

# WGEF 13/24

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Report on the 4<sup>th</sup> meeting of the Working Group for the Entry into force of the International Coffee Agreement 2022

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- 1. The Working Group for the Entry into Force of the International Coffee Agreement 2022 met for the fourth time on 11 March 2024. The Chair of the Group, Mr Mick Wheeler of Papua New Guinea, welcomed all participants and thanked delegates for their presence.
- 2. Representatives of the following Members were present online using the Zoom software: Brazil, Colombia, Côte d'Ivoire, El Salvador, European Union (including EU-Ireland and EU-Italy), India, Japan, Papua New Guinea, Philippines, and Togo.

### Item 1: Adoption of the Agenda

3. The agenda contained in document WGEF 09/24 was adopted.

### Item 2: Report of the 3<sup>rd</sup> meeting of the Working Group held on 12 February 2024

- 4. The Chair presented the report of the previous meeting, contained in document WGEF-08/24.
- 5. The WGEF took note of the report.

# Item 3: Terms of Reference (ToRs) of the Economics Committee

- 6. The Chair introduced document <u>WGEF-10/24 Rev. 1</u> containing a proposal that he had submitted in his capacity as representative of Papua New Guinea. He noted that the intention of putting forward different options for the ToRs of the Economics Committee was to be provocative and prompt Members' engagement in the debate. In this sense, the proposal contained in the aforementioned document was an attempt to find a compromise between the two polarized positions that had emerged during discussions at previous meetings.
- 7. The delegate of Togo noted that 15 seats could be maintained for the producing countries, adding that he would consult with the delegate of Côte d'Ivoire in order to put forward the list of African representatives for the vacant seats in the Joint Committee.
- 8. Reiterating the position shared at the previous WGEF meeting, the delegate of Japan voiced his concern that an open system could further upset the balance between exporting and importing Members, as well as affect discussions among them. He then asked the Secretariat to prepare a document comparing the perceived advantages and disadvantages of the three membership options at hand, as well as the rules and authority of the members of the Committee.
- 9. The delegate of Brazil took note of the proposal submitted by Papua New Guinea and, with reference to the number of seats for exporting Members, he noted that it would be advisable to wait for feedback from African countries regarding their nominations before considering a reduction. He also stressed that the aim should be to ensure effective participation in discussions and suggested a few drafting amendments, namely: (i) replacing "She/he" with "The Chair" in paragraph 5; and (ii) amending paragraph 7 in order to include further details on observers and make it consistent with the provisions of Article 12 paragraph 3, as well as Articles 16 and 17 of the ICA 2022.

- 10. The Chair took note of the suggestions made by Brazil and acknowledged that the drafting could be improved. He urged Members to consider the different options available and express their preference at the following meeting.
- 11. The delegate of Brazil noted that, given the multilayered structure of his country's coffee sector, concrete feedback on the topics being discussed by the WGEF could be delayed. He explained that his delegation was still completing consultations with all the relevant stakeholders to ensure the Brazilian position reflected the sector's view.
- 12. The Head of Operations suggested that the Secretariat prepare a document comparing the wording for the different options under consideration, as used to be done for documents being revised within the Working Group on the Future of the Agreement (WGFA).

# Item 4: Participation of non-governmental stakeholders in the activities of the Organization

- 13. The Head of Operations presented document <u>WGEF-12/24</u>, noting that some of the information contained in the comparative analysis had already been shared with Members when the Organization was considering the participation of non-governmental stakeholders during the drafting of the ICA 2022. He explained that, in addition to details about the International Telecommunication Union (ITU) and the United Nations World Tourism Organization (UNWTO), the Secretariat had looked into other international bodies following the request of El Salvador.
- 14. The delegate of Brazil noted that the comparison with other international bodies was not relevant to the discussion at hand as they were not all intergovernmental organizations and had a different nature to that of the Organization. He suggested that the Secretariat expand the comparative analysis to include other directly comparable international commodity bodies that brought together both exporting and importing countries.
- 15. The Chair recalled that the Secretariat had already prepared a comprehensive document comparing existing commodity boards to provide Members with a better understanding of how non-governmental stakeholders were engaged in their activities (WGFA-43/20).<sup>1</sup> In this sense, ITU and UNWTO were the two organizations that Members considered when drafting the ICA 2022.
- 16. Adding to the intervention of the Chair, the Head of Operations noted that none of the commodity boards taken into account made reference to private sector involvement in their activities in their respective agreements, stressing the innovative nature of the ICA 2022 in this sense. He also highlighted that the comparative analysis had been carried out so that Members could draw inspiration from other organizations, if relevant, while discussing ways to implement the provisions contained in the ICA 2022.
- 17. In response to a comment by Brazil, the Head of Operations also stressed that an ICO Member could endorse the application of an entity of a different nationality only if said entity was based in a

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<sup>&</sup>lt;sup>1</sup> Please contact the Secretariat for the relevant password (<u>icodocuments@ico.org</u>).

non-member country of the Organization (much like the standard practice currently applicable for the Private Sector Consultative Board).

- 18. The delegate of India echoed the Chair and the Head of Operations and asked the Secretariat whether it was possible to retrieve further details on the criteria being checked during the internal verification process carried out by UNWTO when dealing with applications from the private sector. He also noted that it would be useful to know if the participation of non-governmental entities in the activities of both ITU and UNWTO was foreseen since their establishment or introduced at a later stage.
- 19. The Head of Operations took note of the request from India and informed Members that the Secretariat would share updates after consulting with the two organizations in question.
- 20. The delegate of El Salvador endorsed the request from India, noting that Members were trying to gather as much useful information as possible to enable a decision to be made.
- 21. The delegate of the EU-Italy noted that the Board of Affiliate Members (BAM) could be a way to re-establish relations with former Members of the ICO and this should be taken into account when drafting its Terms of Reference.
- The delegate of Colombia noted that the proposal from India was a good basis for discussions on the eligibility criteria, while also stressing that working on a system for the distribution of votes within the BAM would be necessary considering that affiliate members would be paying contributions. He also stressed that the three-year duration for the project proposal, as contained in the document submitted by India (WGEF-11/24), should be further discussed.
- 23. The delegate of the EU-Italy expressed his overall support for the eligibility criteria proposed by India as they were relatively easy to meet, with the exception of the project proposal, about which he asked for clarifications. He also emphasized that, since each country had different laws and procedures, endorsement by an ICO Member was key to ensure compliance with national regulations and practices.
- 24. The Chair welcomed the intervention by the EU-Italy and, in his capacity as the representative of Papua New Guinea, expressed his appreciation for the proposal to have Members involved in compliance checks regarding applications of entities from their countries.
- 25. The delegate of El Salvador suggested that Members set minimum requirements that were not too difficult to comply with to prompt entities' interest, adding that these could be further developed at a later stage, if necessary, following the receipt of the first applications.
- 26. The delegate of Brazil asked his fellow delegates whether the two standard categories of exporting and importing countries and a balance between the two were to be maintained also in the BAM, in line with the current Private Sector Consultative Board. He also questioned whether a maximum number of affiliate members should be set for each country and category.
- 27. In response to a query from Brazil, the Chair noted that, as per the provisions of the ICA 2022, the BAM should consist of all affiliate members, so the only way to regulate the participation of non-

governmental entities was through the establishment of eligibility criteria. He also stressed that the WGEF should be able to establish guidelines for Members to follow when assessing applications prior to their submission to the Council.

- 28. With reference to previous comments regarding the need to submit a project proposal as one of the eligibility criteria, the delegate of India stressed that it was a way to ensure a much more meaningful and effective participation of the private sector for the benefit of the whole Organization. He stated that the quality of the participation should therefore be prioritized over the quantity of entities participating.
- 29. In response to a question on how to facilitate the participation of stakeholders from non-member countries, the Chair proposed that if an entity were from an ICO Member state, then the Member in question would be in charge of checking whether the eligibility criteria were met. If not, the application could be handled by a specific committee/the Council.
- 30. Adding to the intervention of the Chair, the delegate of Brazil suggested that applications by entities from non-member countries could be considered if at least one ICO exporting country and one ICO importing country endorsed them.
- 31. With reference to the assessment of applications, the delegate of India noted that UNTWO had a specialized committee for processing requests submitted by applicants, and in this regard, he proposed that the ICO also create a similar body, suggesting that submitting applications to a forum as large as the Council would not be effective. He also advised that, if applicable, the ICO Member country from which the entity was applying should also join such committee.
- 32. On the BAM contribution system proposed by India, the delegate of Colombia questioned how the classification of SMEs and large companies would work.
- 33. The delegate of Brazil noted that there was no category within which research entities could fit, suggesting that Members look into the matter as such entities had a key role in the coffee sector.
- 34. The delegate of Japan informed Members that he needed to gather comments from the Japanese private sector before providing feedback on the proposal submitted by India.
- 35. The Chair requested that the Secretariat look at how other organizations defined the size of associations and companies and took note of the comment of Brazil.

#### Item 5: Date of next meeting

36. The dates of future meetings were shared on screen for Members' reference, with the following meeting having been scheduled for 8 April 2024.

# Item 6: Other business

37. With no further topics to address, the Chair thanked Members for their active participation.