



International Coffee Organization
Organización Internacional del Café
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**Draft proposals for the
future of the Agreement**

**Section III: Efficiency of deliberations
and decision-making**

Introduction

The present document contains the following draft Articles relating to the efficiency of deliberations and decision-making.

CHAPTER VI – THE INTERNATIONAL COFFEE COUNCIL

- Article 9 Composition of the International Coffee Council*
- Article 10 Powers and functions of the Council*
- Article 11 Chairman and Vice-Chairmen of the Council
- Article 12 Sessions of the Council
- Article 15 Decisions of the Council
- Article 16 Cooperation with other organizations

CHAPTER VII – THE EXECUTIVE BOARD

- Article 17 Composition and meetings of the Executive Board
- Article 18 Election of the Executive Board
- Article 19 Competence of the Executive Board
- Article 20 Voting procedure of the Executive Board

Action

The Working Group is invited to consider this document.

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

CHAPTER VI – THE INTERNATIONAL COFFEE COUNCIL

ARTICLE 9

Composition of the International Coffee Council

Comments: *No specific changes proposed.*

- (1) The highest authority of the Organization shall be the International Coffee Council, which shall consist of all the Members of the Organization.
- (2) Each Member shall appoint one representative on the Council and, if it so desires, one or more alternates. A Member may also designate one or more advisers to its representative or alternates.

ARTICLE 10

Powers and functions of the Council

Comments: *No specific changes proposed.*

- (1) All powers specifically conferred by this Agreement shall be vested in the Council, which shall have the powers and perform the functions necessary to carry out the provisions of this Agreement.
- (2) The Council shall delegate to its Chairman the task of assuring, with the assistance of the Secretariat, the validity of the written communications made with respect to the provisions of paragraph (2) of Article 9, paragraph (3) of Article 12 and paragraph (2) of Article 14. The Chairman shall report to the Council.
- (3) The Council may set up any committees or working groups as it considers necessary.
- (4) The Council shall, by a distributed two-thirds majority vote, establish such rules and regulations, including its own rules of procedure and the financial and staff regulations of the Organization, as are necessary to carry out the provisions of this Agreement and are consistent therewith. The Council may, in its rules of procedure, provide the means whereby it may, without meeting, decide specific questions.
- (5) The Council shall also keep such records as are required to perform its functions under this Agreement and such other records as it considers desirable.

ARTICLE 11

Chairman and ~~Vice-Chairmen~~ Vice-Chairman of the Council

Comments: *The USA has proposed reducing the number of Vice-Chairmen to a single position.*

(1) The Council shall elect, for each coffee year, a Chairman and a ~~first, a second and a third~~ Vice-Chairman, who shall not be paid by the Organization. [USA]

(2) As a general rule, the Chairman ~~and the first Vice-Chairman~~ shall ~~both~~ be elected either from among the representatives of exporting Members or from among the representatives of importing Members and the ~~second and the third Vice-Chairmen~~ **Vice-Chairman** shall be elected from among representatives of the other category of Member. These offices shall alternate each coffee year between the two categories of Member. [USA]

(3) Neither the Chairman nor ~~any~~ Vice-Chairman acting as Chairman shall have the right to vote. His or her alternate will in such case exercise the voting rights of the Member. [USA]

Comments by the Executive Director:

Members may wish to use more gender-neutral terminology such as Chairperson.

ARTICLE 12

Sessions of the Council

Comments: *The USA has proposed reducing the number of sessions to one per year. The Central American Group has suggested that this Article be analysed with a view to reducing numbers of meetings and using new means of communication to reduce costs to Members. This has also been proposed by Honduras.*

(1) As a general rule, the Council shall hold **one** regular sessions ~~twice~~ a year. It may hold special sessions should it so decide. Special sessions shall also be held at the request of ~~the Executive Board, of any five~~ **ten** Members, or of ~~a Member or~~ Members having **collectively** at least ~~200~~ **500** votes. Notice of sessions shall be given at least 30 days in advance except in cases of emergency when such notice shall be given at least 10 days in advance. [USA]

(2) Sessions shall be held at the seat of the Organization, unless the Council decides otherwise by a distributed two-thirds majority vote. If a Member invites the Council to meet in its territory, and the Council agrees, the additional costs to the Organization involved above those incurred when the session is held at the seat shall be borne by that Member.

(3) The Council may invite any non-member country or any of the organizations referred to in Article 16 ~~or Article 37~~ to attend ~~any of its sessions~~ **a Council session** as an observer. **At each session, the Council shall decide on the admission of observers. Requests to attend a Council session must be made prior to each session by writing to the Executive Director or Council Chair.** ~~In case such invitation is accepted, the country or organization concerned shall send a communication to that effect in writing to the Chairman. If it so wishes it may in that communication request permission to make statements to the Council.~~ [USA]

(4) The quorum required for a Council session to take decisions shall be the presence of more than half of the number of exporting and importing Members representing respectively at least two-thirds of the votes for each category. If on the opening of a Council session or of any plenary meeting there is no quorum, the Chairman shall postpone the opening of the session or plenary meeting for at least two hours. If there is still no quorum at the new time set, the Chairman may again postpone the opening of the session or plenary meeting for at least a further two hours. If at the end of this new postponement there is still no quorum, the quorum required for taking decisions shall be the presence of more than half of the number of exporting and importing Members representing respectively at least half of the votes for each category. Representation in accordance with paragraph (2) of Article 14 shall be considered as presence.

Comments by the Executive Director:

The number of sessions of the Council in one year should be looked at in the context of retention or elimination of the Executive Board. In the case of the latter, holding only one Council session could reduce the speed of decision-making.

ARTICLE 15

Decisions of the Council

Comments: *The USA has proposed emphasizing decision-making by consensus.*

(1) **Except as otherwise provided, the Council shall continue the practice of taking decisions by consensus.** ~~All decisions of the Council shall be taken, and all recommendations shall be made, by a distributed simple majority vote unless otherwise provided for in this Agreement.~~ [USA]

~~(2) The following procedure shall apply with respect to any decision by the Council which under the provisions of this Agreement requires a distributed two-thirds majority vote:~~

- ~~(a) if a distributed two-thirds majority vote is not obtained because of the negative vote of three or less exporting or three or less importing Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 48 hours;~~
- ~~(b) if a distributed two-thirds majority vote is again not obtained because of the negative vote of two or less exporting or two or less importing Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 24 hours;~~
- ~~(c) if a distributed two-thirds majority vote is not obtained in the third vote because of the negative vote of one exporting or one importing Member, the proposal shall be considered adopted; and~~
- ~~(d) if the Council fails to put a proposal to a further vote, it shall be considered rejected. [USA]~~

~~(3)~~ (2) Members undertake to accept as binding all decisions of the Council under the provisions of this Agreement. [USA]

PSCB recommendations:

The PSCB proposes that the ICO should operate in a way that encourages an issues-driven Organization which promotes collaboration based on issues rather than one's position on the value chain. Such a structure would promote efficiency and higher value output and more fully recognize the independence and sovereignty of Members.

ARTICLE 16

Cooperation with other organizations

Comments: *The EC has proposed changes to paragraph (1) as Article 12 (3) does not clarify sufficiently the participation of observers in the Council. A number of Members have highlighted the need for the ICO to take steps to find other sources of financing than the CFC for project financing.*

(1) The Council may make arrangements for consultation and cooperation with the United Nations and its specialized agencies; ~~and with~~ other appropriate intergovernmental organizations; **relevant international and regional organisations as well as relevant non-governmental organisations and civil society representatives.** It shall take full advantage of the facilities of the Common Fund for Commodities and other sources of funding. Such arrangements may include financial arrangements which the Council considers appropriate

for achieving the objectives of this Agreement. However, in respect of the implementation of any project under such arrangements the Organization shall not incur any financial obligations for guarantees given by individual Members or other entities. No Member shall be responsible by reason of its membership of the Organization for any liability arising from borrowing or lending by any other Member or entity in connection with such projects. [EC]

(2) Where possible, the Organization may also collect from Members, non-members, and from donor and other agencies, information on development projects and programmes focussing on the coffee sector. Where appropriate, and with the agreement of the parties concerned, the Organization may make this information available to such other organizations as well as to Members.

CHAPTER VII – THE EXECUTIVE BOARD

ARTICLE 17

~~Composition and meetings of the Executive Board~~ [USA]

Comments: The USA has proposed eliminating the Executive Board and deleting this Article. The EC has proposed that paragraph (1) be revised on the basis of current practices. The need to avoid repetition of decision-making and duplication of efforts for matters considered by both the Board and Council has been highlighted by a number of countries which suggest simplifying the organizational structure. Ecuador has proposed establishing an alphabetical rotation system among the members of the various groups, so that all countries, regardless of size, can have an active role in the Board. Indonesia has also noted the importance of participation by small producers.

~~(1) — The Executive Board shall consist of eight exporting Members and eight importing Members elected for each coffee year in accordance with the provisions of Article 18. Members represented in the Executive Board may be re-elected. [USA]~~

~~(2) — Each Member represented in the Executive Board shall appoint one representative and, if it so desires, one or more alternates. Each Member represented in the Executive Board may also designate one or more advisers to its representative or alternates. [USA]~~

~~(3) — The Executive Board shall have a Chairman and a Vice Chairman, who shall be elected by the Council for each coffee year and may be re-elected. These officers shall not be paid by the Organization. Neither the Chairman nor the Vice Chairman acting as Chairman shall have the right to vote in the meetings of the Executive Board. His or her alternate will in such case exercise the voting rights of the Member. As a general rule, the Chairman and the Vice Chairman for each coffee year shall be elected from among the representatives of the same category of membership. [USA]~~

~~(4) — The Executive Board shall normally meet at the seat of the Organization, but may meet elsewhere if the Council so decides by a distributed two-thirds majority vote. In case of acceptance by the Council of an invitation by a Member to host the meeting of the Executive Board, the provisions of paragraph (2) of Article 12 concerning Council sessions shall also apply. [USA]~~

~~(5) — The quorum required for an Executive Board meeting to take decisions shall be the presence of more than half of the number of exporting and importing Members elected to the Executive Board representing respectively at least two thirds of the votes for each category. If on the opening of an Executive Board meeting there is no quorum, the Chairman of the Executive Board shall postpone the opening of the meeting for at least two hours. If there is still no quorum at the new time set, the Chairman may again postpone the opening of the meeting for at least a further two hours. If at the end of this new postponement there is still no quorum, the quorum required for taking decisions shall be the presence of more than half of the number of exporting and importing Members elected to the Executive Board representing respectively at least half of the votes for each category. [USA]~~

Comments by the Executive Director:

The proposal to eliminate the Executive Board could potentially streamline decision-making and cut costs. On the other hand, if there were to be only one Council session per year, it might be advisable to retain the Board to expedite decision-making (see Article 12). In addition, issues requiring detailed debate might be better handled in a smaller negotiating environment than that provided by the Council.

ARTICLE 18

Election of the Executive Board [USA]

Comments: *The USA has proposed eliminating the Executive Board and deleting this Article. The EC has proposed that this Article be revised on the basis of current practices.*

~~(1) — The exporting and the importing Members of the Executive Board shall be elected in the Council by the exporting and the importing Members of the Organization respectively. The election within each category shall be held in accordance with the provisions of the following paragraphs of this Article. [USA]~~

~~(2) — Each Member shall cast for a single candidate all the votes to which it is entitled under the provisions of Article 13. A Member may cast for another candidate any votes which it holds under the provisions of paragraph (2) of Article 14. [USA]~~

~~(3) — The eight candidates receiving the largest number of votes shall be elected; however, no candidate shall be elected on the first ballot unless it receives at least 75 votes. [USA]~~

~~(4) — If, under the provisions of paragraph (3) of this Article, less than eight candidates are elected on the first ballot, further ballots shall be held in which only Members which did not vote for any of the candidates elected shall have the right to vote. In each further ballot the minimum number of votes required for election shall be successively diminished by five until eight candidates are elected. [USA]~~

~~(5) — Any Member which did not vote for any of the Members elected shall assign its votes to one of them, subject to the provisions of paragraphs (6) and (7) of this Article. [USA]~~

~~(6) — A Member shall be deemed to have received the number of votes cast for it when it was elected and, in addition, the number of votes assigned to it, provided that the total number of votes shall not exceed 499 for any Member elected. [USA]~~

~~(7) — If the votes deemed received by an elected Member exceed 499, Members which voted for, or assigned their votes to, such elected Member shall arrange among themselves for one or more of them to withdraw their votes from that Member and assign or re-assign them to another elected Member so that the votes received by each elected Member shall not exceed the limit of 499. [USA]~~

ARTICLE 19

Competence of the Executive Board [USA]

Comments: *The USA has proposed eliminating the Executive Board and deleting this Article.*

~~(1) — The Executive Board shall be responsible to and work under the general direction of the Council. [USA]~~

~~(2) — The Council may, by a distributed two-thirds majority vote, delegate to the Executive Board the exercise of any or all of its powers other than the following:~~

- ~~(a) — approval of the Administrative Budget and assessment of contributions under the provisions of Article 24;~~
- ~~(b) — suspension of the voting rights of a Member under the provisions of Article 42;~~
- ~~(c) — decisions on disputes under the provisions of Article 42;~~
- ~~(d) — establishment of conditions for accession under the provisions of Article 46;~~
- ~~(e) — a decision to exclude a Member under the provisions of Article 50;~~
- ~~(f) — a decision concerning the negotiation of a new Agreement under the provisions of Article 32, or the extension or termination of this Agreement under the provisions of Article 52; and~~

~~(g) — recommendation of amendments to Members under the provisions of Article 53. [USA]~~

~~(3) — The Council may, by a distributed simple majority vote, at any time revoke any powers which have been delegated to the Executive Board. [USA]~~

~~(4) — The Executive Board shall examine the draft Administrative Budget presented by the Executive Director and submit it to the Council with its recommendations for approval, elaborate the annual work plan of the Organization, decide on administrative and financial matters concerning the operation of the Organization other than those matters reserved for the Council under the terms of paragraph (2) of this Article, and examine projects and programmes on coffee matters, which shall be submitted to the Council for approval. The Executive Board shall report to the Council. Decisions of the Executive Board shall enter into force if no objection from a Member of the Council is received within five working days of the report of the Executive Board to the Council, or within five working days of circulation of the summary of the decisions reached by the Executive Board should the Council not meet during the same month as the Executive Board. Nevertheless all Members shall have the right of appeal to the Council against any decision of the Executive Board. [USA]~~

~~(5) — The Executive Board may set up any committees or working groups, as it considers necessary. [USA]~~

ARTICLE 20

~~Voting procedure of the Executive Board~~ [USA]

Comments: *The USA has proposed eliminating the Executive Board and deleting this Article.*

~~(1) — Each Member of the Executive Board shall be entitled to cast the number of votes received by it under the provisions of paragraphs (6) and (7) of Article 18. Voting by proxy shall not be allowed. A Member of the Executive Board shall not be entitled to divide its votes. [USA]~~

~~(2) — Any decision taken by the Executive Board shall require the same majority as such decision would require if taken by the Council. [USA]~~