for Economic Cooperation and Development (BMZ) has supported this process through a public-private project.
- This kind of multi-stakeholder process is not always easy! There were moments when we really thought we would not be able to achieve our ambitious goal. One of the keys to success has, undoubtedly, been that all stakeholders are keen to ensure the utmost transparency for all concerned and that the results of the process have been repeatedly tested for their practicability.
- I am delighted that, at today's press conference, we are able to report on a number of successes. The entire coffee sector, from producers to roasters, has come together to form an independent organisation that is responding to its responsibility to ensure greater sustainability on the mainstream coffee market.
- The initiative addresses over 100 million people (95% of the sector), all of whom make a living from growing or trading coffee. This it has done by bringing together all the major market players in an unprecedented way.
- I would like to take this opportunity to thank everyone involved for contributing to this success.

2. What are the German government's aims in supporting the coffee sector?

- For many years, the German government has been supporting numerous coffee projects as part of the Public-Private Partnership programme operated by the Federal Ministry for Economic Cooperation and Development (BMZ). It was in 2002 that the BMZ then began supporting the 4C Common Code for the Coffee Community initiative.
- Coffee is the second most important trading commodity for developing countries after oil. It provides a living for 25 million coffee farmers and their families living in rural areas. Over 75% of all coffee is grown by small farmers. Many national economies also depend on coffee exports for public revenue and foreign exchange. There are nine developing countries in which coffee accounts for more than 20% of export revenues.
- The long-term aim of our development policy is to fight poverty. Let me just remind you of a few facts. Currently, over 1.2 billion people across the world are living on less than one US dollar a day. By signing up to the Millennium Development Goals, the international community, as you know, committed itself to halving global poverty by 2015.
- The coffee sector is one important area on which we should be focusing those efforts. The aim of the 4C initiative is for the coffee sold in supermarkets to be produced in accordance with certain minimum social, ecological and economic standards. In this way, the Code negotiated under the initiative can exclude the worst instances of exploitation in coffee trade and production, such as child labour.
- All members of the initiative pledge to continuously improve their practices. From a development point of view, this means that they make a valuable contribution to:
 - reducing poverty in coffee-producing regions
 - protecting the environment and
 - improving living conditions for coffee farmers and their families.
- We began developing the Code at a time when the world coffee market was in a somewhat precarious state. Prices had fallen so low that many coffee producers and their families were finding it hard to make a decent living from it. Since then, commodity prices have risen again. By supporting an initiative such as 4C, we want to continue helping to create a more stable world market and directly improve working conditions for the farmers concerned. We see this as one of way of giving globalisation a stronger social dimension.

- Compared with some of the stricter standards required elsewhere, 4C demands standards that coffee growers can easily attain. The baseline is lower and farmers are given help in meeting the standards. By acting as the starting point on the path towards greater sustainability, 4C complements other, more demanding, standards and can even be seen as the first step towards achieving those other standards, such as Fair Trade or organic, which the BMZ is also supporting.
- That is why there will be **no** CCCC label. The two movements act as a valuable complement to each other by raising awareness amongst all consumers who are seeking to support socially and ecologically sustainable production conditions in developing countries.

3. What are our hopes for 4C for the future?

- We will be building on the experience gained in applying the Code so as to optimise the impact of 4C. Our aim remains to achieve more social, ecological and economic sustainability in this important sector and improve the lives of the many millions of coffee farmers in Africa, Asia and Latin America.
- For this to be achieved, all stakeholders and members of the 4C Association, particularly those from the industry side, must deliver their financial promises. So buyers are living up to their commitments and responsibilities. Only by working together can the entire sector establish sustainable production conditions and fairer trading conditions.
- The important step into market reality will be taken on 1 October, when the new coffee year begins.

4. How will the BMZ support 4C in future?

- The BMZ has joined the 4C Association. Through our development cooperation, we will be helping to fund the establishment of support services. There are plans to establish a network of international players, ranging from scientists and academics, to NGOs, to agricultural service providers and coffee producers. This will allow them to share their experiences, pass on best practices to others and broaden 4C's impact.
- Stronger links are to be forged with international donors and development institutions and project ideas are to be developed. For this purpose, information events are to be held in developing countries and the 4C concept presented to coffee farmers and institutions in the producer countries.

5. Over the coming months and years, it is a case of mobilising further support for the initiative. I would appeal to everyone, both to my colleagues from the public sector and development agencies and also to industry, to actively support this exemplary initiative with a positive impact on development.