

354. The project directly benefits a large number of protected areas which are within the Project Coffee Regions, and is also likely to create benefits for even more protected areas which are within a limited distance from the selected areas, by creating additional connectivity or by creating a mosaic of conservation areas within the larger ecosystem.

355. *At the National level*, the project will contribute to the competitiveness of the coffee sectors in the project countries. The coffee exports are a significant source of export earnings for these major coffee producing countries. Increased economic sustainability on certified coffee farms will also help the governments guarantee employment and improve livelihoods in rural areas

356. The project will help national governments meet their targets for national biodiversity strategies and action plans, many of which have sustainable coffee as a key activity. It will help improve water resource management by reducing agrochemical run-off and sedimentation in rivers and streams, benefiting downstream water users, including hydroelectric installations, irrigation agriculture, and potable water supply, thus reducing government investment needs for water supply from other sources. It will also help governments meet the targets set out in their Strategic Action Programs for Persistent Organic Pollutants.

357. *At the Local level* the project will help local producers survive as coffee farmers, and by increasing their economic sustainability, bolster them for possible future coffee crises. The project will benefit tens of thousands of small and larger coffee producers in the six project countries and elsewhere.

358. Farm workers and their families get access to a range of benefits through certification of the coffee farm where they work, and often live. The project – by increasing the number of farms certified – will benefit hundreds of thousands of farm workers and their families in project countries, and beyond. Farm workers on certified farms get paid at least the minimum wage, which most often is a significant improvement from conditions on non-certified farms. Improved working conditions lead to fewer accidents, including intoxication from toxic agrochemicals. Workers' families get access to health care, better housing and sanitary facilities, and their children are assured access to education.

359. By helping farmers, and farm workers and their families, benefit from sustainable and biodiversity-friendly coffee production, the project will help improve the fabric of local communities in coffee regions.

360. Please refer to the Incremental Cost Analysis in Section II for more detail.

Country Ownership: Country Eligibility and Country Drivenness

361. The target countries have all ratified the CBD, as follows: El Salvador, September 1994; Guatemala, July 1995; Honduras, July 1995; Brazil, February 1994; and Peru, June 1993. All countries are eligible to receive funding from UNDP. Section IV presents endorsement letters from national operational focal points.

CONTRIBUTION TO NATIONAL PLANS AND POLICIES

362. The project is consistent with the priorities of each focal country as identified in the national reports and communications to the Convention and the **National Biodiversity Strategy and Action Plans** (NBSAPs).

363. During the project design phase, discussions have been held with government authorities and national coffee associations in all project countries, and feedback has been included as a part of the project design. Not least requests for partnerships around technical assistance on sustainable best management practices for farmers have been included in this project proposal.

364. The execution modality where supply-side activities are channeled through SAN partners secures local ownership and country drivenness at the civil society level. The project will benefit considerably by the SAN partners local presence, knowledge and contacts to increase impacts. In particular through policy dialogue with national authorities, the project will benefit from local ownership, which will increase the chances to meet national priorities while achieving project objectives.

365. For example, the NBSAPs of Guatemala and El Salvador specifically mention shade coffee as a key factor in their biodiversity strategy, and numerous national reports to the CBD for each focal country mention coffee farm or sustainable agriculture/agroforestry importance.

366. In Central America, strict coherence has been ensured with the Mesoamerican Biological Corridor initiative. By planning selection of Project Coffee Areas in a way which ensures overlap with the MBC, the present proposal will help give content to this ambitious multinational conservation effort

367. All project countries have policies to promote **small, medium and micro enterprises (SMME's)** in the private sector. Through its efforts to further environmental, social and economic sustainability of small farmers, the project will further the goals of these private-sector development plans. In Guatemala, for example, the project will further the goals of the Strategic Plan from 2004 of the Vice-ministry SMME development. In El Salvador, the project will contribute to the National Strategy for the Development of the Micro and Small Companies, of the National Commission for Micro and Small Enterprises, CONAMYPE. In Honduras, it will further the work of the office of the Director General for the Promotion of SMMEs and the Social Sector of the Economy, within the Ministry of Industry and Trade. In Peru, the project will contribute to the activities of the Peruvian government to promote Small and Medium Enterprise development. In Colombia, the project will further the goals of the National Government Policy to support SMMEs of the High Council of the Small and Medium Enterprise.

368. Several governments are executing MIF/IDB-financed projects to promote SMMEs, such as the Microenterprise Development in the Agricultural Sector project in Brazil and the Program to Support Agro-enterprise Competitiveness in El Salvador.

369. The project countries have national institutions (some are public, others private, and some are mixed) to represent and further the interests of the coffee sectors. These institutions have sector development plans which are important elements in securing sustainability in the national coffee sectors.

370. The full project will work to identify how it can best contribute to and create synergic effects with these national efforts, policies and plans. It is envisaged that the project will be in close dialogue with national authorities both to identify how the project can best contribute to the stated objectives of relevant national plans and policies, as well as to provide inputs to the policy formulation processes so that sustainability issues are properly reflected. It should be pointed out the outcome 5 of this project specifically is aimed at ensuring true national ownership of the project, and dialogue about country priorities.

CONTRIBUTION TO NATIONAL EFFORTS TO ACHIEVE MILLENIUM DEVELOPMENT GOALS

371. The project also addresses four of the Millennium Development Goals through the implementation on the farm of sustainability standards, and the partnerships developed with the private sector coffee companies, including:

372. *MDG #1 Eradicate Extreme Poverty and Hunger* – specifically related to Target 1 of reducing the proportion of people whose income is less than 1\$ a day. All workers on certified farms must receive at least minimum wage as defined in the particular country. All too often, workers on non-certified farms in the coffee sector receive substantially lower salaries than the official minimum wage.

373. *MDG#2 Achieve universal primary education* – specifically related to Target 3 of ensuring that children will be able to complete a full course of primary schooling on certified farms.

374. The sustainability standards specifically require that workers and their families have access to education, medical care, public transportation and recreational facilities. Current research is studying the most appropriate way to incorporate impact indicators that can measure this type of outcome, including those proposed by the MDGs such as “Net enrollment in primary education” and/or “Proportion of pupils starting grade 1 who reach grade 5”.

375. *MDG #7 Ensure Environmental Sustainability* – specifically related to the areas to “Integrate the principles of sustainable development into country policies and programmes; reverse loss of environmental resources” on certified farms percentage relative to surrounding area and/or country; and “reducing the proportion of people without sustainable access to safe drinking water and basic sanitation.” These issues will be addressed through the specific requirements to certified farms set out in the RAC standards.

376. *MDG #8 Develop a Global Partnership for Development* – specifically to the areas related to “Develop further an open trading and financial system that is rule-based, predictable and non-discriminatory. Includes a commitment to good governance, development and poverty reduction—nationally and internationally.” Also the target to “the development, in cooperation with developing countries, of strategies for decent and productive work for youth.”, and “In cooperation with the private sector, make available them benefits of technologies, especially information and communication.”

377. Finally, the project responds to UNDP mandates in Capacity Development (CD) and Public-Private Partnerships (PPPs). Specifically, the certification program’s implementation by a democratic coalition of local NGOs, the training of local auditors and extensionists, as well as standards that help farmers achieve sustainability by developing their own, appropriate solutions to meeting the requirements, create and retain local capacity to reduce poverty and create positive biodiversity impacts. The project’s multiple partnerships with corporations large and small, and linkages to direct sourcing with coffee communities, create equitable PPPs between companies and producers/local people for achieving project goals.

378. Additional detail of how the project will contribute to national plans and policies will be provided at CEO endorsement.

Sustainability

379. General sustainability: The project is designed so that it will help the certification system to grow beyond a niche initiative, and reach a “tipping point” where the program is so well-known and appreciated that it will continue to grow without external donor financing. Once barriers to growth are addressed and removed, there are seemingly unlimited possibilities to increase certification of sustainable

coffee within the massive coffee sector, equivalent to true mainstreaming. Rainforest Alliance bases the estimates on solid experience in a much related field, namely the SmartWood program, which is Rainforest Alliance's FSC accredited forestry certification program. SmartWood has grown to be the biggest FSC certifier in the world, with a total of 21 million hectares in 53 countries under biodiversity-friendly management, equaling 36% of all FSC certified forests. SmartWood – as well as the FSC certification system itself – continues to grow much beyond initial expectations because it has received sufficient recognition in the industry as well as with consumers.

380. The tipping point is reached when industry and consumers at a broader scale recognize the validity of the certification standards and corresponding seal and take an active preference for the certified product. When that happens, producers will have incentives to deliver their product with the seal, and will make transformation of their productive practices accordingly. This market-driven logic is the opportunity for sustainability within the coffee sector: demand among consumers and coffee companies will drive a continued effort on behalf of producers to comply with what the market demands. Which in this case is a product produced under biodiversity-friendly and sustainable production practices. As the producer is rewarded in the market place for his efforts, a virtuous effect is created where the entire coffee industry eventually recognizes the need for change. Even companies and producers who are not certified will begin to internalize the message that a commodity can be grown in a responsible way, to the benefit of farmers, workers, and the environment.

381. Environmental and social sustainability: Farmers will respond to increased market demand and implement environmental and social sustainability measures on their farm according to the standards of the certification system, because they are interested in enjoying the benefits that certification can bring in the market place. The farm improvements are paid by the farmer, who is again rewarded by companies in the supply chain that pay a premium for certified coffee, or give the farmer other benefits, such as favorable contracts. In return, the producer will voluntarily ensure environmental and social sustainability on his farm. Farmers throughout the world of coffee will continue to implement environmental and social sustainability on their, while responding to market demand for biodiversity-friendly coffee.

382. Institutional: There are important institutional sustainability considerations both on production side, as well as on the market side. On the *production* side, the project will ensure institutional sustainability by establishing a partnership and training mechanism for local TA providers. During the initial years, when the project is working to overcome a series of barriers to growth, the project will cover costs related to this important capacity building work. But later – well before the end of the project – continued training and maintenance of institutional capacities will be conducted on a cost recovery basis. Because TA providers typically are paid by farmers to provide assistance so the farmer can obtain the competitive advantage of certification, the TA providers will have incentives to continually invest in upgrading their knowledge, so they themselves can stay competitive on the TA market. With regard to certification audits, this is also paid for by certified farmers on a cost-recovery basis, which will enable the NGO partner certifiers to allow for continued expansion of audit activities. The project will ensure that the NGO partners will be geared to manage growth. Once that happens (planned to happen around year 5), growth in audit activities will be completely self-sustained.

383. On the market side, much the same considerations can be applied. Services will be provided to companies who are interested in buying and promoting certified coffee. Once the marketing support and communication capacities are established, they will be self-sustained because companies will pay for services received. As an example, it will cost to develop point-of-sales materials that the company can use to spread the message that buying certified coffee helps protect wildlife, but once the materials are developed the companies will be willing to pay for them, generating revenues for continued development of new materials. There are significant challenges in building institutional infrastructure to promote certification with a large part of the coffee industry, but once initial barriers are overcome, users will have

a continued interest in financing the institutional infrastructure. It should also be noted that once a full-fledged system is operating, it doesn't necessarily cost more to operate even if more companies join the program.

384. Financial: A fundamental principle of certification, and correspondingly of this project intervention, is that once sustainability becomes an issue in the coffee sector – which is what is currently happening – then actors in the market place will actively support it, not because they are necessarily personally convinced about the cause of biodiversity conservation and sustainability (though the majority is), but because it becomes rational business behavior to buy biodiversity-friendly coffee. The powerful rationale behind the market-driven approach is illustrated by the large amounts of company financing which is being shifted from non-sustainable practices into sustainable practices – more than USD 4.5 billion within the project's lifetime. This amount will increase after the project ends. Companies will continue to pour billions of dollars into purchases of a product produced under the strictest environmental standards, pay hundreds of millions of dollars in price premiums, or “sustainability differentials” for certified coffee, and producers will continue to invest other hundreds of millions of dollars on specific measures on their farms which will help protect habitat in biodiversity-rich coffee landscapes. All this, so that consumers can drink their coffee with a clear conscience.

385. The above considerations explain why the need for long-term post-project investments from donor sources is negligent, and most likely nil. On the other hand, investments made by the private sector will continue to fuel changes in coffee production, throughout the 50 third-world countries that produce coffee.

Replicability

386. The approach presented in this project proposal is highly innovative, and important lessons will be generated with potential for replication at many different levels.

387. The project will result in replication in coffee production throughout the eight Project Coffee Regions. As project activities help increase local capacities and awareness of sustainable production methods, such as building capacity of national coffee agencies' extension programs to deliver advisory services to farmers with an emphasis on sustainability and conservation measures, it will not only benefit farmers which aim to get certified, but also spread more broadly within the coffee community as best farm management practices.

388. The experiences can be replicated within the coffee certification program outside the selected project countries. Currently, coffee certification is done in 10 countries, of which only six participate in this project. Certification activities in other countries are planned for the imminent future (Ethiopia), and within a few years it is envisioned that the certification program will be active throughout Africa and Asia, covering all major coffee origins. The lessons learned in this project will be replicated extensively in the certification programs of those countries.

389. Just as coffee certification has been able to apply lessons learned from the more established FSC certification program, lessons learned in this project are potentially replicable for other crops which are currently being certified with Rainforest Alliance. This includes bananas, cacao, pineapple, citrus, and ferns. Lessons learned that are transferable to the banana certification program, for example, can potentially have immediate impact on 15% of the world's banana production currently certified by Rainforest Alliance. Standards are being prepared to expand the variety of crops which can be certified to cover nascent demand in other sectors. Possible future certifiable crops include melon, avocado, mango,

cut flowers, and even sugar and soybean. Many of the new systems and tools developed within this project can be adapted in these programs. Even non-agriculture sectors can potentially benefit from this project's replicability potential, such as cattle ranching. The replication to other Rainforest Alliance programs will not have a cost for the project.

390. Experiences can also be replicated outside Rainforest Alliance's certification programs. At present, the standards have already had profound effect on other certification programs and industry initiatives. Starbucks's C.A.F.E. practices have been modeled largely on RAC standards, and received Rainforest Alliance guidance in their development. The EurepGAP standards, which are the European supermarkets' sustainability standards, are also largely based on the standards, albeit in a less rigorous version. The coffee industry initiative, the Common Code for the Coffee Community, have received substantial input from Rainforest Alliance and SalvaNATURA, the Salvadoran country partner. Whereas some industry standards are less rigorous than Rainforest Alliance's standards, on-going dialogue can help gradually engage the mainstream coffee community and strengthen their commitment to effective standards. This project will help disseminate its lessons learned on how best to achieve social and environmental impact sustainability standards throughout the industry.

391. The project will actively identify lessons learned and knowledge generated through its rigorous monitoring and adaptive management program. Distilled lessons will be made available to the general public as well as within agricultural sectors, and conservation community, through thematic publications, white papers, and to a broader audience through the electronic and printed press.

392. Lessons will be disseminated to targeted audiences at trade shows and specialized conferences. Two larger workshops will be held during the project's lifetime for conservation community, government representatives and donors on how to apply market-driven solutions to sustainability problems.

393. Rainforest Alliance's public website has a coffee section which will be continuously expanded so interested actors can easily access information on sustainability, biodiversity protection in productive landscapes, Best Management Practices on farms etcetera.

394. Dissemination of project information and reports available for download via the Eco-Index bilingual conservation almanac that is visited by 40,000 people each month. (www.eco-index.org)

PART III : Management Arrangements

IMPLEMENTATION/EXECUTION ARRANGEMENTS

395. The project's coordination structure is designed to effectively manage the overall project, the demand-side international marketing and communications activities, and the activities in the six participating producing countries. The institutional structure and institutions responsible for the management of the project are as follows:

General Project Management

- **UNDP** is the project's Implementing Agency
- **Rainforest Alliance** is the project's Executing Agency
- A **Project Steering Committee** will oversee project implementation
- A **Project Management Group** will be responsible for important management decisions that cannot wait until next meeting of the Project Steering Committee

- A **Project Coordination Unit** is responsible for the day-to-day project coordination and management.
- A **Coffee Sector Advisory Group** will guide project implementation

Implementing Agency

396. The **UNDP Country Office in Guatemala** will maintain day-to-day oversight responsibility of the project implementation and fulfil the duties and responsibilities of a GEF Implementing Agency. It will be responsible for financial oversight of the project and ensure that GEF project funds are spent as intended. It will work with the project's Executing Agency to ensure proper financial reporting of financial expenditure and quarterly disbursement of project funds according to annual work plans approved by the Project Steering Committee. The CO will review the quarterly disbursement reports from RA which will contain all project expenditure information.

397. The Country Office will oversee that project activities are executed according to plans and that the project delivers impacts to achieve its objectives. Project monitoring includes periodic visits to project sites, arranging and participating in monitoring missions, and participation in relevant meetings, including Project Steering Committee meetings and Tripartite Review meetings. The UNDP country office will also help organize and participate in project planning efforts, including in the Project Inception Workshop. The country office staff will maintain a regular communication with the project's Executing Agency and project staff, and will assist project staff in stakeholder outreach and dialogue. The lead Country Office will coordinate with the other participating Country Offices to promote their involvement in supporting strengthening of national policy and lessons learned relevant to the project.

398. **UNDP Country Offices in Brazil, Colombia, El Salvador, Guatemala, Honduras and Peru** will be key partners for the present project. Through regular contact with the Project Manager and the national SAN network partner in each country, UNDP country office staff will keep themselves generally informed of progress of the project, and in particular of the project activities executed in their country. The Country Office staff will support the project in general and in particular through involvement in a number of project activities and thereby strengthen project impacts in project countries. The role of the UNDP country offices will be promoted and coordinated by the UNDP/GEF Task Manager (see below), and the programme officer of the lead country office (Guatemala). Country Office involvement is envisaged in outcomes three through six, in the following manner:

- Outcome 3: The country offices will support the concept of certification in national planning processes involving sustainable agriculture (particularly coffee), and help the project establish partnership with national agencies in charge of extension services to farmers.
- Outcome 4: The country offices will assist the project in ensuring synergic relationships between interventions of this project and other projects and initiatives that promote economic sustainability of agricultural producers and strengthening of SME's. This includes facilitating coordination with projects of the World Bank, IDB and others.
- Outcome 5: UNDP country offices play a key role in facilitating the project work on improving national policy environments in favour of sustainability in agricultural production. This includes facilitation of intra-institutional policy coordination between government ministries and agencies, such as promoting fiscal incentives in favour of sustainable production, facilitating exports of sustainably produced products, promoting sustainable terms of trade, facilitating access to credits through public or donor-led loan enhancement programs, as well as other initiatives that require the collaboration between several government institutions. Helping overcome the barriers to institutional coordination is one of the most important roles of UNDP.
- Outcome 6: the country offices will support the project's efforts to disseminate lessons learned throughout the government institutions, to other projects and initiatives, and to key stakeholders.

Each country office will do that by investing its prestige and power of convergence of actors and institutions in project countries. The country office will help mobilize stakeholder involvement in the project, including the coffee sector, local groups in the Project Coffee Regions, as well as local and national governments

399. The role of UNDP country offices will be further defined during the project inception phase.

400. **UNDP/GEF's Regional Coordination Unit for Latin America and the Caribbean**, through its designated Task Manager, will be responsible for project oversight, ensuring that the project maintains the principles of incrementality while achieving global environmental benefits. The Task Manager will guide the project on all aspects to ensure the project achieves its outcomes and objectives. The Task Manager will guide the project and the UNDP country office staff on project management issues and GEF issues, norms and policies, as well as on UNDP's responsibilities as GEF Implementing Agency, and will ensure periodic reporting of project progress to the GEF Secretariat and GEF Council. The Task Manager will play a key role coordinating and organizing UNDP's collective efforts in support of the project and its objectives. This could include convening internal UNDP meetings with or without the participation of Rainforest Alliance or project staff, and ranging from highly specialized policy discussions at headquarters level, to broader meetings with programme officers in country offices to coordinate project support.

401. The UNDP/GEF Task Manager will participate as a member of the Project Steering Committee when his or her presence is called for. The TM will also be briefed on all issues discussed in the Project Management Group and will participate in the group on a no-objection basis.

402. **UNDP Policy Experts** based in the UNDP headquarters in New York, and regional policy offices, will support the project when needed. This can be to support Rainforest Alliance and the project team in dialogue with producer and consumer country governments at the highest levels, or support dialogue with large multinational companies to promote their involvement in certified sustainable coffee. The policy experts can also be called upon to provide inputs to important strategy and policy discussions specifically aimed at enhancing project impacts, or more broadly on sustainability issues.

Executing Agency

403. **Rainforest Alliance** is the project's Executing Agency (ExA). The project will be executed in accordance with UNDP's NGO execution modality under a Project Cooperation Agreement signed between Rainforest Alliance and UNDP. The Executing Agency is directly responsible for the execution of project activities and for the achievement of project objectives and outcomes. In particular, the responsibilities of the Executing Agency as follows:

- Jointly selecting, in co-operation with UNDP/Guatemala and UNDP/GEF, staff of the Project Coordination Unit
- Planning and monitoring of project activities and ensuring quality of project products and deliverables. This includes regular field visits and monitoring according to benchmarks defined in the project logical framework
- Actively participating in all relevant project activities where appropriate
- Reporting to UNDP lead Country Office on a quarterly basis the substantive progress of the project by country and outcome and the project disbursements.
- Adopting, during the course of the project, the systems, products and tools developed by the project to ensure sustainability of the project outcomes
- Play an active role in coordinating with stakeholders throughout the project

- Preparation and submission of periodic progress reports to UNDP, and regular consultations with beneficiaries and contractors
- Chairing the Project Steering Committee (PSC) and annual Tripartite Review (TPR) meetings
- Ensuring advanced funds are used in accordance with agreed work plans and project budget
- Preparing, authorizing and adjusting commitments and expenditures; ensuring timely disbursements, financial recording and reporting against budgets and work plans
- Managing and maintaining budgets, including tracking commitments, expenditures and planned expenditures against budget and work plan
- Maintaining productive, regular and professional communication with UNDP and other project stakeholders to ensure the smooth progress of project implementation.

404. The Executing Agency will be represented by the Project Director. The Project Director will be the Director of Rainforest Alliance's Sustainable Agriculture Division. The Project Director will ensure that all relevant Rainforest Alliance staff contribute to and support the project's efforts, and that all relevant project deliverables and lessons learned gets disseminated and mainstreamed within the ExA.

405. Rainforest Alliance has experience in executing large, regional projects, such as the USAID-funded Certified Sustainable Products Alliance in Mesoamerica, and the IDB-funded Sustainable Tourism Project for SMEs. The organization has sufficient capacity and experience to execute this project, which will be documented through a rigorous Capacity Assessment which will be submitted with the Project Document for CEO endorsement.

Project Steering Committee

406. The **Project Steering Committee (PSC)** is responsible for approving the project's annual work plans and budgets and to oversee the progress of project implementation, in accordance with what is set out in the Project Document. The PSC must approve the project's annual progress reports. The PSC is responsible for guiding project implementation and taking corrective measures and performing adaptive management of the project strategy if necessary. The PSC will focus on the big picture and overall direction of the project and delegate more specific day-to-day decisions to the Project Management Group. In particular, the PSC must ensure that policy requirements of the GEF and the UNDP are met, including coordination with other projects and initiatives, and stakeholder participation in project execution.

407. The PSC will be established at project inception, and the members will represent a mix of responsibilities, views and experience, to provide the maximum width in its oversight and guidance functions. It is envisaged that the PSC will consist of UNDP (Guatemala and or UNDP/GEF as appropriate), Rainforest Alliance (represented by the Project Director), a SAN network representative (selected between the participating SAN project partners), a coffee producer representative (an experienced RA certified producer), and a coffee company representative. One or several experienced project mentors will be selected, preferably members of the Rainforest Alliance Board.

408. The PSC will meet twice a year to review progress and monitoring results, approve work plans and budgets, and take important decisions regarding project management and strategy. The Project Coordinator will be the Secretary of the PSC, will set up meetings, circulate documentation for review, take minutes and prepare reports from the meetings.

Project Management Group

409. Important day-to-day management decisions will be made by a **Project Management Group (PMG)**. The PSC will delimit specific responsibilities and delegate them to the PMG during the first PSC meeting, which will take place during the inception phase of the project. The PMG will be chaired by the

Project Director. Additional members will include the UNDP/Guatemala Programme Officer and the Project Coordinator. The UNDP/GEF Task Manager will be briefed on all issues and will participate in the PMG on a no-objection basis. Typical areas of responsibility and decision-making will include approval of larger contracts, approval of larger expenditures, staff matters that require immediate attention, and approval of quarterly progress reports for UNDP and GEF if approval cannot wait for the next PSC meeting.

Project Coordination Unit

410. A **Project Coordination Unit** (PCU) is entrusted with execution and oversight of project activities. The PCU will be based with Rainforest Alliance's Sustainable Agriculture Division in Costa Rica. In particular, the PCU will:

- Be responsible for the achievement of the project outcomes and objective
- Manage day-to-day implementation of the project, coordinate project activities in accordance with the rules and procedures of UNDP and the GEF, and based on the general guidance provided by the PSC
- Provide overall project co-ordination
- Provide technical input as appropriate into project activities, outputs and outcomes
- Coordinate with the project stakeholders and other projects and programs of relevance to the project
- Organize project-level meetings and workshops, e.g., inception workshop, PSC meetings, etc.
- Work closely with UNDP offices in the region in organizing and providing technical and logistic support and coordination to all missions and assignments by international and national consultants
- Prepare overall project reporting

411. The PCU will be lead by a Project Coordinator. The project coordinator will be a person with substantial technical skills related to the project as well as strong management skills. The project coordinator will have the ability to communicate to a diverse group of stakeholders in a multinational and multilingual working environment.

412. Terms of reference for key project staff will be provided prior to GEF CEO endorsement.

Coffee Sector Advisory Group

413. A **Coffee Sector Advisory Group** (CSAG) will be formed to guide the project on how to achieve maximum impact in the coffee sector and improve interaction with coffee companies.

414. The CSAG will be established during the project's inception phase. The group will consist of representatives of key members of the group of coffee companies who have agreed to be partners in the current project. The 3-5 members must represent different links in the coffee supply chain from producers to roasters and must represent companies which wholeheartedly support RAC principles of sustainability and are experienced and ideally influential members of the coffee community.

415. The CSAG will, if at all possible, meet physically once a year to review project progress. As the group members are likely to be based in different countries the group will also work virtually as an electronic network or discussion group. Key issues and strategic decisions will be consulted with this group of coffee sector insiders.

Demand Side Execution Arrangement

416. Demand side project activities will be managed by the Marketing and Communications unit of the Rainforest Alliance. The project will retain a marketing specialist to assume responsibility of the execution of project activities, in close coordination with Marketing and Communications unit, and supervised by the PCU and PSC. The marketing specialist will help develop the products and services that coffee companies need in order to scale up their involvement in certified sustainable coffee. Once developed, these products and services will be paid for by the companies on a cost-recovery basis, and help sustain the costs of continuing marketing and communications activities after the lifetime of the project.

417. Activities to promote certified coffee on European markets will be supported by the Rainforest Alliance Director of Europe, based in the Rainforest Alliance Amsterdam office and Rainforest Alliance representatives in European consumer countries. Additionally, the project will retain marketing specialists on an as-needed basis to execute project activities targeted at European coffee companies, civil society groups, media and consumers.

418. To execute project activities in Japan, the project will retain part-time marketing and communication specialists

419. It should be emphasized that the project strategy to increase the presence of certified coffee on consumer markets will be done in close coordination with the vanguard of coffee companies that already invest large sums to sensitize consumers, engage local civil society groups, and involve media in support of sustainability. The project activities executed through these arrangements mainly pertain to Outcomes one and two.

420. Policy dialogue with governments in consumer countries will be supported by a Policy Coordinator, supported by specialized Rainforest Alliance staff and specialized external policy experts as needed, as well as a “rapid response team” of Rainforest Alliance legal, executive and program staff. Also policy dialogue with consumer country governments will be done in collaboration with the on-going efforts of coffee companies to promote a positive policy environment for sustainable coffee. The project activities executed pertain to Outcome five.

421. Detailed demand-side project execution arrangements will be elaborated and submitted with the Project Document for CEO endorsement.

Supply Side Execution Arrangements

422. In the six participating countries the project will be executed in partnership with the members of the Sustainable Agriculture Network, the group of local NGOs that implement the certification program. A co-execution or sub-execution agreement will be signed with each participating SAN partner.

423. The local co-executing agencies are:

- Brazil: Institute for Agricultural and Forestry Management and Certification (Imaflora)
- Colombia: Fundación Natura
- El Salvador: SalvaNATURA
- Guatemala: Fundación Interamericana de Investigación Tropical (FIIT)
- Honduras: Instituto Para La Cooperación y Autodesarrollo (ICADE)
- Peru: There is currently no SAN partner in Peru, but the project will help establish permanent representation and certification capacity in that country.

424. Each SAN partner has a certification unit in place that will be responsible for promoting certification services to farmers, conducting diagnostic and certification audits, and providing ongoing service to certified producers. The certification units will undergo significant strengthening to be able to process an intensive growth in certification activities to meet increased demand.

425. A National Coordinator will support the execution of project activities in each participating country. The National Coordinator will be based within each local executing agency and report to the Project Coordinator for the duration of the project. The National Coordinator will ensure that the project's objectives get thoroughly mainstreamed within each SAN partners' business plans, so that each partner will contribute to the project objectives through their regular activities.

426. The National Coordinators will be responsible for a series of technical assistance activities to support certification which has not normally been performed by the certification units of the SAN partners. It should be understood that there is a potential risk of conflict of interest between providing detailed technical assistance to farmers to improve their practices, and then to audit and certify the same farmer. The National Coordinators will perform their functions strictly separated from the certification operations as prescribed by the ISO 65 standards that govern certification organizations. The National Coordinators will gradually establish internal capacity within SAN partners to perform a broad series of technical assistance and capacity building in the coffee sector, with due separation from their audit activities.

427. The National Coordinators will be responsible for developing relationships with key stakeholders and policy makers in their country, creating partnerships with technical assistance providers, organizing and delivering training activities, creating relationships with local financing institutions and providing information on financing opportunities to farmers, and facilitating monitoring and evaluation efforts and the gathering of lessons learned. The National Coordinators will conduct a formal annual stakeholder meeting which will bring national institutions together with relevant civil society organizations, technical service providers and producer groups to debate the advances of sustainability in coffee production in the country and harmonize actions to promote it.

428. The Project will finance the National Coordinators during the first several years, but gradually the local SAN partners will take over responsibility for these costs and internalize the functions of the National Coordinators. By the end of the project, each SAN partner will have established internal capacity to continue the technical assistance, capacity building and training activities and outreach and communication activities to effectively support an increased certification program.

429. The outlined execution arrangements will ensure a smooth delivery of project activities related to outcomes three through six.

430. To ensure delivery of outcome six, the Project will contract a learning manager. The learning manager will ensure the coordination of project monitoring activities and corresponding adaptive management actions throughout the project and the certification program. He or she will also be responsible for exchange of lessons learned with other organizations and broader communication of knowledge and lessons learned with stakeholders and the broader public.

431. In order to accord proper acknowledgement to GEF for providing funding, a GEF logo will appear on all relevant GEF project publications, including among others, project hardware and vehicles purchased with GEF funds. Any citation on publications regarding projects funded by GEF should also accord proper acknowledgment to GEF. The UNDP logo will be more prominent, and separated from the GEF logo if possible, as UN visibility is important for security purposes.

CONSULTATION, COORDINATION, AND COLLABORATION BETWEEN IAS AND EAS

432. The project will work to coordinate and collaborate with a number of GEF projects that work in conservation, or with coffee production. As a minimum, the project will make an effort to share information and lessons learned with these projects, and to learn from the experiences generated in these other projects. Where possible, this project will try to formalize a collaboration around certain thematic issues, and even plan project activities in such a way that they complement other efforts in the best possible way. As most GEF-financed conservation projects will not be able to work with market-based certification tools themselves, the project will potentially be able to provide valuable complementary inputs to other projects that work in coffee-growing regions.

433. In particular, the current project will seek formalized collaboration with the following GEF-financed initiatives:

434. In Central America the project will collaborate with the newly approved UNDP/GEF project "*Central American Markets for Biodiversity (CAMBio)*", executed by the Central American Bank for Economic Integration, CABEL. That project will catalyze loan funding through CABEL's network of local banking and non-banking finance institutions for small-, medium- and micro enterprises that seek to realize biodiversity-friendly investments. The project will do that through partial credit guarantees and other innovative loan-enhancing instruments. It will also support business development of small-, medium- and micro enterprises, as well as promote an enabling environment for green investments. The project specifically states certification of coffee as a key green investment activity which will be eligible for support. This present project will work with CABEL and the CAMBio project to facilitate credits to farmers in Guatemala, Honduras and El Salvador, who want to get certified, and to certified farmers who need credit to strengthen their businesses, including exports.

435. The regional project "*Establishment of a Programme for the Consolidation of the Mesoamerican Biological Corridor*" is due to end by the end of 2006, but it will leave in place one of the most ambitious frameworks for regional collaboration on biodiversity conservation, including a well-defined set of Protected Areas and a system of biological corridors which connect them, covering the Mesoamerican countries from Southern Mexico to Panama. This project is building on the concept of the Mesoamerican Biological Corridor, by promoting conservation and sustainable use within the defined corridors in Guatemala, Honduras and El Salvador, and it will help give the MBC concept real content and meaning in the productive corridor zones.

436. A new Colombian full-size project – currently at Concept stage – is entitled "*Biodiversity Conservation and Sustainable Land Use for the Benefit of the People in Three Coffee Producing Areas in Colombia*." The project is being prepared by the National Federation of Coffee Growers of Colombia, and the Alexander von Humboldt Biological Resources Research Institute, though UNDP. This project will combine biodiversity conservation and land use planning, and is highly complementary to the present project. The Coffee Federation/Humboldt Institute's proposal focuses on site-specific interventions in three main coffee regions in the country, including poverty alleviation and municipal strengthening. There is no site overlap with this present project, and the projects are thematically very different. It is envisioned that the project can complement the other project's land use planning efforts by enabling the certification tool to contribute to conservation efforts in the three selected areas. The two projects will also collaborate to exchange knowledge and lessons learned about best conservation and land use practices on coffee farms.

437. The project will collaborate with the newly approved Venezuelan full-size project “*Biodiversity Conservation in the Productive Landscape of the Venezuelan Andes.*” That project works to conserve threatened biodiversity-friendly production systems, in particular shade-grown coffee. It is envisioned that the current project could collaborate with the Venezuelan intervention by providing increased access to certification as a conservation tool, as a complementary approach to the intervention outlined in that proposal. This project will also seek to exchange lessons learned with the Venezuelan project for mutual benefit.

438. The World Bank implemented regional Central American project “*Integrated Ecosystem Management in Indigenous Communities*” has as its overall goal to support an emerging network of indigenous communities engaged in integrated ecosystem management in the Central American region, in order to enhance the sustainability of human-managed systems that have been evolving for centuries in Central America and conserving high levels of biodiversity, but that are under increasing threat. The building of community networks across the region will create links between communities with established best practice examples of Integrated Ecosystem Management (IEM) and those with comparable environmental characteristics and similar potential for IEM. The long-term outcome will be that successful and proven regional models are effectively adopted in local and national initiatives, including World Bank and IDB-assisted projects, and that a common vision emerges among indigenous communities on how best to manage their traditional resources. As many coffee-producing small-holders in Central America belong to indigenous communities, sustainable coffee production is an excellent way to contribute to IEM. The present project will seek to contribute to the regional WB project by providing expertise and support in coffee certification issues.

PART IV : Monitoring and Evaluation Plan and Budget

439. Project monitoring and evaluation will be conducted in accordance with established UNDP and GEF procedures and will be provided by the project team and the UNDP Country Office (UNDP-CO) with support from UNDP/GEF. In addition, the project will implement a broader impact monitoring system to determine environmental, social and economic impacts of the coffee certification program.

440. The logical framework in Annex B of the Executive Summary provides *performance* and *impact* indicators for project implementation along with their corresponding *means of verification*.

441. The following sections outline the components of the Monitoring and Evaluation Plan and cost estimates related to M&E activities. The project's Monitoring and Evaluation Plan will be presented and finalized at the Project's Inception Report following a collective fine-tuning of indicators, means of verification, and the full definition of project staff M&E responsibilities.

1. MONITORING AND REPORTING

1.1. Project Inception Phase

442. A Project Inception Workshop will be conducted with the full project team, relevant government counterparts, co-financing partners, the UNDP-CO and representation from the UNDP-GEF Regional Coordinating Unit, as well as UNDP-GEF (HQs) as appropriate.

443. A fundamental objective of this Inception Workshop will be to assist the project team to understand and take ownership of the project's goals and objectives, as well as finalize preparation of the project's first annual work plan on the basis of the project's logframe matrix. This will include reviewing

the logframe (indicators, means of verification, assumptions), imparting additional detail as needed, and on the basis of this exercise finalize the Annual Work Plan (AWP) with precise and measurable performance indicators, and in a manner consistent with the expected outcomes for the project.

444. Additionally, the purpose and objective of the Inception Workshop (IW) will be to: (i) introduce project staff with the UNDP-GEF *expanded team* which will support the project during its implementation, namely the CO and responsible Regional Coordinating Unit staff; (ii) detail the roles, support services and complementary responsibilities of UNDP-CO and RCU staff vis à vis the project team; (iii) provide a detailed overview of UNDP-GEF reporting and monitoring and evaluation (M&E) requirements, with particular emphasis on the Annual Project Implementation Reviews (PIRs) and related documentation, the Annual Project Report (APR), Tripartite Review Meetings, as well as mid-term and final evaluations. Equally, the IW will provide an opportunity to inform the project team on UNDP project related budgetary planning, budget reviews, and mandatory budget rephasings.

445. The IW will also provide an opportunity for all parties to understand their roles, functions, and responsibilities within the project's decision-making structures, including reporting and communication lines, and conflict resolution mechanisms. The Terms of Reference for project staff and decision-making structures will be discussed again, as needed, in order to clarify for all, each party's responsibilities during the project's implementation phase.

1.2. Monitoring responsibilities and events

446. A detailed schedule of project reviews meetings will be developed by the project management, in consultation with project implementation partners and stakeholder representatives and incorporated in the Project Inception Report. Such a schedule will include: (i) tentative time frames for Tripartite Reviews, Steering Committee Meetings, (or relevant advisory and/or coordination mechanisms) and (ii) project related Monitoring and Evaluation activities.

447. *Day to day monitoring of implementation progress* will be the responsibility of the Project manager, based on the project's Annual Work Plan and its indicators. The Project Team will inform the UNDP-CO of any delays or difficulties faced during implementation so that the appropriate support or corrective measures can be adopted in a timely and remedial fashion.

448. The Project Manager and the Project GEF Technical Advisor will fine-tune the progress and performance/impact indicators of the project in consultation with the full project team at the Inception Workshop with support from UNDP-CO and assisted by the UNDP-GEF Regional Coordinating Unit. Specific targets for the first year implementation progress indicators together with their means of verification will be developed at this Workshop. These will be used to assess whether implementation is proceeding at the intended pace and in the right direction and will form part of the Annual Work Plan.

449. Measurement of impact indicators related to global benefits will occur according to the schedules defined in the Inception Workshop and tentatively outlined in the indicative Impact Measurement Template.

450. *Periodic monitoring of implementation progress* will be undertaken by the UNDP-CO through quarterly meetings with the project proponent, or more frequently as deemed necessary. This will allow parties to take stock and to troubleshoot any problems pertaining to the project in a timely fashion to ensure smooth implementation of project activities.

451. UNDP Country Offices and UNDP-GEF RCUs as appropriate, will conduct yearly visits to projects that have field sites, or more often based on an agreed upon schedule to be detailed in the project's Inception Report / Annual Work Plan to assess first hand project progress. Any other member of the Steering Committee can also accompany, as decided by the SC. A Field Visit Report will be prepared by the CO and circulated no less than one month after the visit to the project team, all SC members, and UNDP-GEF.

452. Annual Monitoring will occur through the *Tripartite Review (TPR)*. This is the highest policy-level meeting of the parties directly involved in the implementation of a project. The project will be subject to Tripartite Review (TPR) at least once every year. The first such meeting will be held within the first twelve months of the start of full implementation. The project proponent will prepare an Annual Project Report (APR) and submit it to UNDP-CO and the UNDP-GEF regional office at least two weeks prior to the TPR for review and comments.

453. The APR will be used as one of the basic documents for discussions in the TPR meeting. The project proponent will present the APR to the TPR, highlighting policy issues and recommendations for the decision of the TPR participants. The project proponent also informs the participants of any agreement reached by stakeholders during the APR preparation on how to resolve operational issues. Separate reviews of each project component may also be conducted if necessary.

Terminal Tripartite Review (TTR)

454. The terminal tripartite review is held in the last month of project operations. The project proponent is responsible for preparing the Terminal Report and submitting it to UNDP-CO and LAC-GEF's Regional Coordinating Unit. It shall be prepared in draft at least two months in advance of the TTR in order to allow review, and will serve as the basis for discussions in the TTR. The terminal tripartite review considers the implementation of the project as a whole, paying particular attention to whether the project has achieved its stated objectives and contributed to the broader environmental objective. It decides whether any actions are still necessary, particularly in relation to sustainability of project results, and acts as a vehicle through which lessons learnt can be captured to feed into other projects under implementation or formulation.

455. The TPR has the authority to suspend disbursement if project performance benchmarks are not met. Benchmarks will be developed at the Inception Workshop, based on delivery rates, and qualitative assessments of achievements of outputs.

1.3. Project Monitoring Reporting

456. The Project Coordinator in conjunction with the UNDP-GEF extended team will be responsible for the preparation and submission of the following reports that form part of the monitoring process. Items (a) through (f) are mandatory and strictly related to monitoring, while (g) through (h) have a broader function and the frequency and nature is project specific to be defined throughout implementation.

Inception Report (IR)

457. A Project Inception Report will be prepared immediately following the Inception Workshop. It will include a detailed First Year/ Annual Work Plan divided in quarterly time-frames detailing the activities and progress indicators that will guide implementation during the first year of the project. The Report will also include the detailed project budget for the first full year of implementation, prepared on

the basis of the Annual Work Plan, and including any monitoring and evaluation requirements to effectively measure project performance during the targeted 12 months time-frame.

458. The Inception Report will include a more detailed narrative on the institutional roles, responsibilities, coordinating actions and feedback mechanisms of project related partners. In addition, a section will be included on progress to date on project establishment and start-up activities and an update of any changed external conditions that may effect project implementation.

459. When finalized the report will be circulated to project counterparts who will be given a period of one calendar month in which to respond with comments or queries. Prior to this circulation of the IR, the UNDP Country Office and UNDP-GEF's Regional Coordinating Unit will review the document.

Annual Project Report (APR)

460. The APR is a UNDP requirement and part of UNDP's Country Office central oversight, monitoring and project management. It is a self -assessment report by project management to the CO and provides input to the country office reporting process and the ROAR, as well as forming a key input to the Tripartite Project Review. An APR will be prepared on an annual basis prior to the Tripartite Project Review, to reflect progress achieved in meeting the project's Annual Work Plan and assess performance of the project in contributing to intended outcomes through outputs and partnership work.

461. The format of the APR is flexible but should include the following:

- An analysis of project performance over the reporting period, including outputs produced and, where possible, information on the status of the outcome
- The constraints experienced in the progress towards results and the reasons for these
- The three (at most) major constraints to achievement of results
- AWP, CAE and other expenditure reports (ERP generated)
- Lessons learned
- Clear recommendations for future orientation in addressing key problems in lack of progress

Project Implementation Review (PIR)

462. The PIR is an annual monitoring process mandated by the GEF. It has become an essential management and monitoring tool for project managers and offers the main vehicle for extracting lessons from ongoing projects. Once the project has been under implementation for a year, a Project Implementation Report must be completed by the CO together with the project. The PIR can be prepared any time during the year (July-June) and ideally prior to the TPR. The PIR should then be discussed in the TPR so that the result would be a PIR that has been agreed upon by the project, the executing agency, UNDP CO and the concerned RC.

463. The individual PIRs are collected, reviewed and analyzed by the RCs prior to sending them to the focal area clusters at the UNDP/GEF headquarters. The focal area clusters supported by the UNDP/GEF M&E Unit analyse the PIRs by focal area, theme and region for common issues/results and lessons. The TAs and PTAs play a key role in this consolidating analysis.

464. The focal area PIRs are then discussed in the GEF Interagency Focal Area Task Forces in or around November each year and consolidated reports by focal area are collated by the GEF Independent M&E Unit based on the Task Force findings.

465. The GEF M&E Unit provides the scope and content of the PIR. In light of the similarities of both APR and PIR, UNDP/GEF has prepared a harmonized format for reference.

Quarterly Progress Reports

466. Short reports outlining main updates in project progress will be provided quarterly to the local UNDP Country Office and the UNDP-GEF regional office by the project team.

Periodic Thematic Reports

467. As and when called for by UNDP, UNDP-GEF or the Implementing Partner, the project team will prepare Specific Thematic Reports, focusing on specific issues or areas of activity. The request for a Thematic Report will be provided to the project team in written form by UNDP and will clearly state the issue or activities that need to be reported on. These reports can be used as a form of lessons learnt exercise, specific oversight in key areas, or as troubleshooting exercises to evaluate and overcome obstacles and difficulties encountered. UNDP is requested to minimize its requests for Thematic Reports, and when such are necessary will allow reasonable timeframes for their preparation by the project team.

Project Terminal Report

468. During the last three months of the project the project team will prepare the Project Terminal Report. This comprehensive report will summarize all activities, achievements and outputs of the Project, lessons learnt, objectives met, or not achieved, structures and systems implemented, etc. and will be the definitive statement of the Project's activities during its lifetime. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the Project's activities.

Reports

469. Technical Reports are detailed documents covering specific areas of analysis or scientific specializations within the overall project. As part of the Inception Report, the project team will prepare a draft Reports List, detailing the technical reports that are expected to be prepared on key areas of activity during the course of the Project, and tentative due dates. Where necessary this Reports List will be revised and updated, and included in subsequent APRs. Technical Reports may also be prepared by external consultants and should be comprehensive, specialized analyses of clearly defined areas of research within the framework of the project and its sites. These technical reports will represent, as appropriate, the project's substantive contribution to specific areas, and will be used in efforts to disseminate relevant information and best practices at local, national and international levels.

Project Publications

470. Project Publications will form a key method of crystallizing and disseminating the results and achievements of the Project. These publications may be scientific or informational texts on the activities and achievements of the Project, in the form of journal articles, multimedia publications, etc. These publications can be based on Technical Reports, depending upon the relevance, scientific worth, etc. of these Reports, or may be summaries or compilations of a series of Technical Reports and other research. The project team will determine if any of the Technical Reports merit formal publication, and will also (in consultation with UNDP, the government and other relevant stakeholder groups) plan and produce these Publications in a consistent and recognizable format. Project resources will need to be defined and allocated for these activities as appropriate and in a manner commensurate with the project's budget.

INDEPENDENT EVALUATION

471. The project will be subjected to at least two independent external evaluations as follows:

Mid-term Evaluation

472. An independent Mid-Term Evaluation will be undertaken at the end of the second year of implementation. The Mid-Term Evaluation will determine progress being made towards the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Final Evaluation

473. An independent Final Evaluation will take place three months prior to the terminal tripartite review meeting, and will focus on the same issues as the mid-term evaluation. The final evaluation will also look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. The Final Evaluation should also provide recommendations for follow-up activities. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

Audit Clause

474. The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

3. LEARNING AND KNOWLEDGE SHARING

475. Results from the project will be disseminated within and beyond the project intervention zone through a number of existing information sharing networks and forums. In addition:

- The project will participate, as relevant and appropriate, in UNDP/GEF sponsored networks, organized for Senior Personnel working on projects that share common characteristics. UNDP/GEF shall establish a number of networks, such as Integrated Ecosystem Management, eco-tourism, co-management, etc, that will largely function on the basis of an electronic platform.
- The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned.

476. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Identifying and analyzing lessons learned is an on-going process, and the need to communicate such lessons as one of the project's central contributions is a requirement to be delivered not less frequently than once every 12 months. UNDP/GEF shall provide a format and assist the project team in categorizing, documenting and reporting on lessons learned. To this end a percentage of project resources will need to be allocated for these activities.

TABLE E - INDICATIVE MONITORING AND EVALUATION WORK PLAN AND CORRESPONDING BUDGET

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project team Staff time</i>	Time frame
Inception Workshop	Project Manager UNDP CO UNDP GEF	\$25,000	Within first two months of project start up
Inception Report	Project Management Unit UNDP CO	None	Immediately following IW
Impact monitoring and adaptive management	Oversight by Project Manager Adaptive management Planning workshops in 2 project countries.	\$50,000	Annually for first two years of project
Field based impact monitoring in 2 countries	Oversight by Project Manager Local NGO partner External consultants	\$250,000	Start, mid and end of project
Farm level monitoring in six countries	Oversight by Project Manager Local NGO partner External consultants	\$200,000	On-going
APR and PIR	Project Management Unit UNDP-CO UNDP-GEF	None	Annually
TPR and TPR report	Government Counterparts UNDP CO Project Management Unit UNDP-GEF Regional Coordinating Unit	None	Every year, upon receipt of APR
Steering Committee Meetings	Project Manager NGO partners UNDP CO	\$75,000	Following Project IW and subsequently at least once a year
Periodic status reports	Project Management Unit	0	To be determined by Project team and UNDP CO
Technical reports	Project Management Unit Hired consultants as needed	15,000	To be determined by Project Team and UNDP-CO
Mid-term External Evaluation	Project Management Unit UNDP- CO UNDP-GEF Regional Coordinating Unit External Consultants (i.e. evaluation team)	100,000	At the mid-point of project implementation.
Final External Evaluation	Project Management Unit, UNDP-CO UNDP-GEF Regional Coordinating Unit	100,000	At the end of project implementation

	External Consultants (i.e. evaluation team)		
Terminal Report	Project Management Unit UNDP-CO External Consultant	None	At least one month before the end of the project
Lessons learned	Project Management Unit	14,000 (average 2,000 per year)	Yearly
Audit	UNDP-CO Project Management Unit	\$40,000 (average \$5000 per calendar year)	Yearly
Visits to field sites	Project Management Unit UNDP Country Office UNDP-GEF Regional Coordinating Unit (as appropriate)	\$50,000 (average one visit per country per year)	Yearly
TOTAL INDICATIVE COST <i>Excluding project team staff time and UNDP staff and travel expenses</i>		US\$ 919,000	

IMPACT MEASUREMENT TEMPLATE

477. These indicators will to be fine tuned and detailed in the Inception Workshop

Table F – Key Impact Indicators and Targets

Key Impact Indicator	Target	Means of Verification	Sampling frequency	Location
Growth in habitat area under sustainable management on certified farms	Increase of certified area from 92,000 ha. in 2006 to 1,500,000 ha. in 2013	Certification records	Yearly	Globally
Reduction in key threats to biodiversity on coffee farms	A scorecard of common threats shows substantial reduction in threats	Certified Coffee Impact Monitoring System	Yearly	Coffee regions in six project countries
Increased populations of keystone species on certified farms show BD conservation benefits	By year 4 documented increase (see monitoring plan) in keystone species on certified farms compared to non-certified farms	Certified Coffee Impact Monitoring System	Yearly	Coffee regions in six project countries

PART V: Legal Context

478. A Project Cooperation Agreement (PCA) will be signed by Rainforest Alliance and UNDP. Please refer to Annex XIX for a copy of the Project Cooperation Agreement.

479. The UNDP Resident Representative in Guatemala is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP-GEF Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- Revision of, or addition to, any of the annexes to the Project Document;
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- Inclusion of additional annexes and attachments only as set out here in this Project Document

SECTION II : STRATEGIC RESULTS FRAMEWORK AND GEF INCREMENT

PART I: Incremental Cost Analysis

PROJECT BACKGROUND

480. This 7-year project seeks to protect the habitat value of biologically diverse coffee farms by increasing the number of farmers who transform their productive practices to comply with the sustainability standards. Traditional shaded coffee farms are under threat of being converted to land use with less value for biodiversity, including industrialized full-sun production. By providing alternatives to farm conversion and intensified monoculture, the project will help protect a complex agroforestry production system which provides habitats for an abundance of species, and serves as corridors and buffer zones for protected areas. During its lifetime, the project will help increase coffee habitat in certified farms from the current 93,000 hectares certified to 1.5 million hectares; virtually all of that within Conservation International Hotspots.

INCREMENTAL COST ASSESSMENT

481. There are significant baseline activities on which this project will build, both in the coffee production areas of the project countries, as well as within the international coffee community. These include the relationships the certification program has built with coffee companies interested in buying certified coffee (related to Outcome 1 – increasing demand), and the process that many of them have already undergone to register to use the seal. These companies have also made many investments at various levels in sustainability projects over the last three years in particular, contributing to increased awareness. In terms of baseline promotion (related to Outcome 2 – increased consumer interest), some of the biggest companies have already launched products with major events and media outreach. Others have created various promotional materials. The Rainforest Alliance has also conducted successful media outreach. In terms of certification capacity (Outcome 3), the Rainforest Alliance has developed various training programs and is working towards ISO65 accreditation. A newly hired Supply Chain Coordinator

at the Rainforest Alliance is improving market linkages between buyers and suppliers and educating farmers on how to access markets (related to Outcome 4 – improved economic sustainability on farms). Online auctions of quality coffee that certified producers are participating in, as well as the Coffee Corps program that recruits volunteers from the coffee industry to assist producers and cooperatives are also active in this area. Finally, related to economic sustainability for farmers, Ecologic Finance and USAID are providing access to trade financing for producers practicing sustainable coffee production. In the policy area (Outcome 5) several of the local executing agencies are engaging local policy makers, and the Rainforest Alliance serves as board chair for the ISEAL Alliance, which produces a quarterly “policy watch” for its NGO certification members. Some larger coffee companies, such as Kraft Foods, also monitor policy developments. Finally, in terms of learning and adaptive management (Outcome 6), a number of other institutions are interested in studying the benefits of sustainable coffee. Smithsonian Migratory Bird Center has studied the benefits of shade coffee for a decade. Several of the new coffee industry initiatives, such as the CCCC and the Sustainable Agriculture Initiative, are interested in better understanding the impacts of sustainable production.

Baseline

482. The certification program has grown substantially over the last years, and has reached a level where many producers and most coffee companies have heard of the program, though are not necessarily aware of what the program means in any detail, and what benefits it brings. Rainforest Alliance is a dynamic NGO, but the rapid growth has pushed available resources to a limit, and there is an urgent need to consolidate before further growth can be managed. It cannot automatically be assumed that growth can be continued without access to new resources. While the organization is exceptionally well-placed in the coffee market and has a tremendous potential for growth, there are a number of hurdles to overcome and outstanding work to be done.

483. Under the baseline scenario, the certification program could continue grow modestly depending on the availability of ad-hoc resources, while it would be surpassed by other coffee certification programs that use standards that bring significantly less benefit for biodiversity. The certification program would be regarded by the coffee community as a niche initiative among many others, without the potential of transforming the coffee sector. Most importantly, impacts on biodiversity would remain very limited, even insignificant, compared to the vast size of the coffee business.

484. There is no guarantee that the certification program can maintain even a modest growth under the baseline scenario, even if it is the certification program which brings the best conservation benefits to biodiversity, as well as other sustainability benefits. Many coffee companies are enthusiastic about the certification system, not for what it currently is, but for what it potentially can become. What it can become is a credible way in which coffee companies can address sustainability problems in coffee, and a way in which they can act responsibly while staying competitive. There is a built-in growth expectation in the partnerships established with companies, but these are likely to reconsider their commitment with the program if it fails in growing sufficiently to satisfy companies’ need for sustainable solutions in coffee. Under the baseline scenario, there is a real risk that the certification program could collapse if coffee companies grow tired of waiting for their coffee.

485. At the producer level, an increasing number of coffee growers know, or are familiarizing themselves, with the certification system, and learning what it means for them to implement sustainable, biodiversity-friendly measures on their coffee farms. The NGOs that implement the program try to manage expectation, but interest is growing and newly certified farmers – as well as already certified farmers – will be expecting market opportunities and benefits in return for their efforts and investments. If farmers find that the program fails in bringing about these benefits, it can quickly result in farmers leaving the program.

486. A slow growth is equal to failure for the certification program, which must either grow fast or become obsolete and lose the tremendous opportunities that are within its reach. Without the certification program, companies and producers will still struggle with sustainability issues, perhaps by adopting less rigorous certification schemes as have been discussed within the coffee community over the last several years.

487. Under this baseline scenario, biodiversity-rich forested coffee landscape will continue to disappear. Farms will continue to be transformed to other crops, cattle grazing or other land use. Others will be transformed to high-intensity, full-sun monoculture production systems. Some shade coffee production will remain, but conservation and sustainability issues will be downplayed as they will not be rewarded in the market place. As some farms are transformed, and others adhere to less rigorous standards, producer countries will continue to lose some of their last biologically diverse productive landscapes where local and migrating species survive and which serve as buffer zones to protected areas, or as corridors connecting them.

Alternative

488. With the proposed GEF alternative, the certification system will be able to address existing barriers for growth and manage a truly global and much larger certification program. GEF incremental support will focus on the removal of these barriers to scale up RAC coffee, as described throughout this proposal. This growth will allow the certification program to deliver large amounts of coffee from certified farms, and catalyze huge investments in sustainability from coffee companies. The alternative will allow the program to certify an estimated 1.5 million hectares in threatened hotspot ecosystems, and change the productive practices of tens of thousand independent coffee producers.

489. The resulting **global benefits** will be conservation of the habitat value of these 1.5 million hectares of certified farms, and an expected 10-15 million hectares of surrounding lands in the threatened ecosystems. On certified lands, species will thrive, and farms will serve as buffer zones to protected areas and as biological corridors. There are also global benefits in reduced land degradation and soil erosion, as well as reduction and elimination of Persistent Organic Pollutants. Moreover, the global benefits of the project will be in a changed behavior and attitude towards conservation by the international coffee industry, and by producers in a number of countries. The transformation of productive practices in the coffee sector, and the fact that actors in the market place reward sustainability by paying sustainability premiums and give other benefits to farmers who apply biodiversity-friendly and sustainable practices is a key benefit of this project. At the **national levels**, countries will benefit from a more competitive coffee production and more stable export earnings, and from social benefits enjoyed by their populations. They will also benefit by the way certified coffee production helps reach national conservation goals, targets for reduction of toxic agrochemicals, and improved hydrological resource management. As a result, national and local governments will have a reduced need for infrastructure investments for natural resource management. At the **local level**, small and large farmers will improve economic sustainability of their farms. Farm workers and their families will enjoy multiple benefits including a safer working environment, improved health, earning at least the minimum wage, better housing and sanitary installations, food security, schooling for children and other benefits. These benefits will entirely be paid by farmers, who are then rewarded in the market place. It is expected that tens of thousand of farmers and hundreds of thousands of farm workers will benefit from the expansion of the certification program.

Cofinancing

490. The project will generate co-financing and leveraged financing from a variety of sources, namely coffee companies, coffee producers, national governments, international bilateral donors, NGO's, and research institutions.

491. Total co-financing amounts to more than **USD 110 million**. For a breakdown of this figure, please refer to the project's budget or the Incremental Cost Matrix.

492. This amount includes investments made by key project partner companies in marketing and promoting coffee sustainability and biodiversity-friendly coffee on international coffee markets and to consumers. It also includes their investments in policy dialogue with lawmakers, and their work with producers to promote sustainability and conservation in coffee production. Finally it includes the sustainability differential which they are willing to pay over and above the normal market price, to reward producers who implement sustainability measures on their farms.

493. Many companies are unable to define their investments in coffee sustainability for the next seven years, or they are hesitant to disclose their investments in coffee sustainability in writing for inclusion in a public document. The co-financing presented in the proposal represents written commitments to pre-defined financing levels.

494. Co-financing will also be provided by bilateral and private donors, as in the case of USAID, which provides a major contribution to Rainforest Alliance's certification programs, and Kraft, which donates funds to strengthen Rainforest Alliance's coffee certification activities. This co-financing will be channeled directly through Rainforest Alliance. The project will also generate co-financing from Rainforest Alliance's own core funding, and from partner NGOs and research institutions.

495. National governments in producer countries will provide co-financing through their own efforts to support sustainability in their coffee producing sectors, including coffee components of rural development programs and extension services.

Leveraged financing

496. As the certification program continues to grow, companies new to the program will gradually start to source increasing amounts of coffee, and existing buyers will buy even more. The price premium paid equals a payment for environmental services. As in other projects which aim to catalyze private sector investments in biodiversity conservation and sustainability, co-financing letters typically cannot be obtained before the project starts. The sustainability differentials paid by companies for future increases in amounts of coffee sold is estimated at USD 363 million. The part of this amount for which the project is not able to obtain written letters of commitment before CEO approval, are therefore defined as "leveraged financing" and amount to a total of USD 321 million.

497. The value of increased coffee sales of biodiversity-friendly coffee generated by this project represents a very important shift in purchasing priorities of coffee companies. By shifting coffee purchases from production systems, which are degrading the environment, to products produced in accordance to rigorous environmental and social standards, equals an investment in sustainability. Without these conscious efforts on behalf of the coffee companies to support a change in productive practices, efforts to conserve diverse coffee habitats would be futile. Therefore, the value represented by shifts to sustainable coffee must also be counted as leveraged financing. The estimated value represents a total of USD 3.723 billion dollars during the project's lifetime.

498. Finally, farmers themselves invest large amounts of their own funding in transforming their farm practices and implementing conservation measures and social improvements for workers. As in the case of future company investments, it is impossible to obtain co-financing letters from farmers who have not yet taken the decision to certify, but based on average cost per hectare for improvements made on already certified farms, the investments which will be made by farmers – large and small – who get certified during the project's lifetime amount to USD 494 million. For details on the calculation of these figures, please refer to Section III of this proposal.

499. The amounts stated for leveraged financing indicate the tremendous potential benefit that can come from engaging powerful private-sector interests in the process.

Systems boundary

500. The present proposal outlines a supply-chain based project, not a site-specific project. Farmers change their practices and implements conservation measures because they intend to reap a benefit in the market place, i.e. they respond to market incentives to change production. Therefore, the true systems boundary of this project is the entire coffee industry supply-chain, from coffee producers anywhere and all the way to retailers and consumers. The project will scale up demand for certified coffee, but it cannot fully control where and who will respond to that demand. But as virtually all the world's coffee is grown in critically threatened and biologically rich ecosystems, a hectare certified is a hectare conserved for globally important biodiversity.

501. Nevertheless, this project aims to promote certified production particularly in six countries in the Neotropics. The project will ensure that producers in those countries can meet the increased demand. Therefore, at the production level, the project countries, and in particular the selected Project Coffee Regions are the project's boundary. These eight regions are all within the four 'hotspot' regions of Mesoamerica, Tropical Andes, Brazilian Cerrado and Brazilian Atlantic Forest, and comprise a total area of more than 31 million hectares.

502. *Please see Incremental Cost Matrix please see Table G on the next page for more details.*

Table G: Incremental Cost Matrix

Cost/Benefit	Baseline (B)	Alternative (A)	Increment (A-B)
Domestic Benefits	<ul style="list-style-type: none"> Weak sustainability of shade coffee farms threatens stability of traditional production systems Farm conversions lead to loss of jobs and income in local communities Health and social conditions among hundreds of thousand of farm workers remain very low Environmental services deteriorate as coffee producers pass on the burden of environmental degradation from production to surrounding environment and communities 	<ul style="list-style-type: none"> Increased sustainability of certified farms, providing better earnings for farmers and employment for workers Health and social conditions of workers and their families drastically improved Local communities in coffee landscapes benefit as farm workers earn better wages and improve livelihoods Shaded coffee farms provide environmental services to surrounding environment and communities 	<ul style="list-style-type: none"> Internalization of cost of environmental degradation More stable local production systems Better local livelihoods Population have better access to environmental services
Global Benefits	<ul style="list-style-type: none"> Some sporadic investment in sustainability in coffee, but insufficient to reverse trends of conversion and intensification Biodiversity-rich coffee farms are transformed to other land use, leading to habitat loss Intensified coffee production abandons shade-coffee production model, leading to reduced habitat value Remaining natural areas lose connectivity provided by agro-forested production systems 	<ul style="list-style-type: none"> Proliferation and long-term sustainability of biodiversity-friendly shade coffee production systems Long-term maintenance of biodiversity in coffee habitat Shift in coffee company investment to promote conservation in coffee production Price premiums paid and favorable terms of trade offered for certified coffee as a reward for sustainability Farmers invest in conservation and sustainable production practices on their farms 	<ul style="list-style-type: none"> Conservation of biodiversity-friendly, low-impact production systems Habitat in agro-forest production systems are preserved and harbor increased amounts of species Conservation of habitat-value of larger coffee landscapes Coffee landscapes provide better buffer zones and connectivity between protected areas Catalyzed transformation of productive practices in coffee production Catalyzed transformation of coffee industry business practices to emphasize and internalize conservation and sustainability issues
Costs	Baseline:	Baseline:	GEF:
Outcome 1: Demand	USD 14,000,000 Estimated	USD 14,000,000	USD 3,804,925

Cost/Benefit	Baseline (B)	Alternative (A)	Increment (A-B)
for biodiversity-friendly coffee on international coffee markets has increased	investments by 20 exporters, importers and roasters in promotion and marketing of sustainable coffee within the coffee supply chain Total: USD 14,000,000	Co-Financing: USD 1,000,000: USAID (exec. by RA) USD 1,400,000: Kraft Foods (exec. by RA) USD 7,227,252: Company investments in promotion of sustainable coffee GEF: USD 3,804,925 Total: USD 27,432,177	Total: USD 3,804,925
Outcome 2: Consumer interest to purchase certified coffee increased	Baseline: USD 35,000,000 Estimated investments by 40 roasters and retailers in promotion and marketing of sustainable coffee Total: USD 35,000,000	Baseline: USD 35,000,000 Co-Financing: USD 400,000: USAID (exec. by RA) USD 350,000: Rainforest Alliance USD 9,392,106: Company investments in marketing of sustainable coffee to consumers GEF: USD 1,274,086 Total: USD 46,416,192	GEF: USD 1,274,086 Total: USD 1,274,086
Outcome 3: National capacities to certify all sizes of coffee farms in biologically rich production landscapes has increased	Baseline: USD 7,000,000 Estimated investments by five roasters and exporters annually to provide financial and technical assistance to farmers in achieving certification. Total: USD 7,000,000	Baseline: USD 7,000,000 Co-Financing: USD 800,000: USAID (exec. by RA) USD 2,800,000: Rainforest Alliance USD 4,433,020: Local NGOs USD 6,471,326: Company financing to support producers in getting certified GEF: USD 3,141,352 Total: USD 24,645,698	GEF: USD 3,141,352 Total: USD 3,141,352
Outcome 4:	Baseline:	Baseline:	GEF:

Cost/Benefit	Baseline (B)	Alternative (A)	Increment (A-B)
Economic sustainability of certified coffee farms has increased	<p>USD 24,000,000 Donor development support and technical assistance to farmers</p> <p>USD 16,000,000 NGO development support for coffee farmers</p> <p>USD 15,000,000 Coffee industry development support and technical assistance for coffee producers</p> <p>Total: USD 55,000,000</p>	<p>USD 55,000,000</p> <p>Co-Financing: USD 200,000: USAID (exec. by RA) USD 911,000: Gov't Institutions USD 13,000,000: National coffee organizations USD 55,827: NGO's USD 57,372,908: Company sustainability differentials paid to producers above regular market price (committed in writing): GEF: USD 1,898,735 Total: USD 128,438,470</p>	<p>Increment: USD 1,898,735</p> <p>Total: USD 1,898,735</p>
Outcome 5: Increased capacity to engage policy makers in coffee-producing and consuming countries in promoting sustainable coffee practices and to monitor and respond to policy initiatives/threats to sustainable coffee.	<p>Baseline: USD 1,750,000 Total: USD 1,750,000</p>	<p>Baseline: USD 1,750,000</p> <p>Co-Financing: USD 250,000: Rainforest Alliance USD 280,000: NGOs (ISEAL Alliance) USD 3,508,142: Companies GEF: USD 539,621 Total: USD 6,327,763</p>	<p>GEF: USD 539,621 Total: USD 539,621</p>
Outcome 6: Increased learning and adaptive management.	<p>Baseline: USD 3,500,000 Total: USD 3,500,000</p>	<p>Baseline: USD 3,500,000</p> <p>Co-Financing: USD 225,000: Rainforest Alliance GEF:</p>	<p>GEF: USD 1,341,281 Total: USD 1,341,281</p>

Cost/Benefit	Baseline (B)	Alternative (A)	Increment (A-B)
Cost Total	Baseline: USD 116,250,000 Total: USD 116,250,000	USD 1,341,281 Total: USD 5,066,281 Baseline: USD 116,250,000 Co-Financing: USD 110,076,581 GEF: USD 12,000,000 Total: USD 238,326,581	GEF: USD 12,000,000 Total: USD 12,000,000

PART II : Logical Framework Analysis

Table H: Project Logical Framework and Objectively Verifiable Impact Indicators

Project Strategy		Objectively verifiable indicators																																						
Goal	Increased conservation of globally important biodiversity in coffee landscapes by transformation of the coffee market in support of sustainable productive practices on coffee farms																																							
Project Objective	Indicator	Baseline	Target	Sources of verification	Risks and Assumptions																																			
Demand and sales of biodiversity-friendly coffee increases from niche to mainstream product allowing a significant growth in farms adopting biodiversity-friendly, sustainable productive practices and showing on-farm BD benefits.	<ol style="list-style-type: none"> Growth in habitat area under sustainable management on certified farms Increased populations of keystone species on certified farms show BD conservation benefits 	<p>93,000 hectares of coffee as of August 1, 2005</p> <p>Populations of keystone species on non-certified farms (see monitoring plan for species)</p>	<p>10% of area of world coffee production, plus conservation area on certified coffee farms, or 1,500,000 hectares by year 7. 5% or 750,000 ha by year 4</p> <p>Monitoring system established and operating by the end of year 1. By year 4 documented increase in keystone species on certified farms (see monitoring plan).</p>	<p>Certification records</p> <p>RAC Coffee Impact Monitoring System</p>	<p>Market fluctuations will not severely limit the interest of farmers in getting and staying certified</p> <p>Consumers and companies will maintain interest in sustainability issues</p>																																			
<p>Outcome 1 Demand for biodiversity-friendly coffee on international coffee markets has increased</p>	<ol style="list-style-type: none"> Volume of certified coffee sold Number of roasters of varying sizes buying certified coffee 	<p>30,000 metric tons per year</p> <p>Roaster baseline:</p> <table border="1"> <thead> <tr> <th>Category / size</th> <th>Roasted coffee in MT</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td>A 100k up</td> <td>0</td> <td>0</td> </tr> <tr> <td>B 10k- 100k</td> <td>0</td> <td>0</td> </tr> <tr> <td>C 5k to 10k</td> <td>1</td> <td>1</td> </tr> <tr> <td>D 1k to 5k</td> <td>0</td> <td>0</td> </tr> <tr> <td>E 1 to 1000</td> <td>82</td> <td>82</td> </tr> <tr> <td>Total</td> <td></td> <td>83</td> </tr> </tbody> </table>	Category / size	Roasted coffee in MT	Baseline	A 100k up	0	0	B 10k- 100k	0	0	C 5k to 10k	1	1	D 1k to 5k	0	0	E 1 to 1000	82	82	Total		83	<p>10% of total export market, or 500,000 metric tons per year in year 7. 5% or 250,000 by year 4</p> <p>Roaster targets:</p> <table border="1"> <thead> <tr> <th>category / size</th> <th>2013 Targets</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>1</td> </tr> <tr> <td>B</td> <td>5</td> </tr> <tr> <td>C</td> <td>5</td> </tr> <tr> <td>D</td> <td>25</td> </tr> <tr> <td>E</td> <td>300</td> </tr> <tr> <td>Total</td> <td>336</td> </tr> </tbody> </table>	category / size	2013 Targets	A	1	B	5	C	5	D	25	E	300	Total	336	<p>Client and products database report</p> <p>Client and products database report</p>	<p>Companies find increased reason to promote responsible sourcing policies</p>
Category / size	Roasted coffee in MT	Baseline																																						
A 100k up	0	0																																						
B 10k- 100k	0	0																																						
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<p>3. Number of outlets selling biodiversity-friendly, RAC coffee.</p>	<p>Point of Sale baseline (showing company categories of varying sizes):</p> <table border="1"> <thead> <tr> <th>category / size</th> <th>Number of outlets</th> <th>Baseline</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>10k up</td> <td>1</td> </tr> <tr> <td>B</td> <td>5k to 10k</td> <td>1</td> </tr> <tr> <td>C</td> <td>1k to 5k</td> <td>1</td> </tr> <tr> <td>D</td> <td>100 to 1000</td> <td>5?</td> </tr> <tr> <td>E</td> <td>1 to 100</td> <td>80?</td> </tr> <tr> <td>Total</td> <td></td> <td>88</td> </tr> </tbody> </table>	category / size	Number of outlets	Baseline	A	10k up	1	B	5k to 10k	1	C	1k to 5k	1	D	100 to 1000	5?	E	1 to 100	80?	Total		88	<p>Point of Sale targets:</p> <table border="1"> <thead> <tr> <th>category / size</th> <th>2013</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>6</td> </tr> <tr> <td>B</td> <td>10</td> </tr> <tr> <td>C</td> <td>20</td> </tr> <tr> <td>D</td> <td>50</td> </tr> <tr> <td>E</td> <td>500</td> </tr> <tr> <td>Total</td> <td>586</td> </tr> </tbody> </table>	category / size	2013	A	6	B	10	C	20	D	50	E	500	Total	586	<p>Client and products database report</p>	
category / size	Number of outlets	Baseline																																					
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<p>Outputs for Outcome 1</p> <p>1.1 Existing markets and market segments expanded</p> <p>1.2 Efficient information management enables scaling up number of certified coffee buyers</p> <p>1.3 New markets and new companies sell certified coffee.</p> <p>1.4 Coffee companies made aware of full range of benefits from engaging with certification</p> <p>1.5 Company employees embrace biodiversity-friendly coffee</p>	<p>1. Consumers in key markets increasingly recognize the seal.</p>	<p>Baseline survey to be done in key countries by several coffee companies at project inception.</p>	<p>Within five years after introduction of certified products on a market, 20% of coffee consumers will recognize the seal. By the end of year 2, project will have produced systems and materials to support company campaigns</p>	<p>Consumer surveys conducted every 2 years by coffee (retail) companies.</p>																																			
<p>Outcome 2</p> <p>Consumer interest to purchase certified coffee increased</p>	<p>1. Consumers in key markets increasingly recognize the seal.</p>	<p>Baseline survey to be done in key countries by several coffee companies at project inception.</p>	<p>Within five years after introduction of certified products on a market, 20% of coffee consumers will recognize the seal. By the end of year 2, project will have produced systems and materials to support company campaigns</p>	<p>Consumer surveys conducted every 2 years by coffee (retail) companies.</p> <p>Consumers increasingly find certified products a credible way for them to support sustainability and conservation of BD.</p> <p>Corporations that conduct consumer surveys on sustainability will share information with the project.</p>																																			

<p>Outputs for Outcome 2</p> <p>2.1 Roasters and retailers increase promotion of certified coffee to consumers</p> <p>2.2 Media in key markets writes stories about the benefits of biodiversity-friendly agriculture and certification.</p> <p>2.3 Key stakeholders support biodiversity-friendly agriculture.</p> <p>2.4 Large institutional consumers (such as Fortune 500 companies, large universities, government institutions) have sustainable procurement policies and source certified coffee, FSC paper and other sustainable products</p>	<p>Number of auditors</p> <p>RAC has obtained ISO 65 accreditation</p> <p>Increase in satisfaction levels with RAC among farmers who are audited for the first time</p> <p>Increased volume of certified coffee produced by smallholders.</p>	<p>Number (tbd) of auditors at project start date (in each of the 6 countries and combined);</p> <p>Initial phase of preparation to obtain accreditation</p> <p>Baseline survey will determine satisfaction levels among newly certified farmers</p> <p>23% of total certified production comes from smallholders</p>	<p>Number of auditors has doubled by year 3 and tripled by year 7</p> <p>By year 2, RAC has been ISO 65 accredited</p> <p>Dissatisfaction has been reduced by 40% in year 4 and 67% in year 7</p> <p>30% of total certified production comes from smallholders in year 7</p> <p>By the end of year 2, group certification system is fully developed and auditors trained in its application</p>	<p>Auditor training workshop records.</p> <p>ISO accreditation</p> <p>Annual survey.</p> <p>Certification records</p>	<p>Local agricultural technical assistance providers are willing to receive training in certification standards and provide technical assistance to producers.</p>
<p>Outcome 3</p> <p>National capacities to certify all sizes of coffee farms in biologically rich production landscapes has increased</p>					
<p>Outputs for Outcome 3</p> <p>3.1 Producers implement changes required to get certified.</p> <p>3.2 Biodiversity threats are reduced due to changes implemented by producers involved in program</p> <p>3.3 Capacity has been built to manage growth in certification</p>					

<p>3.4 Local capacity created for technical extension service in implementation of standards</p> <p>3.5 A group certification system developed and applied</p>	<p>Outcome 4 Economic sustainability of certified coffee farms has increased</p>	<p>Certified farmers earn better prices than comparable non-certified farmers</p> <p>Certified farmers feel certification has helped improve their ability to survive a future coffee crisis</p>	<p>Baseline information will be collected during the harvest/sales season in year 1.</p> <p>Baseline information will be collected in year 1 through a study of certified farmers</p>	<p>In year 3, at least 50% of farmers earn a clearly detectable price premium. By year 7, 67% of farmers earn a premium</p> <p>By year 3, 50% of farmers feel better prepared. By year 7, 80% of farmers feel better prepared</p>	<p>Benchmark studies track a representative group of farmers</p> <p>Annual surveys of certified farmers</p>	<p>Certified farms will be willing to share price with project partners.</p> <p>Coffee industry is willing to continue to reward certified sustainable coffee</p>
<p>Outputs for Outcome 4</p> <p>4.1 Best Management Practices collected and promoted among certified farmers</p> <p>4.2 Access to markets for certified products improved for certified farmers</p> <p>4.3 Farmers' access to financing (particularly for small producers) has been improved through partnerships with financing institutions and programs</p> <p>4.4 Coffee quality improvement techniques promoted with producers</p> <p>4.5 Sustainable terms of trade promoted throughout the supply chain</p> <p>4.6 Good business, marketing and sales practices promoted with producers</p>	<p>1. Number of policy initiatives/threats addressed in major coffee producing and coffee consuming countries; extent of</p>	<p>RAC partners have limited influence on policy issues.</p>	<p>By year 6, effective response to policy opportunities and threats to facilitate greater demand for RAC coffee.</p>	<p>Periodic reports from the various policy initiatives; media coverage.</p>	<p>Policy makers will be willing to engage with the project partners in the various countries/</p>	
<p>Outcome 5 Increased capacity to engage policy makers in coffee-producing and consuming countries in promoting sustainable coffee practices and to monitor and respond to policy</p>						

<p>initiatives/threats to sustainable coffee.</p>	<p>success in addressing these (high, medium, low).</p> <p>2. Policy working groups formed with relevant public, private and research organizations in each of the 6 project countries (over time the priority policy issues that have been identified and the extent to which they've been addressed).</p>	<p>During the project inception, current levels of policy-level activity/engagement will be determined for each of the 6 countries.</p>	<p>By end of year 2, policy working groups established in the 6 project countries and at least one policy issue identified as a priority.</p>	<p>Periodic written reports from these groups stating the opinion of group members regarding the extent to which they feel the group is being effective.</p>	<p>markets.</p>
<p>Outputs for Outcome 5 5.1 Policies implemented and policy threats mitigated in producing countries 5.2 Fiscal incentives implemented by project country governments 5.3 Policies implemented and policy threats mitigated in consuming countries</p>	<p>1. Systematic information is available to document the impact of certification on biodiversity and social-economic conditions.</p> <p>2. Learning enables improved strategic planning and program design and implementation.</p>	<p>Currently only sporadic measure of the impacts of the certification system</p> <p>No widespread or systematic use of adaptive management.</p>	<p>By year 2, systematic information is generated annually in each project country. By year 5, clear evidence has been obtained of the biodiversity benefits in coffee</p> <p>By year 2, clear evidence of adaptive management leading to changes in the design and implementation of program activities.</p>	<p>Decisions taken in yearly strategic planning exercises</p> <p>Yearly reports from Impact Monitoring Program</p>	
<p>Outcome 6 Increased learning and adaptive management</p> <p>Outputs for Outcome 6 6.1 Monitoring program established in all project countries 6.2 Landscape level planning and monitoring established in two pilot countries 6.3 Adaptive management and</p>					

<p>strategic planning system established at project and certification system levels</p> <p>6.4 Lessons learned and impact data are gathered, documented and disseminated to key internal and external audiences.</p> <p>6.5 Multi-stakeholder consultation and involvement at country and international levels secures inputs in certification program and standard setting process.</p>					
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Table I: Indicative Main/Strategic Activities

No.	Output	Main/strategic activities
1.1	Existing markets and market segments expanded.	<ul style="list-style-type: none"> • Develop marketing materials and make available to companies on business to business web portal. These promotional, educational, and informational materials will be geared toward specific market segments. Easily downloadable and available in multiple languages. Will include materials for retailers, roasters, and importers. Some printed versions will also be produced. • Provide individualized assistance to larger companies with stakeholder outreach and crafting their public message about their certified coffee products. • Launching events in collaboration with companies. Many companies organize their own PR events to publicly launch new certified products. The project will provide a range of support to these events. • Conferences and Tradeshows. Includes sharing a booth with a client at a tradeshow, presenting together with a client on a conference panel. • Hold an annual meeting and sustainable coffee breakfast for all participants in the supply chain for certified coffee at Specialty Coffee Association of America annual conference.
1.2	Efficient information management enables scaling up number of certified coffee buyers.	<ul style="list-style-type: none"> • Efficient information management is the key strategy for scaling up the number of buyers of certified coffee. Information systems will enable hundreds of companies to connect to the certification program and access resources without requiring staff to provide this service. In addition to the business to business web portal, this includes client relationship management software, consumer web portal including interactive maps. • Web-based sales tracking and product traceability tool. Providing on-line registration of availability and sales of certified products, this tool will help to track sales of product and use of seal, and will allow producers and buyers to better connect. • Seal management systems. Includes registration of seal in new markets, further development and implementation of use of seal guidelines, guidance materials for companies. • Marketing planning. Every two years the project will conduct market research to create updated marketing plan.
1.3	New markets and new companies sell certified coffee.	<ul style="list-style-type: none"> • Conduct personal meetings with potential companies. • Conferences and tradeshows – Marketing staff attend, present and/or host booth at the most relevant shows for each segment in each region. As a result meet potential new clients and raise profile of program. • Create tools to attract new companies. This includes a series of materials needed to make the case for certification. Includes regularly updated CD ROM and DVD, material showing the benefits of certification, brochures for different market segments in multiple languages, and presentation tools. • Create business to business web portal. This would be an on-line resource for companies

		<p>to learn about certification and download materials to help promote their certified products. Would include on-line registration, information about where to buy certified coffee, information on logo use, electronic newsletter, materials resource center.</p> <ul style="list-style-type: none"> • Media outreach to industry trade publications. Develop relationships with editors, pitch stories, write stories. There are trade publications for each segment of the market, so the outreach strategy will be targeted to these different segments.
1.4	Coffee companies made aware of full range of benefits from engaging with certification.	<ul style="list-style-type: none"> • Companies considering buying certified products need to understand how they will benefit, and once they are buying they need to promote the concepts behind the seal. A key marketing strategy is to provide better information to make these arguments. • Strengthen business case for buying certified products. Produce case studies, stories from the field. • Produce data on impacts in the field from monitoring system, case studies, collaboration with other research efforts. • Produce materials detailing benefits to companies.
1.5	Company employees embrace biodiversity-friendly coffee.	<ul style="list-style-type: none"> • Roaster sales staff training and motivation. Develop materials, such as sell sheet, frequently asked questions sheet, PP presentation or DVD, and brochure targeting respective client base (supermarkets or foodservice) will be developed for companies to use for internal training purposes. For key partners, staff will present materials in person at headquarters during company's annual national meeting. • Roaster retailer sales staff training and motivation. For roaster retailer companies the marketing team will develop very simple educational materials and message about the program for companies to use in their internal training of baristas and frontline employees. For key partners in this segment (i.e. Caribou, Timothy's, Gloria Jeans), the marketing team will attend national store manager or franchisee meeting to present program personally. • Farm tours. Includes two types of programs. For personnel within key partner companies marketing staff will help develop trip agenda, organize logistics, and accompany trip to educate key partner staff about certification. Approximately four trips per year. The second program would be a "Prize tour" for top selling retail salespeople. In this program marketing staff will create the concept and tour for companies interested in providing this incentive to employees. Companies pay for the actual cost of the tours.
2.1	Roasters and retailers increase promotion of certified coffee to consumers.	<ul style="list-style-type: none"> • Consumer incentive and loyalty program. Provide concept design and on-line materials for companies to offer consumers incentives to purchase certified coffee, such as frequency cards, raffles, contests, giveaways. Companies implement programs. • Design sample point of sale materials and other promotional materials that retailers can use to increase sales, available for download on business to business web portal. • Design and provide on-line guidance materials on how to conduct certified coffee tastings. • Develop partnerships with other entities to stimulate sales through coupons for certified coffee.

2.2	Media in key markets writes stories about the benefits of biodiversity-friendly agriculture and certification.	<ul style="list-style-type: none"> • General media outreach. Communications staff and project consultants will identify key media contacts, write and send press releases, hold press conferences and media events in consuming countries. Conduct media outreach to provide support to companies' consumer campaigns. • Expand media work in Europe and to Japan and other emerging markets through local pr/media consultants. Develop relationships with media in new geographic locations globally as companies expand their certified coffee sales to new markets. • Conduct media tours to farms. Communications staff will organize trips for U.S. and European media representatives to visit coffee farms. Journalists will pay their expenses, and staff will arrange logistics and accompanies the journalists to the farm to educate about certification. • Identify and engage global celebrity spokespeople and endorsements. • Produce communications support materials – coffee information newsletter, website articles, farm profiles, eco-index, and fact sheets – in the languages of the key markets. Available in print an on-line. • During the seven year project an increased use of new media and internet related work is anticipated as a key strategy for increasing awareness. This may include streaming video from certified farms into coffee shops, coffee blogs, viral marketing, video press conferencing, a more interactive website.
2.3	Key stakeholders support biodiversity-friendly agriculture.	<ul style="list-style-type: none"> • Create concept promotion partnerships with NGOs focused on conservation, rural development, and poverty alleviation. These partners will help promote, explain, defend, and endorse the concept of biodiversity-friendly agriculture to their members, government institutions, companies, and other key stakeholders. • Strengthen collaborative and constructive relationships with other certification schemes through regular meetings to promote harmonization between standards, audit practices, media outreach and other areas where certification schemes are likely to be able to find synergy effects. Increased collaboration will be to the benefits for certification organizations, farmers, companies and consumers • Student outreach toolkit. An on-line tool to engage this powerful group of activists, thought and trend leaders. Will focus on ways students can support conservation and sustainable coffee.
2.4	Large institutional consumers (such as Fortune 500 companies, large universities, government institutions) implement sustainable procurement policies and source certified coffee, FSC paper and other sustainable products.	<ul style="list-style-type: none"> • SmartSource. Program to attract interest of institutional buyers. Hold direct meetings with companies, participate in CSR conferences, help companies develop procurement policies. • Student campaigns. Work with student groups identified through on-line student toolkit to encourage universities to adopt certified products.
3.1	Producers implement changes required to get certified.	<ul style="list-style-type: none"> • Produce educational materials for producers focused on the standards explaining how to implement required changes on the farm. Includes printed manuals, instructional DVD where the standards and practices are explained (before and after examples) and the

		<p>farmer is run through an audit, improved on-line accessibility of information to producers.</p> <ul style="list-style-type: none"> • The project will conduct workshops to train producers in how to get certified. Workshop series will focus in-depth on how to implement different aspects of the certification standards. • The project will conduct introductory workshops/meetings to provide a general overview of the standards. • Presentations on certification to industry associations, farmer groups, cooperatives. • Develop case studies on the benefits to farmers beyond price premiums and incorporate into promotional materials for farmers.
3.2	Biodiversity threats are reduced due to changes implemented by producers involved in program.	<ul style="list-style-type: none"> • Conduct annual strategic planning/adaptive management workshops for each coffee region to determine landscape level threats and identify ways to best address these threats and maximize biodiversity impacts through training and certification activities and other planned project interventions. • Incorporate specific biodiversity threat reduction elements tailored to each landscape into workshops training producers in how to get certified. These elements will change over time based on feedback from adaptive management system.
3.3	Capacity has been built to manage growth in certification	<ul style="list-style-type: none"> • Business planning. Create and periodically update business plans for each network partner. Improve and adapt certification fee structure to improve long-term financial sustainability of certification system. • Strengthen individual partners to accommodate growth, as identified in business planning process. Install permanent capacity to deliver certification services in Peru, where there is no current partner. • Consolidate and strengthen network secretariat functions. Implement systems and achieve ISO 65 and EurepGap accreditation. • Improve use of on-line information systems to streamline audit and reporting process.
3.4	Local technical extension service providers provide support to producers in implementation of the standards.	<ul style="list-style-type: none"> • Explore and establish partnerships with existing technical assistance providers in each country. The project will provide in-depth training in meeting the standards to external and internal technical assistance providers. • Annual train the trainers workshops to update the knowledge of technical assistance providers, including the local NGO partners. Certification standards and procedures evolve, and new techniques develop. This training would ensure that all technical assistance providers have access to the most up to date knowledge. • Database of technical assistance providers. Provides farmers with on-line access to information on local TA providers.
3.5	Groups of producers are able to get certified through group certification system.	<ul style="list-style-type: none"> • Develop educational materials for groups in how to implement internal control systems. Internal control systems are the administrative control function that provides an outside certification auditor with assurance that a group is well managed, allowing the auditor to select only a portion of the group for auditing instead of visiting every farm. • Workshops and information meetings to train groups in how to implement internal control

		<p>systems. Informational meetings would provide a general overview of what is required to implement an internal control system, and workshops would provide in-depth training in the concept.</p> <ul style="list-style-type: none"> • Presentations to cooperative associations. These presentations would introduce groups to the group certification process. • Identify, collect and document best management practices on certified farms. Certification requires a farm to implement continuous improvement, which often creates a culture of innovation on the farm. The project will capture and disseminate these innovations. • Training materials and events. Develop manuals on identified best management practices, incorporate into training workshops. Facilitate farmer exchanges. Create opportunities for farmer to farmer training. • Produce informational materials for producers on how to increase their access to the market for certified products. Deliver this information through the website and through annual marketing workshop for producers in each project country. • Traceability database will allow exporters and other buyers to more easily identify certified coffee available. • Supply chain coordinators. Staff members with detailed knowledge of the market who attend conferences, workshops, and individual meetings to link producers to buyers. • Partnership with credit institutions and programs. Project management staff and National Coordinators will identify credit institutions and programs that are interested in making biodiversity-friendly loans, educate them about the certification program, and create partnerships. • Information on availability of financing. On-line and printed materials to help farmers understand availability of and access to financing from partner institutions. • Local cupping events. Promotional events in each country where certified producers are invited to submit samples of product to be evaluated by a professional coffee “cupper” (taster). Industry and media representatives are invited to the event, and the results are released to the media. • International cupping event (local and international cupping events also benefit output 4.2). Annual event in the U.S. timed to make announcement of winner at the annual SCAA conference. Similar to the local events but including all certified producers, internationally recognized cuppers, and international media. • Write and produce guidance for producers on best practices to improve quality. Include in market access materials and workshops for producers. • Create partnerships with local TA providers such as CQI and local coffee associations to incorporate topic into planned producer training activities, such as the marketing workshops. • Quality practices evaluations in audits. This would be voluntary at first, and then
4.1	Increased sharing and implementation of Best Management Practices.	<ul style="list-style-type: none"> • Presentations to cooperative associations. These presentations would introduce groups to the group certification process. • Identify, collect and document best management practices on certified farms. Certification requires a farm to implement continuous improvement, which often creates a culture of innovation on the farm. The project will capture and disseminate these innovations. • Training materials and events. Develop manuals on identified best management practices, incorporate into training workshops. Facilitate farmer exchanges. Create opportunities for farmer to farmer training. • Produce informational materials for producers on how to increase their access to the market for certified products. Deliver this information through the website and through annual marketing workshop for producers in each project country. • Traceability database will allow exporters and other buyers to more easily identify certified coffee available. • Supply chain coordinators. Staff members with detailed knowledge of the market who attend conferences, workshops, and individual meetings to link producers to buyers. • Partnership with credit institutions and programs. Project management staff and National Coordinators will identify credit institutions and programs that are interested in making biodiversity-friendly loans, educate them about the certification program, and create partnerships. • Information on availability of financing. On-line and printed materials to help farmers understand availability of and access to financing from partner institutions. • Local cupping events. Promotional events in each country where certified producers are invited to submit samples of product to be evaluated by a professional coffee “cupper” (taster). Industry and media representatives are invited to the event, and the results are released to the media. • International cupping event (local and international cupping events also benefit output 4.2). Annual event in the U.S. timed to make announcement of winner at the annual SCAA conference. Similar to the local events but including all certified producers, internationally recognized cuppers, and international media. • Write and produce guidance for producers on best practices to improve quality. Include in market access materials and workshops for producers. • Create partnerships with local TA providers such as CQI and local coffee associations to incorporate topic into planned producer training activities, such as the marketing workshops. • Quality practices evaluations in audits. This would be voluntary at first, and then
4.2	Certified farmers have improved access to markets for certified products.	<ul style="list-style-type: none"> • Presentations to cooperative associations. These presentations would introduce groups to the group certification process. • Identify, collect and document best management practices on certified farms. Certification requires a farm to implement continuous improvement, which often creates a culture of innovation on the farm. The project will capture and disseminate these innovations. • Training materials and events. Develop manuals on identified best management practices, incorporate into training workshops. Facilitate farmer exchanges. Create opportunities for farmer to farmer training. • Produce informational materials for producers on how to increase their access to the market for certified products. Deliver this information through the website and through annual marketing workshop for producers in each project country. • Traceability database will allow exporters and other buyers to more easily identify certified coffee available. • Supply chain coordinators. Staff members with detailed knowledge of the market who attend conferences, workshops, and individual meetings to link producers to buyers. • Partnership with credit institutions and programs. Project management staff and National Coordinators will identify credit institutions and programs that are interested in making biodiversity-friendly loans, educate them about the certification program, and create partnerships. • Information on availability of financing. On-line and printed materials to help farmers understand availability of and access to financing from partner institutions. • Local cupping events. Promotional events in each country where certified producers are invited to submit samples of product to be evaluated by a professional coffee “cupper” (taster). Industry and media representatives are invited to the event, and the results are released to the media. • International cupping event (local and international cupping events also benefit output 4.2). Annual event in the U.S. timed to make announcement of winner at the annual SCAA conference. Similar to the local events but including all certified producers, internationally recognized cuppers, and international media. • Write and produce guidance for producers on best practices to improve quality. Include in market access materials and workshops for producers. • Create partnerships with local TA providers such as CQI and local coffee associations to incorporate topic into planned producer training activities, such as the marketing workshops. • Quality practices evaluations in audits. This would be voluntary at first, and then
4.3	Farmers’ access to financing (particularly for small producers) has been improved through partnerships with financing institutions and programs.	<ul style="list-style-type: none"> • Presentations to cooperative associations. These presentations would introduce groups to the group certification process. • Identify, collect and document best management practices on certified farms. Certification requires a farm to implement continuous improvement, which often creates a culture of innovation on the farm. The project will capture and disseminate these innovations. • Training materials and events. Develop manuals on identified best management practices, incorporate into training workshops. Facilitate farmer exchanges. Create opportunities for farmer to farmer training. • Produce informational materials for producers on how to increase their access to the market for certified products. Deliver this information through the website and through annual marketing workshop for producers in each project country. • Traceability database will allow exporters and other buyers to more easily identify certified coffee available. • Supply chain coordinators. Staff members with detailed knowledge of the market who attend conferences, workshops, and individual meetings to link producers to buyers. • Partnership with credit institutions and programs. Project management staff and National Coordinators will identify credit institutions and programs that are interested in making biodiversity-friendly loans, educate them about the certification program, and create partnerships. • Information on availability of financing. On-line and printed materials to help farmers understand availability of and access to financing from partner institutions. • Local cupping events. Promotional events in each country where certified producers are invited to submit samples of product to be evaluated by a professional coffee “cupper” (taster). Industry and media representatives are invited to the event, and the results are released to the media. • International cupping event (local and international cupping events also benefit output 4.2). Annual event in the U.S. timed to make announcement of winner at the annual SCAA conference. Similar to the local events but including all certified producers, internationally recognized cuppers, and international media. • Write and produce guidance for producers on best practices to improve quality. Include in market access materials and workshops for producers. • Create partnerships with local TA providers such as CQI and local coffee associations to incorporate topic into planned producer training activities, such as the marketing workshops. • Quality practices evaluations in audits. This would be voluntary at first, and then
4.4	Certified producers implement coffee quality improvement techniques.	<ul style="list-style-type: none"> • Presentations to cooperative associations. These presentations would introduce groups to the group certification process. • Identify, collect and document best management practices on certified farms. Certification requires a farm to implement continuous improvement, which often creates a culture of innovation on the farm. The project will capture and disseminate these innovations. • Training materials and events. Develop manuals on identified best management practices, incorporate into training workshops. Facilitate farmer exchanges. Create opportunities for farmer to farmer training. • Produce informational materials for producers on how to increase their access to the market for certified products. Deliver this information through the website and through annual marketing workshop for producers in each project country. • Traceability database will allow exporters and other buyers to more easily identify certified coffee available. • Supply chain coordinators. Staff members with detailed knowledge of the market who attend conferences, workshops, and individual meetings to link producers to buyers. • Partnership with credit institutions and programs. Project management staff and National Coordinators will identify credit institutions and programs that are interested in making biodiversity-friendly loans, educate them about the certification program, and create partnerships. • Information on availability of financing. On-line and printed materials to help farmers understand availability of and access to financing from partner institutions. • Local cupping events. Promotional events in each country where certified producers are invited to submit samples of product to be evaluated by a professional coffee “cupper” (taster). Industry and media representatives are invited to the event, and the results are released to the media. • International cupping event (local and international cupping events also benefit output 4.2). Annual event in the U.S. timed to make announcement of winner at the annual SCAA conference. Similar to the local events but including all certified producers, internationally recognized cuppers, and international media. • Write and produce guidance for producers on best practices to improve quality. Include in market access materials and workshops for producers. • Create partnerships with local TA providers such as CQI and local coffee associations to incorporate topic into planned producer training activities, such as the marketing workshops. • Quality practices evaluations in audits. This would be voluntary at first, and then

		investigate the feasibility of revising audit standards and make quality practices a formal part of certification.
4.5	Sustainable terms of trade between certified coffee buyers and sellers included in purchase contracts.	<ul style="list-style-type: none"> Disseminate results of IISD research. Printed materials for different segments of the supply chain outlining and recommending sustainable terms of trade. Incorporate information into presentations, public information materials, website. Incorporate recommendations into the certification system when possible. Disseminated in useful ways to the farmers (toolkit) and industry (e.g. articles) Business tools for farmers. Instructional DVD for certified farmers which contains information on financing, business practices, quality improvement. Farm management software (ABC not PhD), and annotated farm management plan template and example. Provide guidance on improving farm management plans to include more business elements and standardizing those plans with other certification and verification programs (organic, Starbucks, Utz). Partnerships with local providers of business skills training. Incorporate topic (with assistance providers) into workshop series or other training. Marketing and sales topics will be included in the marketing toolkit for producers.
4.6	Producers improve business, marketing and sales practices.	<ul style="list-style-type: none"> Hire consultant to conduct study on some of the “best practices” in policies that partners could use to present to government agencies. Dialogue with national authorities to give inputs to policy formulation processes Policy working groups formed with relevant public, private and research organizations in each of the project countries. UNDP Country Offices to provide support in these efforts as appropriate.
5.1	Policies implemented and policy threats mitigated in producer countries.	<ul style="list-style-type: none"> Baseline study of fiscal incentives that affect sustainable coffee in producing countries National Coordinators promote fiscal incentives to local governments. Create policy monitoring partnerships with NGOs, companies, and other organizations, and coordinate with corporate and ngo partners to identify threats to and opportunities for biodiversity-friendly agriculture. “Rapid response team” of legal, program, communications and executive staff respond to threats as they arise. Policy Coordinator will actively seek support for certification standards from European governments. Policy Coordinator will seek support from UNDP in these efforts as appropriate.
5.2	Fiscal incentives implemented by project country governments.	<ul style="list-style-type: none"> Adaptive management system implemented at farm level in all countries. Establish baseline indicators and detailed monitoring plans for each country for 7 year period. Determine how to better use certification auditing system to collect monitoring data.
5.3	Policies implemented and policy threats mitigated in consuming countries.	<ul style="list-style-type: none"> Initial strategic planning workshops determine landscape level threats and develop plans
6.1	Monitoring program established in all project countries	
6.2	Landscape level planning and monitoring established in two	

	pilot countries	<p>to address through project interventions.</p> <ul style="list-style-type: none"> • Establish baselines for pilot countries – repeat El Salvador strategic planning model. • Adaptive management system implemented at landscape level in pilot countries.
6.3	Adaptive management and strategic planning system established at project and certification system levels.	<ul style="list-style-type: none"> • Analyze data from monitoring system and identify needs for adapting project interventions and certification systems. • Incorporate into annual planning process. Build learning into adjustments of standards, certification system, program interventions.
6.4	Lessons learned and impact data are gathered, documented and disseminated to key internal and external audiences.	<ul style="list-style-type: none"> • Gather data and write case studies on impacts. • Publish articles and other documents on lessons learned. • Conduct workshops in year 3 and 6 to share lessons learned and impacts. • Key audiences: Rainforest Alliance Agriculture program and local NGO partners, other Rainforest Alliance programs, coffee sector stakeholders, other certification systems, decision makers – policy, donor, NGOs, media.
6.5	Multi-stakeholder consultation and involvement at country and international levels secures inputs in certification program and standard setting process.	<ul style="list-style-type: none"> • Coordination mechanism developed between National Coordinators and local stakeholders, including government agencies, industry associations, and others to provide regular communication on certification program activities and receive feedback and input. • Establish and coordinate local and international standards and policy advisory groups that provide general input, technical expertise and guidance regarding standards content and related policies. • Facilitate harmonization with other standards. • Coordinate and provide guidance for the development and implementation of local and international certification standards, policies and procedures. • Coordinate local and international stakeholder consultation on new standards, local standards, and standards updates.

SECTION III : Total Budget and Workplan

BUDGET CONSIDERATIONS

503. The PDF B phase for this project has been tremendously successful. Having worked to build the coffee certification system for more than a decade, it is only within the last years that the coffee world has begun to see its full potential, in terms of improving sustainability and protecting biodiversity in diverse coffee landscapes. With relatively modest resources and a small group of people, the coffee certification program has already achieved truly unusual results, won respect within the coffee community, and opened the doors to an enormous growth potential.

504. The PDF B process has enabled the project to look beyond the current situation to assess the future of the coffee certification program and to understand the challenges and opportunities from a long-term perspective. The chance of being able to plan growth over the next 7 years is a rare opportunity for an NGO-led program, and the process has clearly given a new dimension to the program to the extent that the future of the certification program very much depends on the current project proposal.

505. Working together during the planning phase, Rainforest Alliance and UNDP came to recognize that realizing the full potential impact of sustainable coffee certification for biodiversity in coffee landscapes would take a more ambitious project intervention than was anticipated in the early stages of Concept development. There are a series of reasons why it was found that the project needed to increase its scope.

- The approved Concept document was approved in November 2003, almost two years ago. Since then, the certification program has been in rapid growth. Two years ago certified products were available in approximately 1,000 sales outlets, whereas the current number is 20,000. A total of certified hectares were 23,000, which has grown to 93,000 hectares. Certified hectares increased by 57,000 in the last year alone. Correspondingly, what seemed like tremendous growth opportunities just two years ago has long since been surpassed, and the certification program has justified expectations of impacts at a much larger scale.
- Reflecting the new opportunities which were analyzed during the PDF B process, targets for project intervention were set substantially higher than what was thought possible by the time of Concept development. Direct conservation benefits by transformation of productive practices on 1.5 million hectares of mostly shade-coffee production in some of the World's most rich and endangered hotspots, and certifying ten percent of world coffee production within a limited timeframe, seemed a powerful justification for a larger project intervention
- The response to the project from coffee companies has been overwhelming. Some of the largest and most innovative companies in the coffee world have offered to be a partner in the project, helping and contributing to develop activities and products. Strong company interest has raised expectations, but it has also sharply raised chances of impact.
- Project countries were expanded from five to six to be able to cover the six largest Latin American producers, which are all among the world's top-ten producers. While targeting these major producer countries is a challenge, the massive coffee sectors in these countries are also an opportunity to maximize impact.
- Project Coffee Regions were defined as much larger landscapes than originally envisioned, because it was recognized that it would take enormous increase in certification to satisfy future

demand. The eight PCR's together amount to almost the size of Germany, within four of the most biodiverse, but threatened, hotspots on earth.

- Finally, project duration was increased from 5 to 7 years to allow time for markets and producers to mature their commitment to sustainability.

506. Rainforest Alliance and UNDP agreed that the amount stipulated in the Concept document – USD 5 million – had perhaps been underestimated at the time of Concept development, but also that the potential of the certification program had seriously outgrown the scope of the project as laid out in the Concept paper. It was concluded that a budget range as the originally stipulated would not be sufficient to catalyze impact on the scale desired and now realistic. For a large, regional project, which will work both with biodiversity conservation at coffee supply side, as well as demand side on international coffee markets, in collaboration with numerous, large coffee companies, a larger budget of USD 12 million will be needed. This amount has been determined based on detailed costing of planned project outputs and activities.

COFINANCING AND LEVERAGING POTENTIAL

507. The requested GEF investment is not only justified because of the large area which will be protected through project activities, but also because of the substantial co-financing and leveraging potential of the project design model. This financing will catalyze a lasting change in the coffee industry and help effectively mainstream biodiversity and sustainability concerns in productive practices on coffee farms.

508. On-farm improvements to achieve certification require considerable investment on the part of the farmer. The ability to leverage large amounts of private sector investments in biodiversity-friendly productive practices is one of the key strength of the certification system. During the PDF B, ten farms and cooperatives in six countries were surveyed about the investments they had made to qualify for certification. The farms and cooperatives covered a total productive area of almost six thousand hectares. The average investments per farm ranged from USD 400 per hectare to almost USD 1000 per hectare, usually invested over 1-3 years, and the average total investment per hectare for all the farms was USD 545¹. As the project will help increase certified production area from 93,000 to one million hectares over the project's lifetime, and assuming a similar investment pattern for future certified farmers, the increase in certified area represents a private sector investment of **USD 494 million** – or more than forty times the GEF investment. This is what private producers – large and small – will invest in sustainability and on-farm biodiversity conservation as a result of the GEF intervention.

509. The project will also catalyze large investments by coffee companies that pay premiums above the normal New York Board of Trade “C” price, to reward the sustainability and conservation measures taken on coffee farms. This in fact represents a payment for environmental services, which will continue to encourage farmers to produce in a sustainable manner. In a study conducted during the PDF B phase, it was found that certified farmers were paid an average of USD 12 cents per pound of coffee sold. Even if a more conservative estimate of future premiums of USD 10 cents per pound is used, premiums paid to certified farmers will amount to **USD 363 million** during the project's lifetime.

510. The value of the increased amount of RAC coffee traded on international markets as a result of this project intervention is considerable. Using the New York Board of Trade historical average “C” coffee price over the last ten years, the price that will be paid to farmers for RAC coffee during the

¹ Note that the system does not require investments of this scale to become certified. Also, this is mostly a one-time investment to qualify for certification. It is anticipated that the producer will enjoy efficiency gains and benefits in the market place in the longer term which will make the investments worthwhile.

project's seven year lifetime amounts to **USD 3.723 billion**. This amount represents the shift in private sector purchases from non-sustainable products to products produced under biodiversity-friendly production practices. The amounts leveraged in farmer investments, in price premiums, and in shifts in purchases from unsustainable to sustainable coffee show the potential of engaging the largest crop commodity industry in the world in sustainable practices.

511. The project design would catalyze healthy amounts of co-financing, more than USD 110 million confirmed in writing. This amount does not accurately reflect real co-financing amounts in the coffee sector, but rather the project's ability to capture investments in written co-financing letters. Coffee companies invest in all this project's outcome categories: in promoting sustainable coffee through the supply chain, and with consumers; assisting producers in getting certified, and with strengthening economic sustainability through improvement of farm practices. The larger companies invest in policy dialogue to further a policy environment favorable for sustainable products, and in research and pilot projects to increase knowledge of how to achieve sustainability in their business.

512. Coffee is arguably the most important crop for biodiversity in the tropics, but there are few, or perhaps no other certification system which leverage similar shifts in private sector investments, or which can offer the potential to transform the coffee sector by offering market driven incentives to change. This is the reason the GEF should finance the project intervention at the requested level

**Total Budget and Workplan
Award: 00044021**

**Award Title: PIMS 3083 BD FSP Regional: BD Conservation in Coffee Production
Project ID: 00051603**

GEF Outcome/Atlas Activity	Respons Party	Source of Funds	ERP/ATLAS Budget Description	Amount 2006 (USD)	Amount 2007 (USD)	Amount 2008 (USD)	Amount 2009 (USD)	Amount 2010 (USD)	Amount 2011 (USD)	Amount 2012 (USD)	Amount 2013 (USD)	Total (USD)			
				(7 months)						(5 months)					
OUTCOME 1: Demand for biodiversity-friendly coffee on international coffee markets has increased	Rainforest Alliance	GEF	74200 Audio Visual and Printing Production Costs	66,000	55,000	11,000	0	0	0	0	0	0	132,000		
			71200 International Consultants	88,000	205,920	172,515	86,615	38,605	26,766	0	0	0	0	618,421	
			71300 Local Consultants	307,570	506,836	503,017	550,282	374,682	156,138	40,247	7,432	0	0	2,446,204	
			71600 Travel	11,000	66,000	66,000	66,000	33,000	55,000	0	0	0	0	297,000	
			72100 Contractual services - companies	137,500	55,000	38,500	44,000	0	0	0	0	0	0	275,000	
			72200 Equipment and furniture	3,300	5,500	4,400	0	0	0	0	0	0	0	13,200	
			72500 Supplies	3,300	3,300	3,300	0	0	0	0	0	0	0	9,900	
			73100 Rental and Maintenance - Premises	3,300	3,300	3,300	3,300	0	0	0	0	0	0	0	13,200
			Sub-total GEF	619,970	900,856	802,032	750,197	446,287	237,904	40,247	7,432	0	0	0	3,804,925
				USAID											1,000,000
	Kraft Foods											1,400,000			
	Kraft Foods											3,599,369			
	Caribou Coffee											1,145,585			
	UCC Ueshima Coffee Company, Ltd.											127,400			
	Boyd Coffee Company											122,130			
	Luigi Lavazza S.p.A.											407,100			
	Drie Molten Holding B.V.											610,651			
	DR Wakefield and Company											8,142			
	Mathiew Algic & Company Limited											830,485			
	Royal Cup Coffee											376,390			
	Sub-total co-financing											9,627,252			
	Outcome 1 (GEF+ Co-financing)											13,432,177			
OUTCOME 2: Consumer interest to purchase RA certified coffee has increased	Rainforest Alliance	GEF	74200 Audio Visual and Printing Production Costs	27,500	49,500	55,000	33,000	16,500	11,000	11,000	11,000	0	214,500		
			71200 International Consultants	139,627	206,378	134,205	46,524	0	0	0	0	0	0	526,734	
			71300 Local Consultants	19,800	30,887	22,486	8,352	0	0	0	0	0	0	81,525	
			71600 Travel	16,500	33,000	33,000	33,000	5,500	0	0	0	0	0	121,000	
			73100 Rental and Maintenance - Premises	33,000	33,000	33,000	33,000	33,000	0	0	0	0	0	0	214,500
74500 Miscellaneous exp.	23,643	35,277	27,769	15,388	5,500	4,400	2,200	1,650	0	0	0	115,827			

		72500	Supplies	5,500	7,700	7,700	7,700	5,500	5,500	2,200	2,200	2,200	0	36,300
		72200	Equipment and furniture	11,000	22,000	22,000	22,000	22,000	22,000	0	0	0	0	99,000
		73100	Rental and Maintenance - Premises	11,000	33,000	33,000	33,000	33,000	33,000	0	0	0	0	110,000
		74500	Miscellaneous exp.	8,562	12,485	12,104	11,733	5,732	1,780	2,275	1,780	632	55,303	
		Sub-total GEF		293,947	428,639	415,605	402,833	196,808	78,114	61,106	21,683	1,498,735	200,000	
		USAID											600,000	
		Government of Brazil											11,000,000	
		Federación Nacional de Cafeteros De Colombia											2,000,000	
		ANACAFE of Guatemala											55,827	
		Guatemala - Association of Private Reserves of Guatemala											182,000	
		Government of Honduras											129,000	
		Government of Peru											29,331,808	
		Kraft Foods											3,022,285	
		Caribou Coffee											2,930,307	
		UCC Ueshima Coffee Company, Ltd.											474,359	
		Boyd Coffee Company											892,717	
		Drie Mollen Holding B.V.											375,692	
		Diedrichs Coffee Inc./Gloria Jean's Coffees											6,632,334	
		DR Wakefield and Company											13,306,306	
		Matthew Algie & Company Limited											407,100	
		Royal Cup Coffee											71,539,735	
		Sub-total co-financing											73,438,470	
		Outcome 4 (GEF+ Co-financing)												
		74200	Audio Visual and Printing Production Costs	3,300	7,700	5,500	3,300	2,200	0	0	0	0	22,000	
		71200	International Consultants	106,333	165,880	101,130	0	0	0	0	0	0	373,343	
		71300	Local Consultants	6,502	10,144	10,549	10,972	11,410	2,967	3,085	1,070	56,699		
		71600	Travel	7,700	11,000	11,000	7,700	7,700	5,500	4,400	0	55,000		
		72500	Supplies	5,500	5,500	5,500	5,500	0	0	0	0	22,000		
		74500	Miscellaneous exp.	2,587	4,004	2,674	549	426	169	150	21	10,580		
		Sub-total GEF		131,922	204,228	136,353	28,021	21,736	8,636	7,635	1,091	539,622		
		Rainforest Alliance											250,000	
		Kraft Foods											3,500,000	
		DR Wakefield											8,142	
		ISEAL											280,000	
		Sub-total co-financing											4,038,142	
		Outcome 5 (GEF+ Co-financing)											4,577,763	
		Rainforest GEF		108,900	187,386	194,883	202,678	105,393	109,608	113,993	0	1,022,841		
		OUTCOME 6:												

Increased learning and adaptive management	Alliance	71600	Travel	11,000	11,000	2,200	2,200	\$0	0	0	37,400
		72500	Supplies	1,100	2,739	3,850	2,750	\$0	0	0	17,039
		74100	Professional services	5,500	115,500	5,500	5,500	5,500	5,500	115,500	264,000
		Sub-total GEF		126,500	210,486	324,122	214,228	115,843	115,108	119,493	115,500
Rainforest Alliance										225,000	
Co-fin.										225,000	
Sub-total co-financing										225,000	
Outcome 6 (GEF+ Co-financing)										\$1,566,280	
TOTAL GEF											
Co-financing per financier		1,921,517	2,961,316	2,624,485	2,160,385	1,145,962	655,266	336,351	194,718	12,000,000	
Company co-financing										83,971,734	
Government co-financing										911,000	
Co-financing from national coffee organizations										13,055,827	
Other co-financing										12,138,020	
TOTAL co-financing										110,076,581	
Project GRAND TOTAL										122,076,581	

GEF PDF-B is \$640,092

The total Executing Agency fee is \$1.2m.

BUDGET BY OUTPUT

Project Title: Biodiversity Conservation in Coffee

Description	Budget Per Output	Budget Per Outcome
Outcome 1		
1.1 Existing markets and market segments expanded	\$1,516,996	
1.2 Information management enables scaling up	\$472,507	
1.3 New markets and new companies sell certified coffee	\$1,019,620	
1.4 Coffee companies made aware of full range of benefits	\$363,084	
1.5 Company employees embrace certified sustainable coffee	\$432,717	
Sub-Total Outcome 1		\$3,804,925
Outcome 2		
2.1 Roasters and retailers increase promotion to consumers	\$524,624	
2.2 Media in key markets writes stories about certification	\$474,660	
2.3 Key stakeholders support certified sustainable agriculture	\$124,910	
2.4 Large institutional consumers certified sustainable products	\$149,892	
Sub-Total Outcome 2		\$1,274,086
Outcome 3		
3.1 Producers implement changes required to get certified	\$1,212,366	
3.2 Increased biodiversity impacts result from changes	\$559,553	
3.3 Capacity built to manage growth in certification	\$682,262	
3.4 Technical extension service provided to producers	\$309,227	
3.5 Groups of producers implement group certification systems	\$377,944	
Sub-Total Outcome 3		\$3,141,352
Outcome 4		
4.1 Sharing and implementation of Best Management Practices	\$438,608	
4.2 Improved access to markets for certified products	\$778,956	
4.3 Farmers' access to financing improved	\$119,146	
4.4 Certified producers implement quality techniques	\$206,013	
4.5 Sustainable terms of trade included in purchase contracts	\$118,671	
4.6 Producers improve business, marketing and sales practices	\$237,342	
Sub-Total Outcome 4		\$1,898,735
Outcome 5		
5.1 Policies implemented and threats mitigated in producer countries.	\$171,698	
5.2 Fiscal incentives implemented by governments.	\$122,641	

5.3 Policies implemented and policy threats mitigated in consuming countries.	\$245,282	
Sub-Total Outcome 5		\$539,621
Outcome 6		
6.1 Monitoring program established in all project countries	\$262,424	
6.2 Landscape level planning and monitoring in two pilot countries	\$437,374	
6.3 Adaptive management and strategic planning system established	\$145,791	
6.4 Lessons learned and impact data gathered, documented and disseminated	\$379,057	
6.5 Multi-stakeholder consultation and involvement	\$116,633	
Sub-Total Outcome 6		\$1,341,280
Total Budget		\$12,000,000

SECTION IV : ADDITIONAL INFORMATION

PART I : Other agreements

513. Please see separate PDF file for the letters of financial commitment. The Project Cooperation Agreement (PCA) can be found in Part (Annex) XIX of this proposal. The PCA between Rainforest Alliance and UNDP will be signed before project execution begins.

PART II : Project Structure

514. Rainforest Alliance is the Executing Agency for this project. The model below shows how the project will be executed through Rainforest Alliance's and partners' existing structures. The project will also help establish new entities, such as the Sustainable Farmers' Support Alliance. Rather than establishing parallel capacity in a traditional, temporal Project Coordination Unit, new capacity will be built within different departments and units. This will ensure maximum levels of mainstreaming and sustainability of project results, as project capacity will be gradually absorbed by the certification system.

MATRIX AND REPORTING STRUCTURE

515. The project structure will cut across a number of specialized units in Rainforest Alliance and Sustainable Agriculture Network (SAN) partners, and help build capacity needed to manage the expansion in demand and supply of biodiversity-friendly Rainforest Alliance certified coffee. Each unit has key functions that are integral parts of the full certification system, such as standards-setting, certification, marketing and communications/media. Managers of each unit are responsible for achieving concrete deliverables within the coffee certification program, and will be responsible for the execution of project components that fall within their responsibility and require their particular expertise. The project manager (entitled Coffee Program Manager, please see TORs below) and the managers of each specialized unit will constitute *the core project team* and will meet regularly throughout the project's lifetime to (a) plan project activities so that they fit into the work plans of the units in a way that will enable each unit to achieve the results necessary to reach the project objectives, (b) review progress in project activities to ensure that they produce the desired results, and (c) trouble shoot intervention plans and strategies and perform adaptive management to continuously optimize project impacts. The project team will work under the guidance of the senior management of Rainforest Alliance's Sustainable Agriculture Division.

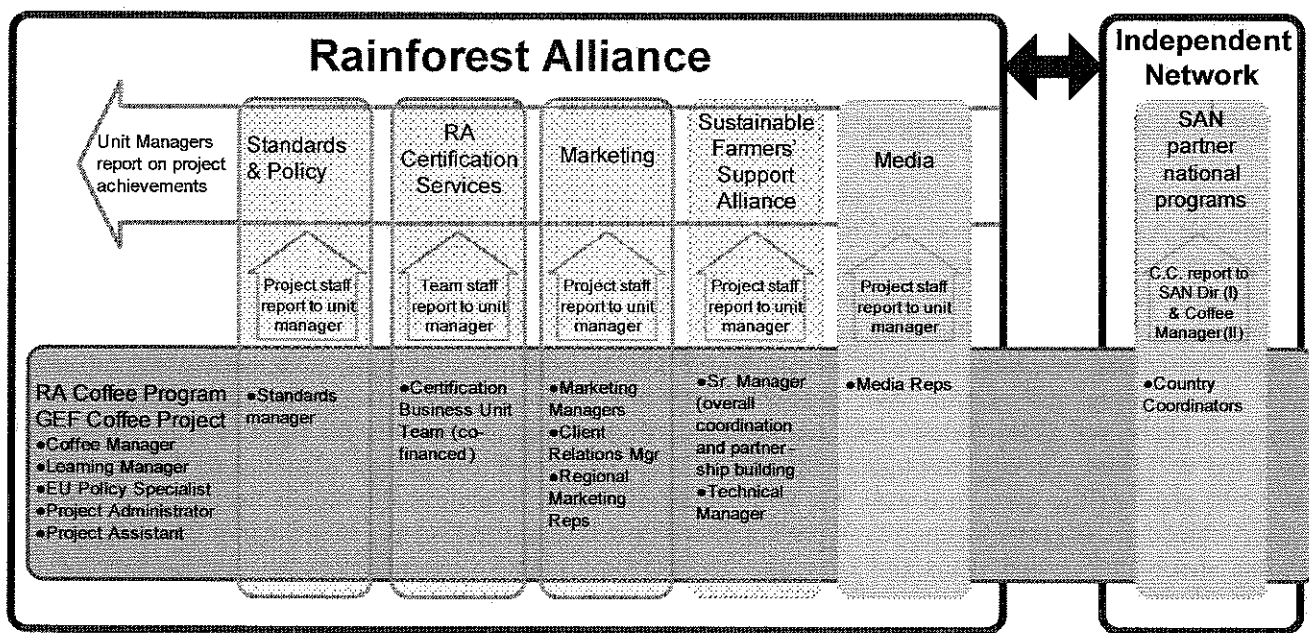
516. Rainforest Alliance will place project staff within specialized units, to ensure sufficient capacity to execute project activities. This project staff will gradually be incorporated into the permanent structure of the coffee program, financed by non-project sources of funding. In this way, the project will help build permanent capacity to sustain project results after the project ends. These project staff will work in a matrix arrangement, with direct reporting responsibilities to their unit manager, but also with concrete responsibilities with regard to execution of project activities. To ensure a clear reporting structure, each unit manager will consolidate the results generated by project staff and co-financed staff in his or her particular unit, and periodically report on project achievements to the Coffee Program Manager. The Coffee Program Manager and the specialized unit managers all report to the Project Director, who is also the Director of the Rainforest Alliance's Sustainable Agriculture Division. The Project Director will ensure that all units perform according to agreed plans, and will take corrective action if a unit fails to do so. Through the matrix structure, the project will build on installed expertise in each specialized unit, while it ensures strict coherence between the works of these units thanks to a unified strategic plan for the coffee program. To ensure coherence in all coffee program activities, the strategic

plan for the coffee program will cover both project activities financed by the GEF and work financed by co-financing sources. The Coffee Program Manager will be responsible for periodical reporting of project progress and achievements to UNDP and the GEF.

517. In the model below, each specialized unit is represented by a yellow vertical column. In each column is shown the key project staff that will be assigned to project activities within that unit, but also some of the non-GEF financed unit staff will execute GEF project activities. Where a project staff member will undertake broader RA or non-coffee related work, a cost sharing arrangement will be established so that the GEF only pays for project-related work. The project is represented by the orange vertical bar that cut across specialized units. Some project staff is dedicated to the project as a whole, such as the Coffee Manager, Learning Manager, and administrative staff. The EU Policy Specialist will work directly with the Sustainable Agriculture Division senior management, and not as a part of specialized units.

Biodiversity Conservation in Coffee

- location of key project staff & reporting structure



SUBCONTRACTING AND PARTNERSHIPS

518. As can be seen from the model, some project activities will be sub-executed by partners of the Rainforest Alliance. The members of the Sustainable Agriculture Network (SAN) guarantee presence and capacity in each project country (with the exception of Peru where there is currently no SAN member. The project will help build permanent certification capacity in that country). Most on-the-ground activities in the project countries will be executed through SAN partners. Rainforest Alliance is a member of the SAN, and also hosts the Secretariat of the network. The close coordination between Rainforest Alliance and the SAN partners will optimize the chance of success of the sub-executed components.

519. For several components (such as Outcomes 3 and 4), the project has defined a partnership strategy, acknowledging that one project alone cannot expect to cover all the needs of tens of thousands of farmers in a number of different countries. Instead, the project will build on existing specialized knowledge and capacity

wherever that can be identified, by establishing partnerships with actors and institutions that have capacity to help farmers improve sustainability (such as financing institutions, technical assistance service providers and so on). Already, a multitude of different institutions, donors and projects are working to improve the situation for farmers, but oftentimes these efforts are not well coordinated. The project will help establish a Sustainable Farmers Support Alliance (SFSA) to coordinate efforts and make sure that available assistance actually get to the certified farmers and meet their needs for assistance. The SFSA will be coordinated by Rainforest Alliance and take advantage of the established capacity with the SAN partners. Though the SAN network will play a key role within the SFSA, the two networks will be regarded as separate networks. The Alliance will initially focus heavily on GEF project activities in GEF project countries, but as the partnerships grow stronger and experience is built, the Alliance will take a broader scope, incorporating a wider range of partners, in more countries, and covering producers of other crops than coffee. SFSA activities that are outside the scope of this present project will not be financed with GEF funding.

PART III : Terms of References for key project staff and main sub-contracts

TERMS OF REFERENCE FOR PROJECT MANAGEMENT

520. *Terms of Reference for Executing Agency*

Rainforest Alliance is the project's Executing Agency (ExA). The project will be executed in accordance with UNDP's NGO execution modality under a Project Cooperation Agreement signed between Rainforest Alliance and UNDP. The Executing Agency is directly responsible for the execution of project activities and for the achievement of project objectives and outcomes. In particular, the responsibilities of the Executing Agency are as follows:

- Overall responsibility for project impacts
- Responsibility and accountability for cost-effective expenditure for all activities undertaken by the project team, project partners, and subcontractors, in accordance with the project's logical framework
- Submit to UNDP an annual work plan and budget that - upon approval - will serve as basis for budget advances. Reporting to UNDP and the GEF on a quarterly basis on project progress and all project expenditure.
- Ensuring advanced funds are used in accordance with agreed work plans and project budget
- Preparing, authorizing and adjusting commitments and expenditures; ensuring timely disbursements, financial recording and reporting against budgets and work plans
- Supervising the performance of project team, project partners and sub-contracts. Actively supporting all relevant project activities where appropriate
- Adopting, during the course of the project, the systems, products and tools developed by the project to ensure sustainability of the project outcomes
- In consultation with UNDP/Guatemala and UNDP/GEF, select the Project Manager (Coffee Manager)
- Play an active role in coordinating with stakeholders throughout the project

521. *Terms of Reference for Project Steering Committee*

The **Project Steering Committee (PSC)** is responsible for approving the project's annual work plans and budgets and to oversee the progress of project implementation, in accordance with what is set out in the Project Document. The PSC must approve the project's annual progress reports. The PSC is responsible for guiding project implementation and taking corrective measures and performing adaptive management of the project strategy if necessary. The PSC will focus on the big picture and overall direction of the project and delegate more specific day-to-day decisions to the Project Management Group. In particular, the PSC must ensure that policy requirements of the GEF and the UNDP are met, including coordination with other projects and initiatives, and stakeholder participation in project execution.

The PSC will be established at project inception, and the members will represent a mix of responsibilities, views and experience, to provide the maximum width in its oversight and guidance functions. It is envisaged that the PSC will consist of UNDP (UNDP/Guatemala and or UNDP/GEF as appropriate), Rainforest Alliance (represented by Rainforest Alliance's Executive Director), one government representative (Guatemala's National Protected Areas Council, CONAP, has expressed interest in participating), a SAN network representative (selected between the participating SAN project partners), a coffee producer representative (an experienced RA certified producer), and a coffee company representative (to be determined early in the inception phase). Each member of the PSC must be sufficiently senior so that the individual has sufficient authority to make decisions on behalf of the institution or agency that s/he represents. One or several experienced project mentors will be selected, preferably members of the Rainforest Alliance Board. The first PSC meeting will occur during the project's inception phase.

The PSC will meet twice a year to review progress and monitoring results, approve work plans and budgets, and take important decisions regarding project management and strategy. The PSC will be chaired by the Rainforest Alliance's Executive Director. The Project Coordinator (Coffee Program Manager) participates in the PSC meetings in an ex-officio capacity, and will set up meetings, circulate documentation for review, take minutes and prepare reports from the meetings.

The specific tasks to be achieved during each Annual PSC Meeting include the following:

- to adopt Rules of Procedure (at its first meeting)
- to review and assess the progress of the Project and its components – particularly with respect to its Logical Framework Matrix and associated indicators – as highlighted in the Annual Report, and ensure that the project is achieving its objectives.
- to provide policy guidance and decisions to the Project Director, Coffee Program Manager and the wider project team
- To identify any major problems that may arise in the project and seek corresponding solutions
- to review and approve the Annual Workplan (including updated budgets of the Project and its activities) and the preceding year's Annual Report, and
- to ensure mainstreaming of project activities and outcomes into Government plans, policies and actions

Although the PSC will have decision-making power as well as advisory functions, it will not have the authority to alter the project goal or outcomes. However, the PSC may alter specific project outputs, activities and/or implementation arrangements, including arrangements for sub-contracts (ensuring due process is followed), in cases where there is clear and consistent evidence that the project activities are

failing to deliver project outputs, or the sub-contracts are failing to meet their obligations under their Terms of Reference.

522. ***Terms of Reference for Project Management Group***

Important day-to-day management decisions will be made by a Project Management Group (PMG). The PSC will delimit specific responsibilities and delegate them to the PMG during the first PSC meeting, which will take place during the inception phase of the project. The PMG will be chaired by the Project Director. Additional members will include the UNDP/Guatemala Programme Officer and the Coffee Program Manager. The UNDP/GEF Task Manager will be briefed on all issues and will participate in the PMG on a no-objection basis.

Typical areas of responsibility and decision-making will include:

- Approval of larger contracts and larger expenditures
- Approval of substantial adjustments in project work plans and budgets, if this cannot wait for the next PSC meeting
- Project staff matters that require immediate attention
- Decide on important project management decisions
- Provide feedback on draft work plans, budgets and project Annual Report before these are submitted for the consideration of the PSC
- Approval of quarterly progress reports for UNDP and GEF
- Discussion and agreement on technical matters in the project which are either too technical or too complex to resolve in PSC meetings. The PMG can choose to summarize points and issues for the consideration of the Steering Committee, along with its recommendations for appropriate decisions and actions.

523. ***Terms of Reference for Project Director***

The Executing Agency will be represented by the Project Director. The Project Director will be the Director of Rainforest Alliance's Sustainable Agriculture Division. The Project Director will ensure that all relevant Rainforest Alliance staff contribute to and support the project's efforts, and that all relevant project deliverables and lessons learned gets disseminated and mainstreamed within the Executing Agency.

The Project Director will:

- Chair the Project Management Group
- Approve revisions in budgets and work plans that do not have to be discussed in the PSC and PMG
- Directly supervises the overall performance of the project team and the achievement of project objectives
- Approve terms of reference, selection of project staff and consultants
- Provide feedback on performance of key project staff
- Approve/sign off on main project reports and deliverables produced by RA and project staff and consultants
- Ensure that there is a clear and unambiguous decision-making process for project implementation so that project activities can be carried out smoothly and effectively
- Approve/Sign off on project monitoring reports, audit reports and evaluation reports

- Liaise with UNDP and other project partners as necessary to ensure successful delivery of expected project outcomes
- Present and represent the project in appropriate fora

524. ***Terms of Reference for Coffee Sector Advisory Group***

A Coffee Sector Advisory Group (CSAG) will be formed to guide the project on how to achieve maximum impact in the coffee sector and improve interaction with coffee companies.

The CSAG will be established during the project's inception phase. The group will consist of representatives of the group of coffee companies who have agreed to be partners in the current project, representing different links in the coffee supply chain from producers to roasters. These are companies which wholeheartedly support RAC principles of sustainability and are experienced and influential members of the coffee community.

As the CSAG members are likely to be based in different countries the group will mainly work virtually as an electronic network or discussion group. Key issues and strategic decisions will be consulted with this group of coffee sector insiders. When possible, the project will seek to establish physical sessions with individual members or subsets of the CSAG.

In particular, the CSAG will:

- Provide feedback on the general performance of Rainforest Alliance's certification program and on possible and necessary improvements
- Help optimize the growth projections and long-term development plans of the coffee program. This includes growth to origins in Africa and Asia
- Provide a "reality check" of RAC estimates of market demand and certification growth needs
- Provide feedback on the effectiveness of RA efforts to strengthen the outreach to and sustainability of RAC certified farmers, particularly in the six project countries
- Guide RA to optimize the coffee program's value for coffee companies

525. ***Terms of Reference for Project Manager/Coffee Program Manager (CPM)***

The project will be the primary instrument to achieve the ambitious growth targets of the Rainforest Alliance coffee program as set out in the project proposal. To achieve the maximum degree of mainstreaming of project activities within the coffee certification program, all GEF project activities will be closely coordinated with other activities within the coffee program. To emphasize the coherence between the GEF project and the Rainforest Alliance coffee program, the GEF project coordinator will be given the title and responsibility of Coffee Program Manager (CPM) in Rainforest Alliance. The project will create the function of the CPM and fully integrate it within the coffee certification system. Before the end of the project, the project will have created a financing system that can sustain the cost of the program, including the CPM.

The CPM will be responsible for providing oversight and coordination of the project activities and other co-financed activities within the RA coffee program. S/he will ensure that both GEF-financed and co-financed activities are planned and executed in harmony and will achieve their intended objectives. In collaboration with Sustainable Agriculture Division senior management and RA colleagues, the Coffee Program Manager will facilitate the development of detailed Rainforest Alliance Coffee Program strategic

plans which will define targets and guide the work of the project team, project consultants, and all RA coffee related work.

In close collaboration with the Project Director, who is also the Director of the RA Sustainable Agriculture (AG) Division, the CPM will work closely with managers of specialized units in the AG Division (e.g. Standards Setting, Marketing, Certification Business Unit, and Capacity Support), and in Rainforest Alliance in general (e.g. Communications), to plan activities to achieve project objectives and reach the targets set for the RA Coffee program. These activities will then be implemented by the relevant AG or RA units, or by specialized project staff or consultants. The CPM will participate directly in project activities when pertinent.

The CPM is the immediate responsible for the achievement of the project objective and targets as stated in the projects logical framework. The CPM reports to the senior management of the Sustainable Agriculture Division.

Responsibilities

The CPM is responsible for the following

- Ensure accomplishment of the project objective and outcomes as defined in the project logical framework, and meeting the targets as set out in the coffee certification program business plans
- Coordinate planning efforts of the GEF project and the RA coffee certification program in close collaboration with RA colleagues and SAN partners. Periodic planning exercises will result in coffee certification program strategic plans and detailed annual project work plans, complete with targets and measurable indicators
- Coordinate a project team and consultants retained for specific work. Ensure execution of project activities and guide project implementation.
- Supervise and monitor project impacts, perform regular trouble shooting of project intervention, and take corrective measures to optimize project intervention strategy
- Manage project budgets in accordance with GEF, UNDP, and RA standards and requirements
- In collaboration with SAN partners, dialogue with project country government representatives to build ownership, promote coordination with government-led efforts to enhance sustainability in agriculture, ensure mainstreaming of project results and to garner support for policy measures that promote sustainability in coffee production
- In collaboration with SAN partners and other AG colleagues, work actively to ensure participation of relevant stakeholders in project execution. Work to enhance stakeholder participation in the coffee certification program
- Report to AG and RA senior management on project implementation progress and the development and growth of the coffee certification program
- Report to UNDP and the GEF as required and maintain UNDP Programme Officers duly informed of project activities
- Prepare progress reports and other material for Project Management Group and Steering Committee meetings. Convene PMG and SC meetings with the agreed intervals. Take action on decisions made by PMG and SC. Report back to PMG and SC on progress made on earlier decisions
- Coordinate meetings (including virtual meetings) in the Coffee Sector Advisory Group and make sure advice is duly considered in project implementation and throughout the coffee certification program
- Participate in project-sponsored events and activities. The CPM will undertake certain project activities as agreed with the Project Director and managers of specialized units within the certification system. These are likely to include specific activities within several outcomes, such as policy work, media relations and outreach, monitoring activities and events and activities with partner companies.

- Participate in planning exercises with project partner companies to define project activities and general collaboration with RA as necessary
- Work closely with the lead UNDP/Guatemala Programme Officer to ensure smooth project execution and administration. Ensure that all GEF and UNDP requirements are met in project operation and administration. Work with designated UNDP/GEF task manager to ensure high-quality technical inputs to the project execution
- Work closely with UNDP offices in the region in organizing and providing technical and logistic support and coordination to all missions and assignments by international and national consultants

Qualifications:

- Masters or equivalent degree in agronomy, natural resources management, international development, or related field;
- At least 5 years' experience in project management and -oversight. Strong management skills with a team-oriented focus;
- Experience with United Nations Development Programme or similar donor agencies;
- Good understanding of the Global Environment Facility, GEF projects and biodiversity conservation issues;
- Excellent understanding of the global coffee industry and solid insights in themes and issues related to sustainability in the coffee sector;
- Experience with certification systems and certification issues (Rainforest Alliance, Organic, Fair-trade, EurepGAP, FSC or others) ;
- Substantial technical skills related to the project's areas of intervention;
- Strong planning skills and ability to show initiative and work independently;
- Analytical strength and creative mind adept to finding innovative solutions to complex problems;
- Outstanding interpersonal skills and ability to forge consensus among different people in a multicultural working environment;
- Ability to communicate to a diverse group of stakeholders ranging from small coffee producers, NGO representatives to ministers of environment and coffee company executives;
- Full command of English and Spanish (verbal and written) and demonstrated ability to work effectively in Latin American as well as North American and European working environments;
- Ability and willingness to travel 25% of the time

526. ***Terms of Reference for Project Administrator (PA):***

The Project Administrator will be responsible for financial oversight and contracting for the project. The PA will be responsible for meeting performance measures and for complying with finance, contracts and administrative requirements as established by the RA Director of Finance and Operations as well as the procedures and guidelines established by UNDP. Works under the supervision of the project manager but with additional oversight provided by the Rainforest Alliance Program Administrator.

Responsibilities:

- Coordinates periodic budgeting processes for the project both as part of RA's internal budget and according to UNDP's project planning procedures. Assist in the preparation of project workplan documents.
- Monitors expenses and revenues to ensure that the project does not overspend available revenue and that restricted funds are used according to donor requirements.
- Prepares project contractual agreements using appropriate RA templates and in accordance with RA procedures and donor requirements. Supports project staff in negotiation of consulting contracts,

subcontracts, subagreements and other contractual agreements, involving Program Administrator, Finance and Legal as required.

- Review financial reports submitted by consultants, subcontractors and recipients of subagreements to ensure accuracy and completeness and process payments according to RA policies. Monitor all RA-issued project contractual agreements to ensure compliance with their terms, including deliverables, outputs, and reporting. Ensures that all project activities are carried out according to the restrictions and requirements of UNDP and the GEF.
- Coordinates the preparation of periodic financial reports and reimbursement requests to UNDP in close coordination with Rainforest Alliance's Program Administrator and RA Finance. Notifies project staff of any problems or discrepancies and provides technical assistance to recipients of subagreements in resolving problems.
- Coordinate project procurement process in accordance with RA procedures and UNDP's requirements.
- Assist in the organization and logistics of project-related events and workshops as well as in arranging missions and visits by evaluation teams, donor representatives, and others.
- Serves as a resource to project staff for financial and administrative policies. Coordinates with Program Administrator regarding information-sharing both intra-departmentally and inter-departmentally, as well as externally.
- Maintains close contact with Program Administrator to ensure the effective implementation of the project as well as compliance by project staff with both RA and UNDP's policies and procedures.
- Performs other duties as assigned.

Qualifications:

- Bachelor's/Licenciatura degree or Master's degree in Business Administration, Marketing, Economics, Accounting or related discipline;
- A minimum of 5 years experience in budgeting and financial management with 2 years experience in multi-lateral grants/contracts administration, business or project management;
- Experience with UNDP project administration and operational procedures desirable
- Fluent English and Spanish (both verbal and written communications skills);
- Strong word processing, spreadsheet and computer skills;
- Strong analytical skills
- Excellent organizational skills, ability to work independently as well as in a team environment, assess priorities and multi-task with strong attention to detail;

TERMS OF REFERENCE FOR SPECIALIZED PROJECT STAFF

MARKETING SPECIALISTS:

527. It is of key importance for increasing market demand for certified sustainable coffee to build capacity to support coffee companies, be it to approach new companies and convince them of the benefits by sourcing RAC coffee, or to help companies who are already involved in RAC coffee to increase volumes sourced. The project will finance the establishment of a series of specialized positions to assist with the delivery of mainly Outcomes 1 and 2. These positions will gradually be institutionalized into a permanent RAC program structure and will be fully funded by Rainforest Alliance before the end of the project. The marketing project staff will – unless otherwise noted – refer directly to the Senior Marketing Manager with regard to their day-to-day duties, but with some coordination with the Coffee Manager with regard to the planning, execution and monitoring of GEF project activities.

528. *Terms of Reference for Marketing Managers (MM)*

(3 positions: Europe, USA, and Japan)

Responsibilities:

- The Marketing Managers will be directly responsible for the ensuring rapidly increase in market demand for Rainforest Alliance certified coffee on consumer markets
- In collaboration with the Senior Marketing Manager, the MM will define a strategy for engaging coffee roasters and retailers who are not yet involved in Rainforest Alliance's coffee certification program. This includes performing background research on the companies with regard to structure, size, product range, and key representatives, thus facilitating contacts to the company
- Approach new coffee roasters and retailers to convince them of the benefits in sourcing Rainforest Alliance Certified coffee, and involve them in the program
- Nurture existing relationships with roasters and retailers who are already sourcing RA certified coffee to increase and deepen their engagement in the coffee certification program
- Periodically meet with partner companies to plan joint activities and events, and to determine their demand for coffee. The MM will collaborate with companies on the timely delivery of these activities and events. This includes collaboration with company staff and RA colleagues on e.g. logistics and press
- For the GEF partner companies, the MM will define collaboration on demand-side project activities, oversee the execution of project activities and report to the Sr. Marketing Manager on progress and impact of the activities.
- Account management. The MM will be the day-to-day contact for a number of coffee companies. In the medium to longer term a number of regional marketing representatives will gradually take over some of the direct responsibilities of managing the relationships with coffee companies, and the MM will assume oversight functions and guide the system of regional marketing representatives to ensure that companies are highly satisfied with their involvement with Rainforest Alliance's certification program
- In collaboration with RA media representatives, coordinate media coverage and events in support of specific companies and company activities. Support companies in marketing campaigns
- In collaboration with the Sr. Marketing Manager and other marketing staff, work to determine short-, medium-, and long-term market demand. This will gradually develop into a reliable and continually updated tool that will serve to guide expansion of certification activities to meet the growing demand.
- Attend coffee industry events and organize corporate RA response to threats and opportunities
- Gradually assume function in marketing of other Rainforest Alliance Certified crops (cofinanced).
- Other responsibilities as assigned by the supervisor

Qualifications:

- The candidate will hold a masters degree and have approximately 10 years of experience in the food and beverage industry
- The candidate will have experience in sales/client management, preferably in the supermarket or coffee industries. The candidate should be familiar with the intricacies of the coffee market and the special needs of coffee companies
- Extensive knowledge of local business culture and markets
- Experience with sustainability issues an advantage
- Capacity to work in an independent and systematic way
- Strong analytical skills and strategic planning skills
- Strong communicator and winning personality

- People management skills and experience
- Fluent in English as well as relevant local language(s).
- Must be able to travel at least 30% of the time

529. ***Terms of Reference for Client Relations Manager***

The Client Relations Manager will serve as a liaison between the marketing staff and other agriculture division staff, and each client ensuring seamless communication between all groups. This position will manage RA's Use of Seal process, organize trade shows and other events, and assist in developing marketing materials and a unified message for the RA certified products in an international marketplace.

Responsibilities:

- Recruit companies to the RA Certified program through participation in trade shows and industry events, and through pitch letters and meetings;
- Develop a client management strategy and protocols for the RA's diverse and international client base in coordination with the Senior Marketing Manager;
- Manage and provide oversight of the RA's Use of Seal review and approval process;
- Internal management and keeper of the RA Certified guidelines in consultation with legal counsel;
- Oversight of enrollment process for companies sourcing and promoting certified sustainable products
- Support and organize joint marketing events with participating coffee and food companies, including trade shows, pr, special events, and conferences;
- Collaborate with marketing and communication teams in positioning the RA Certified products in key consumer markets (U.S., Europe and Japan);
- Compile weekly status reports and monthly and quarterly marketing updates with input from the marketing team;
- Oversight of creative files/ RA portfolio on companies with examples of artwork and ad copy;
- Provide timely response to inquiries by consumers, companies, and activists as needed; and
- Other duties as assigned by supervisor

Qualifications:

- Bachelor's degree required, Master's degree preferred;
- Three years account or client management experience;
- Sales, marketing, and/or communications experience related to agricultural commodities or food products;
- Familiarity with certification programs such as organic or fair trade preferred;
- Clear understanding of concepts of sustainable agriculture preferred;
- Familiarity of the global coffee industry preferred;
- Must have excellent writing and verbal communications skills in English and Spanish;
- High degree of organizational and time management skills, including the ability to manage multiple priorities and work under tight deadlines;
- A strong commitment to the Rainforest Alliance mission with international conservation experience a plus;
- Ability to work independently and as part of a team that is both local, cross-divisional and international;
- Must have excellent computer skills (Microsoft Office and Internet); and
- Willingness to travel up to 10% of the time.

530. *Terms of Reference for Client Relations Associate (CRA)*

Responsibilities:

- Outreach to companies to ensure they receive the services that Rainforest Alliance can provide, in close collaborations with Client Relations Manager and Senior Marketing Manager
- Inform RA colleagues about companies' needs for services
- Develop and structure types of services to deliver to different types of companies
- Coordinate RA certified artwork approval process. In borderline cases the CRA will work with the Client Relations Manager to clarify artwork approval
- Maintain digital files of approved artwork
- Maintain communications trails with clients
- Some trade show responsibilities (1-2 shows a year)
- Other responsibilities as assigned by the supervisor

Qualifications:

- Bachelors degree
- 4-6 years of proven client management experience
- Ability to resolve companies' needs
- Proactive individual with initiative
- Strong written and verbal communications skills

531. *Terms of Reference for Regional Marketing Representatives (RMR)*

The RA Regional Marketing Representatives are part-time specialists who work to increase market demand in their respective regions by working directly with local roasters and retailers. As the RAC program grows, RMRs will be retained to build up regional market demand. The RMRs in Europe will work under the supervision of the Marketing Manager for Europe, but with some oversight by the RA Senior Marketing Manager

Responsibilities:

- Strategic targeting of potential buyers
- Provide inputs to the MM for the development of regional RAC marketing plans
- Maintain day-to-day relationship with companies in their region. Determine the coffee companies needs for support and respond to those needs
- Through high-quality service maximize company satisfaction by their involvement in the RA certification program, and thereby deepen their involvement and source more RA certified coffee
- Determine the needs of coffee companies for Rainforest Alliance Certified coffee in the short-, medium-, and long term
- Through on-going contact, research, build and maintain fact-sheets and profiles on companies that source RA certified coffee.
- Determine joint events with the companies and collaborate with them on the timely delivery of these events. This includes collaboration with company staff and RA colleagues on e.g. logistics and press.
- If relevant, participate in local trade shows
- The RMR will perform some representative functions on behalf of RA, and work to maintain relationships and build alliances with relevant groups. The RMR will be present at events in the coffee industry in their region and organize corporate RA response to threats and opportunities

- Other responsibilities as assigned by the supervisor

Qualifications:

- The candidate will hold a Master's or a bachelor's degree or the equivalent in a business or marketing related field.
- The candidate will have experience in sales, client management, or business development, preferably in the coffee industry, or more broadly in the food industry/restaurant/hospitality sectors.
- The candidate will have an extensive knowledge of local business culture, and be fluent in the local language
- Strong verbal and presentational skills and sense of diplomacy.
- Capacity to work in an independently and proactively in a systematic way
- Strong analytical skills and strategic planning skills
- There will be a moderate need for travel, mostly within each region

MEDIA SPECIALISTS

532. The media specialists will work within the RA Communications Department with specific responsibilities for the delivery of the media outreach predominantly within Outcome 2, with the overall aim of increasing consumer interest in and demand for RAC coffee. The media specialists will report directly to the Communications Director, but with some coordination with the Coffee Manager with regard to the planning, execution and monitoring of GEF project activities.

533. ***Terms of Reference for Media Representative(s) (MR)***

As the RAC program grows, there will be a need to retain part-time MRs in several key coffee markets to provide media support to RAC activities and in general ensure awareness raising among coffee consumers with regard to sustainability issues and coffee certification. The need for media support will be determined through the project's yearly planning exercises.

Responsibilities:

- In collaboration with the Communications Director and relevant RA colleagues, design and implement a program of targeted media outreach in a particular region, focusing in particular on trade media, specialist consumer/food/drink media, and environment and consumer affairs media, but also broad mainstream printed and electronic news media
- The MR will coordinate closely with relevant RA colleagues – in particular marketing staff and other staff that is responsible for execution of GEF project activities – to ensure media support in the expansion of the RA coffee certification program
- The MR will work proactively to develop and maintain relationships with key media people in the region s/he covers, with the aim to secure exposure for RAC coffee, and sustainability issues important for raising consumer awareness of certified sustainable products. Work to secure media coverage of issues like corporate responsibility, ethical trade and sustainable development issues
- Increase awareness of media representatives by providing relevant information and intriguing story leads for local media. This includes convincing journalists to visit RA certified coffee farms to increase the understanding of the program and maximize the chance of media exposure of the benefits related to RA certification
- Adapt communications materials so they will fit the needs of the particular region, including language and style.

- Monitor media outlets of the country/region with regards to coverage of sustainability issues. Particularly for media coverage touching on the work of Rainforest Alliance or other certification bodies the MR will guide RA colleagues and help coordinate an appropriate response
- For MRs covering European markets, coordinate with the EU Policy Specialist to ensure targeted communication efforts to national policy makers. Through the contact with national policy makers, the MR will provide some screening of themes and issues that might require an organized RA policy response, and report these to the EU Policy Specialist
- Help orchestrate media events/press conferences
- Assist corporate partners' campaigns that aim to promote certified products, by providing RA presence and information outreach
- Other responsibilities as assigned by the supervisor

Qualifications:

- Background in journalism, media or communications
- Intimate knowledge of the media world in the country/region s/he is covering. Extensive personal network in the media world preferable
- Knowledge of sustainability and sustainable trade issues. Familiarity with the reality of Third World agriculture producers preferable
- Convincing, energetic and proactive personality
- Strong verbal and written communicator in the local language as well as in English
- Willingness to travel within the assigned region

CAPACITY BUILDING SPECIALISTS

534. The capacity building specialists will predominantly support the project activities of Outcomes 3 and 4, which will help more farmers to get ready for RAC certification, and improve economic sustainability for all farmers. This will be done through the new Sustainable Farmers' Support Alliance (SFSA), a network of institutions and actors that provide technical assistance and services to farmers. Rainforest Alliance's Sustainable Agriculture Division will host a secretariat function for the SFSA, and the capacity building specialists will ensure that necessary support be delivered, thereby measurably improve sustainability on coffee farms. The present project will support the establishment of the SFSA as well as its coordinating functions. Before the end of the project the financing of the proposed positions will have been assumed by the SFSA and Rainforest Alliance.

535. *Terms of Reference for Senior Manager, Sustainable Farmers' Support Alliance (SrM-SFSA)*

The Senior Manager of the SFSA will be responsible for setting up the Alliance, as well as its overall coordination, strategic orientation, and financing. The SM-SFSA will report to AG Senior Management, and coordinate extensively with the Coffee Manager with regard to the execution of GEF project activities.

Responsibilities:

- In collaboration with the Coffee Program Manager, plan and oversee the execution of GEF-financed project activities. In collaboration with the Learning and Knowledge Manager and the Technical Manager of the SFSA, ensure proper monitoring of the impacts of the SFSA on farmers' sustainability.
- In collaboration with the Technical Manager of the SFSA (see below), SFSA staff and other relevant RA and SAN colleagues (team), design and establish a structure that will allow farmers to

access technical assistance, information, and services that will help improve sustainability of coffee farms (such as: access to financing, coffee quality improvement, best farm management practices, development of business-, marketing-, and sales skills, income diversification, sustainable terms of trade, market access and others)

- In collaboration with team, develop strategic plans for the operation of the SFSA
- In collaboration with team, perform needs assessments to identify topics crucial to sustainability on coffee farms, and determine farmers' demand in each producer country for support/info/services in these areas (particularly GEF project countries)
- In collaboration with relevant RA and SAN colleagues, identify institutions that possess specialized knowledge that will help improve sustainability on farms
- Identify private sector service providers who are already providing outreach and support to coffee farmers and who have valuable local knowledge
- Approach and establish relationships and partnerships with institutions and private service providers/consultants that will allow RA certified farmers to access needed expertise and services
- Establish a coordination mechanism that will allow the programming of regional and national support platform activities
- Identify and fundraise with donors to obtain financing for the general support and management of the platform and for specific activities that donors would fund (e.g. productivity with small farmers, best management practices in the coffee sector, biodiversity protection in specific areas, strengthening of coops, etc)
- Other responsibilities as assigned by the supervisor

Qualifications:

- Relevant Masters' degree and extensive experience in planning and oversight of capacity building projects, including intimate knowledge of the working modalities of major donors.
- At least 10 years of experience with donor-financed projects, aimed at capacity building, rural development and environmental management
- Visionary and creative individual with the ability to lead the development of a highly complex and ambitious capacity building instrument
- Strong managerial skills. Highly organized with the proven ability to lead a multi-disciplinary team to success
- Strong negotiation skills and ability to create consensus between people with different backgrounds and different interests
- Diplomatic sense and ability to represent farmers' interest and cause in high-level meetings and situations. Ability to create excitement over the possibility of improving the lives of poverty-stricken farmers
- Extensive working knowledge from the Latin American region. Working knowledge of Asia and Africa an advantage
- Fluent in Spanish and English with full working capacity in both
- Ability to travel at least 30% of the time

536. ***Terms of Reference for Technical Manager, Sustainable Farmers' Support Alliance (TM-SFSA)***

The TM-SFSA will report to the SrM-SFSA, but the two will generally work as a team on equal terms and complementing each other. The Technical Manager will be responsible for generating information services, tools and training to coffee farmers in the areas mentioned within Outcomes 3 and 4.

Responsibilities:

- In collaboration with the SrM-SFSA, develop implementation plans with measurable performance indicators for the establishment and rollout of support alliance activities to be directly implemented by RA. Monitor the implementation of the plan.
- Work with GEF project Country Coordinators based in SAN partner institutions to implement support alliance activities in each country.
- Oversee and assist support platform activities of each SAN partner
- Create a series of tools that will help farmers implement on-farm changes to become eligible for certification, as well as tools to help farmers improve their general sustainability
- Arrange “train the trainers” for institutions and private service providers so they will be able to provide farmers with precise information and first quality support when improving their farms for RA certification
- Establish “in-house” capacity within the SAN network (through GEF Country Coordinators, other SAN and RA staff, or retainer consultants) to perform technical support as a complement to technical support through external partnerships
- Develop a financing system that would allow as many elements as possible of the support platform to be self-financing through cost-coverage by users
- In close collaboration with the Coffee Program Manager, be responsible for the planning and execution of GEF project activities aimed at technical assistance to coffee farmers
- Report on progress of execution of GEF project activities according to established performance indicators and GEF work plans
- In collaboration with the SrM-SFSA and the Learning and Knowledge Manager, perform impact monitoring to determine improvements in sustainability according to GEF project and other indicators.
- Other responsibilities as assigned by the supervisor

Qualifications:

- Licenciatura or Masters degree in Agriculture, Forestry, Biology, Rural Development, Natural Resources Management or similar field.
- At least 7 years’ experience in projects, institutions, or initiatives that provide extension services, outreach or capacity building to farmers, particularly coffee farmers
- Intimate knowledge of the reality and challenges facing coffee farmers
- Good understanding of certification systems and issues, and their role in improving sustainability in the coffee sector. Knowledge of and experience with Rainforest Alliance’s certification system an advantage.
- Extensive experience with donor-financed projects, including work planning, budgeting, impact monitoring and reporting
- People management experience
- Intimate knowledge of the Latin American region
- Ability to communicate at all levels, from small farmers, to government ministers, donor representatives and coffee company executives
- Fluency in Spanish and English, both in speech and writing. Working knowledge of Portuguese an asset
- Ability to travel 30% of the time

537. *Terms of Reference for Country Coordinators*

A Country Coordinator will support the execution of project activities in each participating country. The Country Coordinator will be based within each local SAN partner and reports to the Executive Director of

the particular organization. The Country Coordinator is thus part of the organizational structure of the local project partner, but will be entirely dedicated to project activities. To ensure that project objectives are met and to ensure coordination of the regional project, the Country Coordinator will have secondary reporting requirement to the Coffee Program Manager for the duration of the project. The Country Coordinator will ensure that the project's objectives get thoroughly mainstreamed within each SAN partners' business plans, so that each partner will contribute to the project objectives through their regular activities.

In collaboration with the SFSA secretariat, the Country Coordinators will be responsible for the planning and execution of a series of SFSA activities that will provide coffee farmers with support when preparing for certification. The technical support platform will facilitate social, environmental and economic sustainability on coffee farms.

The Project will finance the Country Coordinators during the first several years, but gradually the local SAN partners will take over responsibility for these costs and internalize the functions of the Country Coordinators. By the end of the project, each SAN partner will have established internal capacity to continue the technical assistance, capacity building and training activities and outreach and communication activities to effectively support an increased certification program.

Responsibilities:

- Develop relationships with key stakeholders and policy makers in their country
- Develop the SAN partners outreach capacity to potential future certified coffee farmers
- In collaboration with the SFSA secretariat, create partnerships with public and private technical assistance providers or develop technical capacities within the SAN partner, as appropriate
- Organize training activities for farmers
- Assist the SFSA secretariat in creating relationships with local financing institutions
- Provide information on financing opportunities to farmers
- Facilitate monitoring and evaluation efforts and the gathering of lessons learned
- Conduct a formal annual stakeholder meeting which will bring national institutions together with relevant civil society organizations, technical service providers and producer groups to debate the advances of sustainability in coffee production in the country and harmonize actions to promote it
- Maintain regular contact with the local UNDP office to coordinate local project activities and secure that the project benefits from the capacities and clout of the agency
- Other responsibilities as assigned by the supervisor

Qualifications:

- Good knowledge preferred of the coffee business and the reality of coffee producers in the particular country
- Excellent understanding of capacity building issues and challenges. Must have demonstrated experience with rural and agricultural extension work.
- Good understanding of the Rainforest Alliance certification system and its implications for certified farmers is an advantage, particularly the capacity building needs of farmers who struggle to prepare their coffee farms for Rainforest Alliance certification.
- Must have excellent planning skills, be very well-organized, and have the ability to establish an ambitious support alliance at the country level to help farmers prepare for Rainforest Alliance certification. This will be done in close collaboration with the SAN partner Director and SFSA staff.
- Ability to work both independently, as well as within a team, and with the ability to work closely with a large and complex group of colleagues and stakeholders.
- Dynamic and proactive individual, with the ability to produce innovative solutions to complex problems.

- Well-developed communications skills and ability to engage multiple groups of project stakeholders, such as farmers, national coffee organizations, technical assistance and extension service providers, as well as government ministries and agencies.
- Leadership skills with a demonstrated talent of leading the work of others.
- Five to ten years of relevant work experience is expected, including both solid field experience as well as planning responsibilities.

POLICY SPECIALISTS

538. The policy specialist will be responsible for the delivery of results within the project's Outcome 5. S/he will report directly to the senior management of the Sustainable Agriculture Division. The policy work in production countries will be performed by the Coffee Program Manager in collaboration with SAN Executive Directors. This work will be supported by concrete inputs from specialized policy consultants.

539. *Terms of Reference for EU Policy Specialist*

(Part-time position)

The Senior Policy Specialist will contribute to a better understanding of the Rainforest Alliance in European regulatory circles through dialogue with relevant European policy makers and opinion leaders by promoting the Rainforest Alliance's point of view on EU policy primarily with regard to sustainable trade and certification of coffee, as well as other sustainable certified crops.

Responsibilities:

- Perform desk intelligence to identify all key players with regard to our objectives in all the relevant EU bodies
- Organize mailing lists for rapid electronic dissemination of information and back-up lists with postal mailing addresses.
- Monitor EU policy developments in order to produce a periodic email bulletin through the consultation press, newsletters as well as through regular meetings with contacts in the Commission or peers from partner organizations
- Target the European Commission with its corresponding administrations (Directorate Generals), as the body where all EU policy work is initiated. Of primary interest will be the Commissioners for Agriculture, Environment and Development, and of subsequent interest Employment, Trade and Enterprise. Once the EU Commission is covered, the Sr. Policy Specialist will gradually broaden the focus and cover also the EU Parliament and other EU bodies
- Raise the profile for Rainforest Alliance's certification systems with EU officials and at relevant events organized by the EU and promote the certification system and certified products as a tool for ensuring sustainability in the third world production countries
- Orchestrate Rainforest Alliance corporate response to relevant policy matters, be it either threats to the certification system or opportunities to promote it
- Promote the dialogue between companies engaged with Rainforest Alliance certified products and European policy makers (within the EU and at national levels where possible) to catalyze consensus around the value of the certification system
- Liaise with policy and sustainability officers of companies engaged with RA certification, to define mutually supportive collaboration
- Collaborate in policy-themed meetings with industry, NGO's, academia, and policy makers
- Where appropriate, coordinate and guide policy work in EU countries performed mainly by other RA staff and consultants.