



**INTERNATIONAL
COFFEE
ORGANIZATION**

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**Report of the 21st Meeting of the
Working Group on the Future of the
International Coffee Agreement held on
26 January 2022**

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The Working Group on the Future of the International Coffee Agreement (WGFA) met for the twenty-first time on 26 January 2022. The Vice-Chair, Mr Mick Wheeler, of Papua New Guinea, welcomed all participants and thanked delegates for their presence.

1. Representatives of the following Members were present online using the Zoom software: Brazil, Cameroon, Colombia, Côte d'Ivoire, El Salvador, European Union (EC, Austria, Sweden), Honduras, India, Indonesia, Japan, Malawi, Mexico, Nicaragua, Norway, Panama, Papua New Guinea, Peru, Tanzania, Togo and Uganda.

Item 1: Adoption of the Agenda

2. The agenda contained in [WGFA 85/22](#) was adopted.

Item 2: Report of the 20th meeting of the Working Group held on 14 December 2021

3. The Chair presented the report of the previous meeting, contained in document [WGFA-84/22](#).

4. The Working Group took note of the report.

Item 3: Role of the private sector

5. The Vice-Chair noted that during previous meetings of the WGFA Members did not make a final decision on the representation of the Board of Affiliate Members (BAM), as there was general consensus on the inclusion of trade associations but still some disagreement on the inclusion of individual private companies. The Vice-Chair also recalled the WGFA had previously decided that the request for affiliation by an Affiliate Member needed to be sponsored by an ICO Member and approved by the Council.

6. The delegate of Brazil supported the inclusion of individual companies, stressing that only the Chair and Vice-Chair of the Board of Affiliate Members would participate in Council meetings and that relevant topics to be submitted to the attention of the Council would need to be agreed upon internally within the BAM first. This would ensure that no individual private company could possibly impose its own agenda during discussions. He also highlighted that trade associations would not be in

a position to pay any affiliation fee to the Organization and invited Members to consider the creation of a fee exemption to be granted exclusively to this category. In addition, he proposed that the Council review the list of affiliate members on a yearly basis and create a mechanism in order to ensure diversity of geographic representation within the BAM.

7. The Vice-Chair noted that it would be easier to ask all Affiliate Members to pay a small fee rather than creating different categories of affiliation and raised a question on whether a ceiling should be set on the number of Affiliate Members in the BAM.

8. The delegate of Colombia supported the affiliation of individual private companies and, while agreeing that all Affiliate Members should pay a fee in order to increase their level of commitment to the Board, he proposed the creation of a fee structure with different categories.

9. The Executive Director suggested further details on the categories of fees could be best regulated in other provisions, such as the Terms of Reference of the BAM, and not in the Agreement itself.

10. With reference to geographic representation, Members agreed that setting a limit on the number of members per region could lead to the exclusion of possible valuable affiliate members.

11. The delegate of the European Union expressed his concerns on having the sponsorship by an ICO Member – a governmental organization – as a requirement for the affiliation of a private and/or non-governmental organization.

12. The delegate of Mexico endorsed the membership of trade associations only, since approving individual private companies could generate political issues at the national level for Members. He stressed that trade associations should suffice to ensure representativeness of the private sector within the Board of Affiliate Members.

13. The delegate of Japan noted that according to his understanding, a decision on the Inclusion of trade associations only in the BAM had already been made.

14. In an attempt to find a compromise between the two main positions, the Vice-Chair suggested the introduction of specific safeguards to make sure individual private companies would not push forward only their personal agenda.

15. The delegates of Mexico and Colombia agreed to submit new wording on the definition of Affiliate Member to be revised by the WGFA.

16. With reference to the reporting lines of the new Coffee Public-Private Working Party (CPPWP) and the BAM, Members agreed the two entities should report directly to the International Coffee Council.

Item 4: Draft of the International Coffee Agreement

17. With reference to the definition of 'premixed coffee' under Article 2, the Executive Director recalled the Secretariat had previously circulated the definition given by the International Organization for Standardization (ISO) and suggested the inclusion of 'pure' in Article 27 "Mixtures and substitutes" to stress the difference among the different categories.

18. The delegate of Japan agreed to provide comments on this definition during the next meeting of the Working Group, deferring the final decision. Meanwhile, the delegate of Mexico suggested the percentage in Article 27 be raised to 97% or 98%.

19. With reference to Article 21 "Payment of contributions", the WGFA was informed by the Secretariat that the Government of Indonesia had withdrawn their proposal with communication sent on 20 January 2022 ([WGFA 86/22](#)). Members provisionally approved the proposal submitted by the European Union, subject to comments from Japan.

20. With reference to Article 36 "Sustainable Coffee Sector", the Executive Director informed a simplification of the text was desirable given the proposed indefinite duration of the new ICA, thereby avoiding that its language become prematurely obsolete.

21. In response to the point raised by Japan on not being able to approve a text referring to initiatives not all Members did not participate in, the Vice-Chair suggested the inclusion of the wording "that have been endorsed by Members".

22. With reference to Article 49 "Amendments", the delegate of Japan informed the need to consult his capital on the retention of the original wording of the ICA 2007 approved by the WGFA.

23. **The following articles and paragraphs previously edited by the Drafting Group have been approved by the Working Group**

A) art. 6 paragraph 3

Original text ICA 2007

(3) The highest authority of the Organization shall be the International Coffee Council. The Council shall be assisted as appropriate by the Finance and Administration Committee, the Promotion and Market Development Committee and the Projects Committee. The Council shall also be advised by the Private Sector Consultative Board, the World Coffee Conference and the Consultative Forum on Coffee Sector Finance.

Text approved by the WGFA

(3) The highest authority of the Organization shall be the Council. The Council shall be assisted as appropriate by the Finance and Administration Committee and the Economics Committee. The Council shall also be advised by the Board of Affiliate Members, the World Coffee Conference and the Coffee Public-Private Working Party.

B) art. 6 paragraph 4

Text approved by the WGFA

(4) The Council will be supported by the Executive Director and the staff of the Organization.

C) art. 24 paragraph 4

Original text ICA 2007

(4) Taking into account their mutual interest, Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article may be progressively reduced and eventually, wherever possible, eliminated, or by which the effects of such obstacles may be substantially diminished.

Text approved by the WGFA

(4) Taking into account their mutual interest, Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article may be progressively reduced and eventually, wherever possible, eliminated, or by which the effects of such obstacles may be substantially diminished.

(x) Taking into account their mutual interest, Members undertake to seek ways of mitigating price volatility through appropriate regulations.

D) art. 48 paragraph 2

Original text ICA 2007

(2) The Council shall review this Agreement five years after its entry into force and shall take decisions as appropriate.

Text approved by the WGFA

(2) The Council shall review this Agreement every five years, after the date of entry into force of this Agreement, if necessary or whenever the need arises, in particular to accommodate and respond to new challenges and opportunities, and take decisions as appropriate.

24. **The following articles and paragraphs have been provisionally approved by the Working Group subject to final comments from Japan:**

A) art. 21 - additional paragraph

Text provisionally approved by the WGFA:

(x) The Council shall consider the question of membership of any Member with one and a half years' contributions unpaid, and may decide that this Member shall cease to enjoy the rights of membership. While it will cease to be assessed for budgetary purposes, it shall remain liable to meet any other of its financial obligations under this Agreement. By payment of the arrears the Member will regain the rights of membership. Any payments made by Members in arrears will be credited first to those arrears, rather than to current contributions.

B) art. (xx) - new paragraph:

Text provisionally approved by the WGFA:

Art. (xx) - Economics Committee

A Committee on Economics shall be established, which shall be responsible for matters related to: promotion and market development; market transparency, statistical information, studies and surveys; projects, the sustainable development and financing of the coffee sector. The Council shall determine its composition and mandate.

C) art. 24 - paragraph 2:

Original text ICA 2007:

(2) Members recognize that there are at present in effect measures which may to a greater or lesser extent hinder the increase in consumption of coffee, in particular:

- (a) import arrangements applicable to coffee, including preferential and other tariffs, quotas, operations of government monopolies and official purchasing agencies, and other administrative rules and commercial practices;
- (b) export arrangements as regards direct or indirect subsidies and other administrative rules and commercial practices; and
- (c) internal trade conditions and domestic and regional legal and administrative provisions which may affect consumption.

Text provisionally approved by the WGFA:

(2) Members recognize that there are at present measures that may to a greater or lesser extent hinder the increase in consumption of coffee, in particular:

- (a) import arrangements applicable to coffee, including preferential and other tariffs, quotas, operations of government monopolies and official purchasing agencies, and other administrative rules and commercial practices;
- (b) export arrangements as regards direct or indirect subsidies and other administrative rules and commercial practices; and
- (c) internal trade conditions and domestic and regional legal and administrative provisions that may affect consumption or render the supply chain inefficient.
- (d) NEW SUB-PARAGRAPH (to be submitted by Colombia)

D) art. 24 - paragraph 3:

Original text ICA 2007:

(3) Having regard to the objectives stated above and to the provisions of paragraph (4) of this Article, Members shall endeavour to pursue tariff reductions on coffee or to take other action to remove obstacles to increased consumption.

Text provisionally approved by the WGFA:

(3) Having regard to the objectives stated above and to the provisions of paragraph (4) of this Article, Members shall endeavour to pursue tariff reductions on coffee and to take other action to remove obstacles to increased consumption.

E) art. 24 - paragraph 6:

Original text ICA 2007:

(6) The Executive Director shall prepare periodically a survey of the obstacles to consumption to be reviewed by the Council.

Text provisionally approved by the WGFA:

6) The Executive Director shall prepare and circulate to all Members annually a survey of coffee-related obstacles to trade and consumption, as well as of the market distortions causing price volatility and impacting living and prosperous income or value distribution, in particular for producers and coffee farmers, to be reviewed by the Council.

Item 5: Next steps

25. The Vice-Chair asked Members to provide new wording for articles pending approval and the Secretariat to circulate the new text provided as soon as it was received, for Members' consideration before the next meeting of the Working Group.

26. Following the proposal of the delegate of Brazil, Members agreed to meet weekly until the Council Session to be held in Spring (31 March - 1 April) in order to finalize the revision of the new International Coffee Agreement.

Item 7: Other business

27. No additional requests for other business were made.

Item 8: Date of next meeting

28. The Chair noted that the next WGFA Meetings would be held on 15 and 22 February 2022.