



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

WP Board No. 988/05

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Executive Board
260th Meeting
30 January – 1 February 2006
London, England

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

**Communication from the
European Community**

Background

The following letter has been received from the European Community in response to the request of the Executive Director contained in document ED-1973/05.

Action

The Board is requested to consider this document.



COMMISSION EUROPEENNE
DIRECTION GENERALE DEVELOPPEMENT

Environnement et Développement rural
Le Directeur

Bruxelles, le 19 Décembre 2005
B4 *3 D(2005) 8851

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

Subject: Discussion on the future of the International Coffee Agreement 2001

Dear Mr. OSORIO,

The European Commission has given consideration to document ED1973/05 of 1st November 2005 concerning the discussions on the future of the International Coffee Agreement 2001, and 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, Mr. Osorio, the assurances of my highest consideration.

Yours sincerely,

Bernard PETIT

Encl: Discussion on the future of the International Coffee Agreement 2001

Discussion on the future of the International Coffee Agreement 2001

Further to discussions in the framework of the Executive Board and Council sessions held last September, and in response to the invitation contained in document ED 1973/05, hereafter is reported the position of the European Community regarding the future of the International Coffee Agreement 2001.

In general terms, the European Community is not in favour of a renegotiation or a fully fledged revision of the ICA 2001. The current Agreement in its structure gives full satisfaction to EU members and does not need structural amendments.

The European Community is of the opinion that before any further steps are taken, it would be important to agree on the real interests of the members of the Agreement and the value-added to be gained from renegotiating, or partially amending, the current Agreement, as well as to assess if the potential improvements would justify the cumbersome procedures associated with revision. In addition, it will be also important that the ICO Secretariat assess the current functioning of the agreement, and analyse if it has been implemented in full.

As many ICO members may recall, after the entry into force of the present Agreement, at the moment of the transition towards the current form of participation of the EU, the European Community declared its willingness to discuss a very limited revision to allow the Agreement to fully respond to the new arrangements for membership of the Community. This option was rejected by the ICO Council, however the European Community remains willing to pursue this approach and so adapt the Agreement to accommodate membership of the Community.

The European Community is satisfied with the performance of the ICA 2001, and believes that the structure of the Agreement should continue to be built around a specific "partnership" between consumers and producers. The European Community believes that abolishing the "dual blocks" of consumers / producers is not appropriate, as this would downgrade the Agreement to the status of a simpler "Study group". In addition, the different interests of exporting and importing countries on which the Agreement is founded suggest that maintaining the current formula is the most appropriate course of action, as this would help to maintain the intensive, fruitful dialogue between importers and exporters and facilitate the decision-making process.

The European Community is also of the opinion that the efforts undertaken by ICO Members to improve the quality of traded coffee represents a very important initiative, and this should remain one of the key priorities of the Organisation in future.