



**Report of the 18<sup>th</sup> Meeting of the Working  
Group on the Future of the International  
Coffee Agreement held on 21 October 2021**

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The Working Group on the Future of the International Coffee Agreement (WGFA) met for the eighteenth time on 21 October 2021. The Vice-Chair, Mr Mick Wheeler, of Papua New Guinea, welcomed all participants and thanked delegates for their presence.

1. Representatives of the following Members were present online using the Zoom software: Brazil, Colombia, Costa Rica, Congo Dem. Rep., El Salvador, European Union (European Commission), EU-Sweden, Ghana, India, Indonesia, Japan, Kenya, Mexico, Papua New Guinea, Peru, Togo, and Vietnam.

**Item 1: Adoption of the Agenda**

2. The agenda contained in [WGFA 77/21](#) was adopted.

**Item 2: Report of the 17<sup>th</sup> meeting of the Working Group held on 6 September 2021**

3. The Vice-Chair presented the report of the previous meeting, contained in document [WGFA-76/21](#).

4. The Working Group took note of the report.

**Item 3: Draft of the International Coffee Agreement 2021: Preamble, Objectives and Pillar B**

5. The Vice-Chair noted that the Drafting Group met on 5 and 14 October 2021 to examine the draft text of the new International Coffee Agreement (ICA) and had reviewed the Preamble, Objectives and Pillar B of the new ICA. The draft text of paragraphs examined and recommendations of the Drafting Group were contained in document [WGFA-78/21](#).

6. The Vice-Chair summarized the discussion held and the modalities of the work carried out within the Drafting Group while the Secretariat introduced document [WGFA-78/21](#), providing clarifications on its structure and on the key to colours.

7. The following **articles and paragraphs containing no changes from the International Coffee Agreement 2007** have been approved by the Working Group:

- *Preamble*: recitals 2, 5, 6, 7, 9
- *Objectives – Article 1*: paragraphs 3, 5, 6 and 9
- *Pillar B – Article 4 “Membership of the Organization”*: paragraphs 1 and 2
- *Pillar B – Article 8 “Composition of the International Coffee Council”*: paragraph 2
- *Pillar B – Article 9 “Powers and functions of the Council”*: paragraphs 1, 2, 3 and 5
- *Pillar B – Article 10 “Chairman and Vice-Chairman of the Council”*: paragraphs 1, 2 and 3
- *Pillar B – Article 11 “Sessions of the Council”*: paragraphs 3 and 4
- *Pillar B – Article 15 “Cooperation with other organizations”*: paragraph 2
- *Pillar B – Article 16 “Cooperation with non-governmental organizations”*

8. The following **articles and paragraphs previously edited by the Drafting Group have been approved by the Working Group**:

a) ***Preamble - recital 1***

*Original text ICA 2007*

“The Governments Party to this Agreement,  
Recognizing the exceptional importance of coffee to the economies of many countries which are largely dependent upon this commodity for their export earnings and for the achievement of their social and economic development goals;”

*New text approved by the Working Group*

“The Governments Party to this Agreement,  
Recognizing the exceptional importance of coffee to the economies of many countries which are largely dependent on coffee for their export earnings and for the achievement of their social and economic development goals and of many countries where imports of coffee play a key role;”

**b) Preamble - recital 4**

*Original text ICA 2007 (was recital 3)*

“Recognizing the contribution of a sustainable coffee sector to the achievement of internationally agreed development goals, including the Millennium Development Goals (MDGs), in particular with respect to poverty eradication;”

*New text approved by the Working Group*

“Recognizing the contribution of a sustainable coffee sector to the achievement of internationally agreed development goals, including the relevant Sustainable Development Goals (SDGs);”

**c) Preamble - recital 8**

*Original text ICA 2007 (was recital 7)*

“Recognizing that increased access to coffee-related information and market-based risk management strategies can help avoid imbalances in the production and consumption of coffee that may give rise to pronounced market volatility which can be harmful to both producers and consumers; and”

*New text approved by the Working Group*

“Recognizing that increasing access to coffee-related information and market-based risk management strategies, for which market transparency in the supply chain and mitigation of price volatility are essential, as well as facilitating the adoption of appropriate regulations, can help to avoid any market distortions that can be harmful to both producers and consumers; and”

**d) Article 1 - Introduction**

*Original text ICA 2007*

“The objective of this Agreement is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the sector, by:”

*New text approved by the Working Group*

“The objective of this Agreement is to strengthen the global coffee sector and promote its economically, socially and environmentally sustainable development in a market-based environment for the betterment of all participants in the sector, by:”

**e) Article 1 - Introduction**

*Original text ICA 2007*

“The objective of this Agreement is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the sector, by:”

*New text approved by the Working Group*

“The objective of this Agreement is to strengthen the global coffee sector and promote its economically, socially and environmentally sustainable development in a market-based environment for the betterment of all participants in the sector, by:”

**f) Article 1 – paragraph 2**

*Original text ICA 2007*

“(2) providing a forum for consultations on coffee matters among governments, and with the private sector;”

*New text approved by the Working Group*

“(2) Facilitating engagement at the national, regional and global levels on coffee matters by members and stakeholders in the coffee value chain;”

**g) Article 1 – paragraph 7**

*Original text ICA 2007*

“(7) promoting the development of consumption and markets for all types and forms of coffee, including in coffee producing countries;”

*New text approved by the Working Group*

“(7) promoting the development of consumption and markets for all types and forms of coffee, including in coffee producing countries and emerging markets;”

**h) Article 1 – paragraph 10**

*Original text ICA 2007*

“(10) encouraging Members to develop appropriate food safety procedures in the coffee sector;”

*New text approved by the Working Group*

“(10) encouraging the development and implementation of appropriate food safety procedures in the coffee sector in Member countries;”

**i) Article 1 – paragraph 11**

*Original text ICA 2007*

“(11) promoting training and information programmes designed to assist the transfer to Members of technology relevant to coffee;”

*New text approved by the Working Group*

“(11) promoting training and information programmes designed to assist the transfer to Members of innovation and technology relevant to coffee;”

**j) Article 1 – paragraph 12**

*Original text ICA 2007*

“(12) encouraging Members to develop and implement strategies to enhance the capacity of local communities and small-scale farmers to benefit from coffee production, which can contribute to poverty alleviation; and”

*New text approved by the Working Group*

“(12) encouraging and supporting Members to develop and implement strategies to increase the resilience of local communities and coffee farmers, in particular smallholders, so as to enable them to benefit from coffee production and trade, which can contribute to poverty eradication through a living income for families; and”

**k) Article 1 – paragraph 13**

*Original text ICA 2007*

“(13) facilitating the availability of information on financial tools and services that can assist coffee producers, including access to credit and approaches to managing risk.”

*New text approved by the Working Group*

“(13) facilitating the availability of information, in particular, on financial tools and services that can assist coffee producers in Member countries to access credit and risk management instruments, allowing for greater financial inclusiveness and risk management, while also taking into account climate change.”

**l) Article 5**

*Original text ICA 2007*

“Two or more Contracting Parties may, by appropriate notification to the Council and to the Depositary, which will take effect on a date to be specified by the Contracting Parties concerned and on conditions agreed by the Council, declare that they are participating in the Organization as a Member group.”

*New text approved by the Working Group*

“Two or more Contracting Parties may participate in the Organization as a Member group, by appropriate notification to the Council and to the Depository, which will take effect on a date to be specified by the Contracting Parties concerned and on conditions agreed by the Council, including financial obligations.”

**m) Article 8 – paragraph 1**

*Original title ICA 2007: Composition of the International Coffee Council*

*Original text ICA 2007*

“(1) The International Coffee Council shall consist of all the Members of the Organization.”

*New text approved by the Working Group – original title retained*

“(1) The Council shall consist of all the Members of the Organization.”

**n) Article 11 – paragraph 2**

*Original text ICA 2007*

“(2) Sessions shall be held at the seat of the Organization, unless the Council decides otherwise. 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.”

*New text approved by the Working Group*

“(2) Sessions shall be held at the seat of the Organization, unless the Council decides otherwise. 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 of the Organization shall be borne by that Member.”



**o) Article 15 –paragraph 1**

*Original text ICA 2007*

“(1) The Council may make arrangements for consultation and cooperation with the United Nations and its specialized agencies; other appropriate intergovernmental organizations; and relevant international and regional organizations. 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.”

*New text approved by the Working Group*

“(1) The Council may make arrangements for consultation and cooperation with the United Nations and its specialized agencies; other appropriate intergovernmental organizations; and relevant international and regional organizations. It shall take full advantage of the various sources of funding. Such arrangements may include financial arrangements that 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.”

9. The Vice-Chair took note of the request of the delegate of Japan to further discuss some of the paragraphs at hand with his capital. Upon recommendation of the Vice-Chair Japan kindly agreed to submit comments and possible new wording to Members’ attention at the following meeting of the Drafting Group (9 November 2021).

10. The following **articles and paragraphs have been provisionally approved by the Working Group subject to final approval from Japan:**

a) **Preamble – recital 3 (additional recital proposed by Colombia as in [WGFA 75/21](#))**

*Text provisionally approved by the Working Group*

“Recognizing the need for all members of the value chain to work together to create the structural conditions that will not only allow coffee farmers achieve real prosperity and improve their livelihoods continuously, but also secure the future for the next generations of coffee growers as well as that of the global coffee industry.”

b) **Article 1 – paragraph 1**

*Text provisionally approved by the Working Group*

“(1) promoting international cooperation on coffee matters for the development of all coffee-growing areas and the reduction of the social, economic and technological gaps between countries, while taking into consideration the needs and priorities of Members.”

c) **Article 1 – additional objective proposed by Costa Rica, El Salvador, Honduras, Mexico, Nicaragua and Panama (see paragraph 68 of [WGFA-29/20](#))**

*Original text – bullet point 4*

“The trading system for coffee that the bulk of producers rely on is a problematic area that consistently triggers difficulties because of futures market price volatility. The ICO should help to formulate and promote business-oriented trading strategies for producers that generate greater value added.”

11. Following a request from the Drafting Group, the Secretariat had checked whether the content of the proposed paragraph contained duplication. The Executive Director informed that no references to “value addition” were found in the ICA.

*Text provisionally approved by the Working Group*

“Promoting market-based solutions that allow producers to generate greater value addition.”

**d) Article 4 – paragraph 3**

*Original text ICA 2007*

“(3) Any reference in this Agreement to a Government shall be construed as including the European Community and any intergovernmental organization having exclusive competence in respect of the negotiation, conclusion and application of this Agreement”.

12. During the meeting the delegate of the European Union proposed a revised wording taking as an example the text contained in the Agreement of the International Cocoa Organization; the *following text has been provisionally approved by the Working Group*:

“(3) Any reference in this Agreement to "a Government" or "Governments" shall be construed as including the European Union and any intergovernmental organization having comparable responsibilities in respect of the negotiation, conclusion and implementation of international agreements, in particular commodity agreements”

**e) Article 9 – paragraph 4**

*Original text ICA 2007*

“(4) The Council shall establish on a regular basis a strategic action plan to guide its work and identify priorities, including priorities for project activities undertaken pursuant to Article 28 and studies, surveys and reports undertaken pursuant to Article 34. Priorities identified in the action plan shall be reflected in the annual work programmes approved by the Council.”

*Text provisionally approved by the Working Group*

“(4) The Council shall establish on a regular basis a strategic action plan to guide its work and identify priorities, including those relating to project activities undertaken pursuant to Article 28 and studies, surveys and reports undertaken pursuant to Article 34. Priorities identified in the action plan shall be reflected in the annual work programmes and Administrative Budget approved by the Council.”

13. The following **articles and paragraphs have been deleted by the Working Group**:

- *Additional paragraph under Article 1 “Objectives” (on price risk management)*
- *Additional paragraphs under Article 1 “Objectives” proposed by Costa Rica, El Salvador, Honduras, Mexico, Nicaragua and Panama: bullet points 2 and 3.*
- *Article 9 – “Powers and functions of the Council”: proposed paragraph 6.*

14. With reference to paragraph 4, Article 1, the Executive Director clarified that the text contained in document WGFA 78/21 had been drafted by the Secretariat at the request of the Drafting Group and informed the wording proposed was based on different texts from other international organizations agreements and resolutions such as the FAO.

15. In answering a question from Japan, the Vice-Chair and the delegate of Colombia clarified the difference between spot and physical markets for coffee and underlined the importance of mentioning both of them in the text of the agreement.

16. The delegate of the European Union endorsed the draft text proposed by the Secretariat and the decision to mention the physical market in this paragraph, considering it had been removed from a previous one.

17. The delegate of Japan proposed removing references to the regulation of spot, physical and financial markets for coffee from the text.

18. The delegate of Colombia highlighted the importance of the paragraph originally proposed by some exporting Members from Central America as it underlined the position of the International Coffee Organization on the questions of speculation and volatility.

19. The delegates of Ghana and the European Union suggested clarifying that the text referred mainly to artificial volatility – not caused by natural events such as climate change.

20. After noting the changes suggested by Japan and Ghana and that no final agreement on the text could be reached, the Vice-Chair suggested the original paragraph to be further discussed at the following meeting.

21. With reference to paragraph 8, Article 1, the Vice-Chair stressed the implications a new wording could have in terms of the definition of the role of the Organization as an implementing agency and consequently, in terms of staffing and financing.

22. The delegate of the European Union suggested keeping a general wording. On the other hand, the delegate of Brazil suggested that the text should specifically mention all activities the Organization could possibly carry out in order to stress its increasingly operational mandate.

23. The delegate of Ghana proposed to refer only to the development and the implementation of projects.

24. The delegate of Japan suggested the original text in the ICA be maintained as the new draft proposed was not consistent with Article 28 of Agreement.

25. Considering no consensus on the topic was reached, Members agreed to postpone the discussion of this paragraph until the text of Article 28 has been agreed upon.

26. With reference to the first (bullet point 1) proposed by Costa Rica, El Salvador, Honduras, Mexico, Nicaragua and Panama (see paragraph 68 of WGFA-29/20), the Executive Director informed that following a request from Japan the Secretariat had checked and found one reference to the word “research” in paragraph 6 of Article 1; two references to the word “volatility” in recital 8 of the proposed Preamble and in paragraph 4 of proposed Article 1; one reference to “climate change” in paragraph 13 of proposed Article 1. No references to “production costs”, “pest and diseases”, and “traceability” were found.

27. The Vice-Chair questioned whether using general wording could accommodate all the points mentioned in paragraph 26 without having to name them, also leaving space for new issues that could arise in the future to be included.

28. The delegate of the European Union suggested including the expression “including but not limited to”.

29. The delegate of Japan informed he could not accept the wording proposed by the Drafting Group due to duplication of some of the issues but would gladly consider a revised version of the text. The Secretariat agreed to draft a new paragraph covering those points not already raised within the ICA.

30. With reference to paragraph 1, Article 11, the delegate of Japan questioned the reason why the word “calendar” had been removed from the draft of the ICA. The Secretariat clarified that other ICO documents did not mention the word “calendar” and the deletion proposed under Article 11 had been suggested for consistency among these texts.

31. The delegate of Ghana questioned the word “may” used in the text and the notice period indicated, considering it too long in case of emergencies. He also asked whether the text referred to working days or not.

32. In response to the delegate of Ghana, the Vice-Chair clarified the word “may” indicated that a final decision on whether a session of the Council should be held remained a prerogative of the Council itself and for this reason, he suggested the word to be maintained. In regards to the notice period for emergency sessions of the Council, the Vice-Chair pointed out that in the past Members needed proper time to plan their participation in ICO meetings since they all used to be held in presence.

33. The WGFA agreed to further discuss this paragraph in virtue of the fact that most of the meetings could be organized virtually and would no longer require delegates to travel to ICO headquarters.

**Item 4: Role of the Private Sector**

34. Members agreed to discuss Item 4 during the following meeting due to time constraints.

**Item 5: Next steps**

35. With reference to the draft of the International Coffee Agreement, Members agreed to finalize the revision of paragraphs and articles contained in document WGFA-78/21 during the following WGFA meeting.

36. The Vice-Chair informed the Working Group that the Drafting Group would continue reviewing the draft Agreement, more specifically, Pillar C, and then submit the results of its discussions to the WGFA.

37. On the role of the private sector, the Vice-Chair kindly invited Members to consider the pending issues under this item, namely the text of the draft articles already presented by the Secretariat and the possibility of extending affiliation to both trade associations and private companies, in preparation for the next WGFA meeting.

**Item 6: Other business**

38. No additional requests for other business were made.

**Item 7: Date of next meeting**

39. The Vice-Chair noted that the next WGFA Meetings would be held on 24 November and 14 December 2021, while the Drafting Group should meet on 9 and 15 November 2021.