



Protection of biodiversity through coffee certification? The case of forest coffee in Bench Maji and Kaffa Zone, Ethiopia

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Short title: Certification for forest coffee, Ethiopia

Key Message: Certification initiatives need to be carefully designed to address local socio-economic and ecological concerns. Suitability of certification standards, information exchange and independent monitoring are essential to avoid detrimental ecological effects.

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The problem: Poverty and loss of wild coffee forests

Ethiopia is the origin of worldwide Arabica coffee. The coffee forest ecosystem presents a biodiversity hotspot of worldwide importance. Ethiopia is the 6th largest coffee producing country in the world. An estimated 30% of Ethiopia's coffee production originates from forest coffee cultivation systems, contributing about 10 to 20% of the country's total export earnings.¹ Forest coffee has the advantage that it originates from an organic and shaded production area – a quality increasingly important for coffee drinkers worldwide. The montane rainforests in Southern Ethiopia are the only place in the world where coffee still grows wild in its natural habitat. For this reason, these areas require protection.

Despite the value and demand for coffee, Ethiopian forest coffee producers live in extreme poverty. Their livelihood traditionally depends on low-yielding subsistence agriculture and the sale of forest coffee for income. However, coffee prices are low and highly fluctuating. Simultaneously, Ethiopian coffee forests are experiencing deforestation at annual rates of up to 9%. This is mainly due to the gradual expansion of smallholder agriculture and over-utilization of forest products. There is a trend of extensive wild coffee collection moving towards semi-forest plantation coffee production. From a coffee producer's viewpoint, the transformation of primary forests into coffee plantations makes economic sense because coffee generates immediate cash income while other forest services do not.

The approach: Certifying forest coffee to provide incentives for sustainable production

The certification of coffee started in Ethiopia in the late 1990s with the certification of agricultural producer cooperatives by Addis Ababa based branches of European certification agencies. The first forest coffee producing cooperative was certified in 2002. In May 2007, a total number of 12 forest coffee cooperatives in remote areas of southwestern Ethiopia were certified according to Fairtrade, organic (EU standard) and Utz Certified standards

¹ www.luxner.com/cgi-bin/view_article.cgi?articleID=279;
www.bloomberg.com/apps/news?pid=20601116&sid=ado2JY67Gknk;
www.fairtrade.org.uk/producers/coffee/oromia_coffee_farmers_cooperative_ethiopia/default.aspx

respectively. Inspectors from the certification agencies visit the cooperatives at least once a year to check for compliance with the standards.

Effects of certifying forest coffee on biodiversity in the Ethiopian rainforests and the role of local governments:

Field research conducted in the coffee forest areas of southwestern Ethiopia (Bench Maji and Kaffa Zone) in 2007/08 show that forest coffee certification activities do not adequately promote conservation of the coffee forest ecosystem and its biodiversity. This is mainly due to the fact that certification standards are principally designed to target agricultural coffee production systems and do not adequately consider the specific ecological and socio-economic circumstances of Ethiopian forest coffee. Organic certification, for example, can confirm the absence of chemical contamination but not the sustainable use of a forest ecosystem. The study shows that higher prices paid to producers for certified coffee provides an incentive for farmers to intensify their coffee production by slashing undergrowth and cutting down larger trees – thereby promoting destruction of the rainforest and its biodiversity.

The study also shows that there is little transparency and information exchange amongst actors in the value chain. As a consequence, the majority of cooperative members have neither knowledge nor understanding of the concept of certification. Some associate the visit and the examinations by certification inspectors with the cooperatives' concern to increase coffee quality rather than with standard monitoring. Coupled with this is the problem that farmers have long waits for promised bonus payments – sometimes even waiting in vain. Certification fees of several thousands of US dollars per year are covered for the most part by donor-financed development and trade promotion programs, raising questions of the financial sustainability of certification initiatives.

While certification is not a panacea, it can have substantial positive impacts. In order to avoid unintended consequences, certification approaches and standards need to be context specific – speaking to the characteristics of the commodity: the socio-economic situation and the agro-ecological conditions under which it is produced.

In the case of Ethiopian forest coffee, it has been suggested that certifying the ecosystem rather than just the coffee or coffee cooperatives makes more sense. Sustainable forest management and related environmental services can be rewarded with a price premium. To assure sustainable production, coffee needs to be traceable. Otherwise, there is the risk that the price premium usually connected with certification provides an incentive for producers to boost production by intensifying forest management activities.

Local governments are mostly concerned with agricultural initiatives that aim to increase quantities and quality of agricultural products. Beyond this, they should actively promote more integrated and bottom-up approaches of certification, and take a leading role as mediator between local and external actors and interests. Smallholder producer groups tend to have the least power in the value chain, even when the product is certified. Local governments can help them by improving their organizational and business capacities. Concomitantly, external actors (international traders in particular) need to better understand the local conditions under which products are produced and certified. This combination would allow more sustainable, tailor-made certification and more equal partnerships.

To further understand the circumstances under which certification can be a suitable measure for sustainable use of forest coffee, the Institute for Environmental Economics and World

Trade at the University of Hanover are conducting a three year research project² which comparatively analyses the effects of forest coffee certification on socio-economic aspects of sustainability in Ethiopia, India and Nicaragua.

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² For more information see [http://www.iuw.uni-hannover.de/projekt.html?&L=1&tx_tkforschungsberichte_pi1\[showUId\]=42&tx_tkforschungsberichte_pi1\[backpid\]=282&cHash=3dbd16d343](http://www.iuw.uni-hannover.de/projekt.html?&L=1&tx_tkforschungsberichte_pi1[showUId]=42&tx_tkforschungsberichte_pi1[backpid]=282&cHash=3dbd16d343)

Also see: The German-Ethiopian research project “Conservation and use of wild populations of *coffea arabica* in the montane rainforest of Ethiopia” (CoCE); www.coffee.uni-bonn.de