



Organización Internacional del Café  
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Organisation Internationale du Café

WP WGFA No. 2/06 Add. 2

23 November 2006  
Original: English

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Working Group on the  
Future of the Agreement  
22 – 24 January 2007  
London, England

**Draft proposals for the  
future of the Agreement**

**Section II: Membership and votes**

## **Introduction**

The present document contains the following draft Articles relating to membership and votes:

### **CHAPTER IV – MEMBERSHIP**

- Article 4 Membership of the Organization
- Article 5 Separate membership in respect of designated territories\*
- Article 6 Group membership

### **CHAPTER VI – THE INTERNATIONAL COFFEE COUNCIL**

- Article 13 Votes
- Article 14 Voting procedure of the Council\*

## **Action**

The Working Group is invited to consider this document.

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\* *Indicates no changes have been proposed to this Article.*

## CHAPTER IV – MEMBERSHIP

### ARTICLE 4

#### Membership of the Organization

**Comments:** *The EC has proposed changes to paragraphs (3) to (5). The votes of the EC would be established in a specific provision in the appropriate place. The USA proposes amending paragraph (1) and deleting paragraphs (3) and (5) and moving paragraph (4) to Article 13.*

(1) Each Contracting Party, together with those territories to which this Agreement is extended under the provisions of paragraph (1) of Article 48, shall constitute a single Member of the Organization, except as otherwise provided for under the provisions of Articles 5 and 6. **Where an intergovernmental organization representing the collective interests of multiple States or territories constitutes a Contracting Party, membership shall accrue solely to the intergovernmental organization as a single Member.** [USA]

(2) A Member may change its category of membership on such conditions as the Council may agree.

[(3) Any reference in this Agreement to a Government shall be construed as including a reference to the European Community, ~~or~~ **and** any intergovernmental organization having comparable responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements. [EC] ]

~~[(3) Any reference in this Agreement to a Government shall be construed as including a reference to the European Community, or any intergovernmental organization having comparable responsibilities in respect of the negotiation, conclusion and application of international agreements, in particular commodity agreements. [USA] ]~~

[(4) ~~Such~~ Intergovernmental organizations shall not ~~itself~~ **themselves** have any votes but in the case of a vote on matters within **its their** competence ~~it~~ **they** shall be entitled to cast collectively the votes of **its their** Member States. In such cases, the Member States of such intergovernmental organizations shall not be entitled to exercise their individual voting rights.[EC] ]

~~[(4) Such intergovernmental organizations shall not itself have any votes but in the case of a vote on matters within its competence it shall be entitled to cast collectively the votes of its Member States. In such cases, the Member States of such intergovernmental organizations shall not be entitled to exercise their individual voting rights.[USA] ]~~

[(5) **The intergovernmental organizations 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. Such intergovernmental organization 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 its competence. In the case of a vote on matters within its competence, and notwithstanding the provisions of paragraph (1) of Article 20, the votes which its Member States are entitled to cast in the Executive Board may be cast collectively by any one of those Member States.-[EC] ]~~

~~[(5) Such intergovernmental organization 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 its competence. In the case of a vote on matters within its competence, and notwithstanding the provisions of paragraph (1) of Article 20, the votes which its Member States are entitled to cast in the Executive Board may be cast collectively by any one of those Member States.-[USA] ]~~

#### ARTICLE 5

#### **Separate membership in respect of designated territories**

**Comments:** *No changes have been proposed to this Article.*

Any Contracting Party which is a net importer of coffee may, at any time, by appropriate notification in accordance with the provisions of paragraph (2) of Article 48, declare that it is participating in the Organization separately with respect to any of the territories for whose international relations it is responsible, which are net exporters of coffee and which it designates. In such case, the metropolitan territory and its non-designated territories will have a single membership, and its designated territories, either individually or collectively as the notification indicates, will have separate membership.

#### ARTICLE 6

#### **Group membership**

**Comments:** *OAMCAF ceased to be a Member Group of the Organization in 2005. Angola has proposed including regional/continental groups among ICO bodies.*

(1) Two or more Contracting Parties which are net exporters of coffee may, by appropriate notification to the Council and to the Secretary-General of the United Nations at the time of deposit of their respective instruments of ratification, acceptance, approval, provisional application or accession, declare that they are participating in the Organization as a Member group. A territory to which this Agreement has been extended under the provisions of paragraph (1) of Article 48 may constitute part of such Member group if the Government of the State responsible for its international relations has given appropriate notification thereof under the provisions of paragraph (2) of Article 48. Such Contracting Parties and designated territories must satisfy the following conditions:

- (a) they shall declare their willingness to accept responsibility for group obligations in an individual as well as a group capacity; and
  - (b) they shall subsequently provide satisfactory evidence to the Council that:
    - (i) the group has the organization necessary to implement a common coffee policy and that they have the means of complying, together with the other parties to the group, with their obligations under this Agreement; and
    - (ii) they have a common or coordinated commercial and economic policy in relation to coffee and a coordinated monetary and financial policy, as well as the organs necessary to implement such policies, so that the Council is satisfied that the Member group is able to comply with the group obligations involved.
- (2) Any Member group recognized under the International Coffee Agreement 1994 shall continue to be recognized as a group unless it notifies the Council that it no longer wishes to be so recognized.
- (3) The Member group shall constitute a single Member of the Organization, except that each party to the group shall be treated as if it were a single Member in relation to matters arising under the following provisions:
- (a) Articles 11 and 12; and
  - (b) Article 51.
- (4) The Contracting Parties and designated territories joining as a Member group shall specify the Government or organization which will represent them in the Council on matters arising under this Agreement other than those specified in paragraph (3) of this Article.
- (5) The voting rights of the Member group shall be as follows:
- (a) the Member group shall have the same number of basic votes as a single Member country joining the Organization in an individual capacity. These basic votes shall be attributed to and cast by the Government or organization representing the group; and
  - (b) in the event of a vote on any matters arising under the provisions of paragraph (3) of this Article, the parties to the Member group may cast separately the votes attributed to them under the provisions of paragraph (3) of Article 13 as if each were an individual Member of the Organization, except for the basic votes, which shall remain attributable only to the Government or organization representing the group.

(6) Any Contracting Party or designated territory which is a party to a Member group may, by notification to the Council, withdraw from that group and become a separate Member. Such withdrawal shall take effect upon receipt of the notification by the Council. If a party to a Member group withdraws from that group or ceases to participate in the Organization, the remaining parties to the group may apply to the Council to maintain the group; the group shall continue to exist unless the Council disapproves the application. If the Member group is dissolved, each former party to the group will become a separate Member. A Member which has ceased to be a party to a group may not, as long as this Agreement remains in force, again become a party to a group.

(7) Any Contracting Party which wishes to become party to a Member group after this Agreement has entered into force may do so by notification to the Council provided that:

- (a) other Members of the group declare their willingness to accept the Member concerned as party to the Member group; and
- (b) it notifies the Secretary-General of the United Nations that it is participating in the group.

(8) Two or more exporting Members may, at any time after this Agreement has entered into force, apply to the Council to form a Member group. The Council shall approve the application if it finds that the Members have made a declaration and have provided satisfactory evidence in accordance with the requirements of paragraph (1) of this Article. Upon such approval, the Member group shall be subject to the provisions of paragraphs (3), (4), (5) and (6) of this Article.

## CHAPTER VI – THE INTERNATIONAL COFFEE COUNCIL

### ARTICLE 13

#### Votes

**Comments:** *With respect to paragraph (7), the EC has noted that it is not possible to propose a new voting system before a comprehensive discussion with all importing Members, because of financial implications. Indonesia has suggested looking at voting: whether it is necessary and whether contributions should be linked to it. Japan notes the need for careful consideration of Regional Economic Integration Organizations which should not have dual representatives and voting with their Member countries. Issues such as votes distribution should be carefully examined in terms of equity in representation and decision-making. The Central American Group supports Japan's proposal regarding Member representation. The USA has proposed changes in the case of paragraph (4a). Vietnam has proposed that paragraph (3) be reworded to reflect the average turnover rather than volume of exports.*

(1) The exporting Members shall together hold 1,000 votes and the importing Members shall together hold 1,000 votes, distributed within each category of Member – that is, exporting and importing Members, respectively – as provided for in the following paragraphs of this Article.

(2) Each Member shall have five basic votes.

(3) The remaining votes of exporting Members shall be divided among such Members in proportion to the average ~~volume~~ **turnover** of their respective exports of coffee to all destinations in the preceding four calendar years. [VIETNAM]

(4) The remaining votes of importing Members shall be divided among such Members in proportion to the average volume of their respective imports of coffee in the preceding four calendar years.

**(4 a) An intergovernmental organization representing the collective interests of multiple States or territories shall hold votes as a single Member and shall have five basic votes and additional votes in proportion to the average volume of the imports or exports of coffee, in the preceding four calendar years, of its Member States or territories. In such cases, the Member States or territories of such intergovernmental organizations shall possess no individual voting rights. [USA]**

(5) The distribution of votes shall be determined by the Council in accordance with the provisions of this Article at the beginning of each coffee year and shall remain in effect during that year, except as provided for in paragraph (6) of this Article.

(6) The Council shall provide for the redistribution of votes in accordance with the provisions of this Article whenever there is a change in the membership of the Organization or if the voting rights of a Member are suspended or regained under the provisions of Article 25 or 42.

(7) No Member shall hold more than 400 votes.

(8) There shall be no fractional votes.

**Comments by the Executive Director:**

Simulations have been prepared showing:

- the distribution of votes in 2006/07 by value as well as volume;
- the allocation of 5 basic votes to the EC and no basic votes to its Member countries;
- a 400 vote limit for the EC (in this case there would be a substantial increase in votes for importing Members other than the EC)

ARTICLE 14

**Voting procedure of the Council**

**Comments:** *No changes have been proposed to this Article.*

(1) Each Member shall be entitled to cast the number of votes it holds and shall not be entitled to divide its votes. However, a Member may cast differently any votes which it holds under the provisions of paragraph (2) of this Article.

(2) Any exporting Member may authorize any other exporting Member, and any importing Member may authorize any other importing Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Council. The limitation provided for in paragraph (7) of Article 13 shall not apply in this case.