



**INTERNATIONAL
COFFEE
ORGANIZATION**

ANNEX V

WP Council 296/18

8 October 2018
Original: English

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International Coffee Council
123rd Session
XX XXX 2018
London, United Kingdom

**Draft Resolution on exclusion of
Members in persistent arrears**

EXCLUSION OF MEMBERS IN PERSISTENT ARREARS

CONSIDERING:

That paragraph (2) of Article 21 of the International Coffee Agreement 2007 provides that, if any Member fails to pay its full contribution to the Administrative Budget within six months of the date on which the contribution is due, its voting rights and its right to participate in meetings of specialized committees shall be suspended until its contribution has been paid in full. However, unless the Council so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement;

That outstanding contributions owed to the Organization have risen over time;

That some Members are in persistent arrears, having accumulated outstanding contributions over several years, and could not be counted on to contribute to current and future budgets;

That persistent failure to pay contributions significantly impairs the operation of the International Coffee Agreement, both in terms of the execution of the Administrative Budget in the short term and the liquidity of the Organization in the long term; and

That Article 46 'Exclusion', of the 2007 International Coffee Agreement, provides that: "If the Council decides that any Member is in breach of its obligations under this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may exclude such Member from the Organization",

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. That, for the purposes of this Resolution, Members in persistent arrears shall be defined as those with [x] or more years of outstanding contributions to the ICO.
2. To instruct the Organization to contact, at the beginning of each coffee year, all Members in persistent arrears and to inform them of their condition.
3. To exclude from membership in the Organization all Members in persistent arrears who have not regularized their financial situation – whether by payment in full of their arrears by 31 May of the coffee year or by means of the approval of a repayment plan through a Resolution agreed by the Council during its first regular session of the coffee year.
4. To instruct the ICO to notify the Depositary immediately of any such decision.