



International Coffee Organization
Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

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Private Sector Consultative Board
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**The Future of the
International Coffee Agreement**

**Communication from the
European Coffee Federation (ECF)**

Background

The attached communication has been received from the European Coffee Federation.

Action

The PSCB is requested to note this document.



THE FUTURE OF THE INTERNATIONAL COFFEE AGREEMENT ELEMENTS FOR DISCUSSION

The European Coffee Federation suggests the following elements for discussion on the future of the International Coffee Agreement:

1 Need for continued existence of the ICA?

The ECF recognises that this is a difficult question to ask and to answer. However, it is one that should not be avoided. It has to be recognised that for many years the main reason for existence of the ICA has been the implementation of the economic clauses. This reason for existence no longer applies: there is an almost universal agreement that the type of market intervention as practiced under the ICA until 1989 is and should remain a thing of the past. This means that the current agreement, the first one drafted from the outset without economic clauses, has had to redefine ICO's objectives and activities. It is appropriate for the ICO members to assess whether this 'new style' agreement has met their aspirations and expectations.

From its perspective of PSCB member, the ECF fully acknowledges the importance of a number of ICO's activities, but is unconvinced that the potential of the ICO as the central and authoritative platform for the entire coffee community has been fully utilised under the 2001 ICA. The unchanged continuation of the ICA as currently implemented, is therefore not a welcoming prospect.

2 Improving ICO's relevance for the coffee community

The ECF considers it important to have a thorough debate on the subjects and activities that will improve the relevance of the ICO. There are quite a few subjects of major importance to the coffee community that require the involvement of governments and the private sector on both the producing and consuming side, for instance (and in no particular order):

- food safety (OTA, pesticide residues);
 - traceability;
 - sustainable development;
 - removal of trade barriers, both for coffee and for products offering scope for diversification;
 - port security;
 - environmental impact chain management;
 - increasing demand in traditional and new markets and in producing countries;
 - tools to facilitate production development better attuned to demand development.
- Hopefully, such a debate will assist the ICA to continue its transition between the old 'market intervention' agreements and a new type of 'issue-driven' agreement.

3 Closing comment

The renegotiation or extension of the ICA is neither an isolated decision nor a goal in itself. More important is a thorough, and admittedly difficult, debate on how the ICO members see the future role, activities and working methods of the organisation. The ECF will happily provide input for such a debate, both centrally and through contacts between its member associations and their national authorities.

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