



Organización Internacional del Café
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Organisation Internationale du Café

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Executive Board/
International Coffee Council
25 – 29 September 2006
London, England

**Future of the International
Coffee Agreement (ICA) 2001**

**Communication from
the European Community**

Background

The following communication on the future of the ICA 2001 has been received from the European Community, in response to the decision taken by the International Coffee Council at its 95th Session that Members should submit proposals on the future of the ICA 2001 by 15 August 2006.

Action

The Executive Board and the International Coffee Council are requested to consider this document.



EUROPEAN COMMISSION
DG DÉVELOPPEMENT ET RELATIONS AVEC LES ETATS
D'AFRIQUE, DES CARAIBES ET DU PACIFIQUE

Development Policy : Thematic Issues
The Director

20-07-2006

Brussels,
B1 *4 EB D (2006) 4671

Mr. Nestor L. OSORIO
Executive Director
International Coffee Organisation
ICO
22, Berners Street
London W1T 3DD

Subject: Future of the International Coffee Agreement 2001

Dear Mr OSORIO,

The European Commission has given duly consideration to the decision adopted at the 95th session of the ICO Council in May 2006 on submission of proposals from Members on the future of International Coffee Agreement 2001, by the 15th August 2006.

I hereby wish to provide you with a reply on behalf of the European Community. This reply reflects the position agreed and supported by all EU Member States and the European Commission.

I take this opportunity to renew, dear Mr. Osorio, the assurances of my highest consideration.

Yours sincerely

Bernard PETIT

Encl.

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INTERNATIONAL COFFEE AGREEMENT
2001

I. General remarks

The European Community considers that the largest part of the Agreement does not need structural changes, as the present provisions represent a comprehensive framework for implementing the entire objectives. Therefore the structure of the ICA 2001 should remain fundamentally unchanged, in order to allow the continuation of an orderly functioning agreement. The European Community considers that either in case of an amendment procedure or in case of a renegotiation, only a limited number of articles, agreed in advance among parties, should be the subject of discussions.

Taking the above principle in mind, the EC wishes to express the following considerations:

1. *Preamble and Objectives*. The EC considers that the current objectives are still up-to-date and therefore Art. 1 of ICA 2001 doesn't need any particular enlargement. We believe that some additional issues proposed by other members could find an appropriate follow-up within the reviewed general strategies for coffee, including special attention to small producers. All these activities are prepared by the ICO Secretariat and regularly reviewed by Council. This allows for more flexibility and does not imply, in principle, a revision of the ICA and its objectives.
2. *Sustainability*. Objective N. 6 encourages members to develop a sustainable economy; in addition Article 39 covers all approaches on sustainability (including mainstreaming). These provisions leave enough flexibility for any action desired.
3. *Private Sector Consultative Board (PSCB)*. Art.22 § 2 fixes the composition of this body created by the current agreement. The question of a possible enlarged composition has been raised and the PSCB has already addressed this issue.
4. *Studies and surveys*. Art 31 already provides a very comprehensive framework for studies and projects to be undertaken by ICO. The EC doesn't see any need for amending this provision or prioritising actions. The EC strongly reaffirms its approach rejecting the idea to transform the nature of "International Commodities Organisations".

II. Articles and Provisions to be considered for discussion.

The following articles need a revision in order to align the ICA 2001 to the changed conditions.

1. *Article 2, paragraphs (5) and (6)*

This Article defines “Contracting parties” and “Members”. In order to align the text to the sole European Community membership, it is suggested the following amendment:

“(5) Contracting Party means a Government, the European Community or any intergovernmental organisation referred to in paragraph...” ;

“(6) Member means a Contracting Party;...”. If paragraph 5 above is amended as indicated, this paragraph does not need any additional change.

2. *Article 2, Paragraphs (9) and (10)*

Paragraphs 9 and 10 of Art 2 define simple and qualified majority for voting. The Community rejects the idea to moving the Organisation toward operating by sole consensus instead of voting, as instead of facilitating decisions through a well defined and agreed process, it may create impasses. The problem for ICO is more procedural.

As in other agreements, the correct answer for a proper wording is related to the solution that it will be retained for Art 13.

At the present stage, it is not possible to suggest a particular solution before a comprehensive discussion on votes with all the other consumers.

3. *Article 4 paragraphs (3), (4) and (5).*

This Article operates a distinction between the Community and intergovernmental organisations. In order to align the text to the current situation, the following wording is proposed:

“(3) Any reference in this Agreement to a Government shall be construed as including the European Community and any intergovernmental organisation having responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements”

“(4) Intergovernmental organisations shall not themselves have any votes but in the case of a vote on matters within their competence they shall be entitled to cast collectively the votes of their Member States. In such cases, the Member States of such intergovernmental organisations shall not be entitled to exercise their individual voting rights.”

The votes of the EC will be established in a specific provision in the appropriate place.

“(5) The intergovernmental organisations that are not contracting parties shall not be eligible for election to the Executive Board under the provisions of paragraph (1) of Article 17 but may participate in the discussions of the Executive Board on matters within their competence.

4. *Articles 12 (3) and 16. Observers*

The EC agrees that Article 12 §3 of the current Agreement does not clarify enough the participation of observers. The current wording says:

“Art.12 (3)

The Council may invite any non member country or any of the organisations referred to in Article 16 to attend any of its sessions as an observer. In case”

In order to leave unchanged the above wording, it will be necessary to keep the reference to Art.16. In this case Article 16 should need a slight amendment in order to open to members of the civil society, if accepted.

The following text is therefore proposed:

“Art 16. Cooperation with other organisations

(1) The Council may make arrangements for consultation and cooperation with the United Nations and its specialised agencies, other appropriate intergovernmental organisations, relevant international and regional organisations as well as relevant non-governmental organisations and civil society representatives. It shall take full advantage... (unchanged).”

5. *Article 13, paragraph (7).*

As said above, it is not possible to propose a new voting system before a comprehensive discussion with all the others consuming countries, due to the financial implications. Votes shall continue to be linked to the financial contribution in any case.

6. *Article 17, paragraph 1 and Article 18.*

To be revised on the basis of current practices.

7. *Article 45, paragraph 1.*

No need of revision in case of amendment procedure.

8. *Article 53, paragraph 1*

To be revised in light of the status of the EC.