



**INTERNATIONAL
COFFEE
ORGANIZATION**

WP Council 318/21

30 November 2021

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International Coffee Council/
Finance and Administration Committee
131st Session (Special)
9 and 10 February 2022
London, United Kingdom

Draft Resolution

RESTORATION OF VOTING RIGHTS OF VIET NAM

WHEREAS:

Paragraph (2) of Article 21 of the International Coffee Agreement 2007 provides that, “If any Member fails to pay its full contribution to the Administrative Budget within six months of the date on which the contribution is due, its voting rights and its right to participate in meetings of specialized committees shall be suspended until its contribution has been paid in full. However, unless the Council so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement”;

As at 30 November 2021 Viet Nam had outstanding contributions amounting to £190,284 for 2020/21;

Viet Nam has submitted a proposal for a partial waiver of its arrears, as shown in document FA-309/21 (attached); and

In recognition of the commitment by Viet Nam to pay its remaining arrears, it is deemed appropriate to restore its voting rights,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To approve a partial waiver of the outstanding contribution for coffee year 2020/21 of Viet Nam in the amount of £20,980.
2. To approve the immediate payment by Viet Nam of its revised outstanding contribution of £169,304 for coffee year 2020/21 to the Administrative Budget.
3. To restore with immediate effect the voting rights of Viet Nam for as long as the above payment plan is maintained and future contributions are paid in accordance with the provisions of Article 21 of the 2007 Agreement.
4. That this Resolution shall not constitute a precedent in respect of the waiver of obligations relating to contributions under the provisions of Article 21 of the 2007 Agreement.
5. To request the Executive Director to inform the Finance and Administration Committee of Viet Nam's compliance with its obligations under paragraph 1 of this Resolution.



Finance and Administration Committee
51st Meeting
7 December 2021
London, United Kingdom

Viet Nam

**Payment of arrears in contributions
to the Administrative Budget**

RESTRICTED

Background

1. As indicated in the document concerning the situation of outstanding contributions affecting voting rights (document [FA-304/21](#)), Viet Nam has outstanding arrears of £190,284, corresponding to its contribution for coffee year 2020/21, as at 30 November 2021.

2. The Vietnam Coffee-Cocoa Association (Vicofa) has submitted two letters, dated 1 September and 7 October 2021 (see attached Annexes I and II) requesting the ICO to reduce the outstanding contribution of Vietnam to £169,304, constituting a partial waiver of its arrears in the amount of £20,980. In the letters, Vicofa notes that the contribution to the budget of the ICO comes from the coffee exporters of Viet Nam and that Vicofa had informed to them of the fee of the year 2020 based on Certificate of Origin data, which they consider to be the correct numbers for the calculation of contributions to the ICO. The amount of £20,980 corresponds to the difference between the figures based on Certificates of Origin (£169,304) and the figures presented by the Secretariat and approved by the Council in September 2020 (£190,284). In addition, Vicofa considers that the amount of £20,980 is not significant to the ICO, while, in contrast, it is a significant burden to the exporting coffee companies in the difficult period of the covid-19 pandemic and the coffee price crisis. In this difficult period, Vicofa states that exporting companies need greater support from the ICO, which will help them support ICO on the membership of Viet Nam to the Organization.

Action

The Committee is requested to consider whether this proposal is acceptable as a means of settling the arrears of Viet Nam, and to make a recommendation to the Council in connection with the votes of Viet Nam in view of efforts being made to repay its outstanding contributions.



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Ref: 96 /VICOFCA-2021

Hanoi, September 1st, 2021

Mr. Jose Sette
 Executive Director
 The International Coffee Council
 International Coffee Organization
 222 Gray's Inn Road
 London WC1X 8HB
 United Kingdom

It's regretted that due to the covid-19, Hanoi capital city and Ho Chi Minh city were totally under lockdown which prevented us from compiling the data. This happened and was out of our control and we are sorry for any inconvenience that may have caused to you. Now the situation of covid-19 has been partly under control.

Further to our letter ref: 71/VICOFCA-2021 dated on June 5th, 2021 and subsequent letter ref: 79/VICOFCA dated 19 July 2021 and the letter ref: 95/VICOFCA-2021 dated on August 25th, 202, in response to your letter dated on July 1st, 2021, we would like to make the following clarifications:

Firstly, there was a delay in VCCI to transmit the data on exports volume due to the upgrade of the statistic system therefore VICOFCA was unable to submit statistics for coffee years 2016, 2017, 2018 on time. However, the full data was forwarded to ICO right after that.

We would also like to state categorically that the data provided by VCCI for coffee years 2016, 2017, 2018 are correct and corresponds to the data compiled by ICO in the document ED 2311/19. Please see the table 1 below for your reference. You also can see at table 2 for the full export data of 12 months for the years 2016, 2017, 2018, 2019. These data was also sent to ICO fully.

| Table 1: | | | | Unit: Bag 60kg |
|--|------------|------------|------------|----------------|
| Year | 2016 | 2017 | 2018 | 2019 |
| Figure of the document ED 2311/19 | 27,568,142 | 22,439,365 | 28,035,927 | |
| Figure of the document ED 2343/20 | 29,721,290 | 25,092,159 | 31,385,066 | 27,400,162 |
| Figure provided by Vietnam Chamber of Commerce and Industry (VCCI) | 27.241.019 | 21.945.333 | 27.834.326 | 20,667,152 |



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Table 2:
 Vietnam export - Certificate of Origin data

| | | | | | Volume in kg |
|-------------------|------------------|----------------------|------------------|-------------------|----------------------|
| | Arabica | Robusta | Roasted | Soluble | Total |
| Jan-16 | 0 | 134,098,561 | 7,515 | 1,168,374 | 135,274,450 |
| Feb-16 | 0 | 117,177,438 | 21,102 | 531,838 | 117,730,378 |
| Mar-16 | 0 | 167,373,738 | 37,625 | 1,499,014 | 168,910,377 |
| Apr-16 | 0 | 156,823,261 | 16,657 | 993,765 | 157,833,683 |
| May-16 | 0 | 148,869,161 | 6,550 | 738,335 | 149,614,046 |
| Jun-16 | 0 | 144,782,374 | 41,537 | 1,324,878 | 146,148,789 |
| Jul-16 | 0 | 128,950,154 | 19,518 | 1,207,755 | 130,177,427 |
| Aug-16 | 0 | 145,393,780 | 16,944 | 675,629 | 146,086,353 |
| Sep-16 | 0 | 126,241,730 | 13,821 | 1,234,099 | 127,489,650 |
| Oct-16 | 548,000 | 115,447,574 | 35,718 | 914,466 | 116,945,758 |
| Nov-16 | 286,000 | 107,857,560 | 20,944 | 944,888 | 109,109,392 |
| Dec-16 | 563,518 | 127,562,576 | 10,173 | 1,004,588 | 129,140,855 |
| Total 2016 | 1,397,518 | 1,620,577,907 | 248,104 | 12,237,629 | 1,634,461,158 |
| Jan-17 | 869,900 | 98,920,482 | 19,108 | 774,442 | 100,583,932 |
| Feb-17 | 828,100 | 135,383,954 | 15,573 | 1,250,861 | 137,478,488 |
| Mar-17 | 891,200 | 144,920,776 | 53,793 | 1,636,644 | 147,502,413 |
| Apr-17 | 660,748 | 113,593,156 | 97,013 | 1,558,682 | 115,909,599 |
| May-17 | 926,316 | 114,899,769 | 112,695 | 1,356,642 | 117,295,422 |
| Jun-17 | 905,100 | 108,728,910 | 57,085 | 2,113,278 | 111,804,373 |
| Jul-17 | 144,000 | 104,456,072 | 37,436 | 2,149,010 | 106,786,518 |
| Aug-17 | 275,200 | 102,978,388 | 121,905 | 1,672,019 | 105,047,512 |
| Sep-17 | 1,651,110 | 84,831,310 | 21,776 | 1,382,186 | 87,886,382 |
| Oct-17 | 0 | 91,916,150 | 1,446,560 | 1,264,476 | 94,627,186 |
| Nov-17 | 0 | 81,413,509 | 1,261,764 | 1,093,599 | 83,768,872 |
| Dec-17 | 0 | 105,536,556 | 1,405,155 | 1,087,569 | 108,029,280 |
| Total 2017 | 7,151,674 | 1,287,579,032 | 4,649,863 | 17,339,408 | 1,316,719,977 |



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| | | | | | |
|-------------------|-------------------|----------------------|-------------------|-------------------|----------------------|
| Jan-18 | 0 | 172,626,304 | 387,832 | 1,162,177 | 174,176,313 |
| Feb-18 | 0 | 121,982,360 | 338,827 | 1,264,530 | 123,585,717 |
| Mar-18 | 0 | 159,095,089 | 40,422 | 1,788,352 | 160,923,863 |
| Apr-18 | 0 | 129,605,733 | 98,971 | 1,670,559 | 131,375,263 |
| May-18 | 86,400 | 116,377,008 | 613,032 | 1,534,289 | 118,610,729 |
| <i>Jun-18</i> | | | | | <i>155,861,000</i> |
| <i>Jul-18</i> | | | | | <i>134,612,000</i> |
| <i>Aug-18</i> | | | | | <i>153,095,000</i> |
| <i>Sep-18</i> | | | | | <i>120,642,000</i> |
| Oct-18 | 259,964 | 125,083,178 | 1,404,424 | 1,904,687 | 128,652,253 |
| Nov-18 | 498,945 | 106,451,440 | 1,477,549 | 1,515,134 | 109,943,068 |
| Dec-18 | 751,829 | 154,634,780 | 1,543,694 | 1,652,057 | 158,582,360 |
| Total 2018 | | | | | 1,670,059,566 |
| Jan-19 | 1,144,365 | 153,221,267 | 1,028,087 | 1,940,736 | 157,334,455 |
| Feb-19 | 782,652 | 100,525,998 | 730,009 | 1,408,879 | 103,447,538 |
| Mar-19 | 1,312,180 | 140,887,596 | 1,536,966 | 1,597,221 | 145,333,963 |
| Apr-19 | 1,243,680 | 116,372,456 | 1,307,507 | 1,405,124 | 120,328,767 |
| May-19 | 2,809,113 | 129,601,057 | 916,214 | 1,577,908 | 134,904,292 |
| Jun-19 | 1,442,955 | 120,319,382 | 1,828,741 | 1,337,176 | 124,928,254 |
| Jul-19 | 1,359,400 | 89,575,076 | 1,366,828 | 1,717,453 | 94,018,757 |
| Aug-19 | 1,118,900 | 59,300,074 | 1,814,928 | 1,801,007 | 64,034,909 |
| Sep-19 | 976,916 | 51,398,914 | 1,077,130 | 1,557,245 | 55,010,205 |
| Oct-19 | 0 | 91,540,450 | 764,676 | 2,258,508 | 94,563,634 |
| Nov-19 | 0 | 58,067,950 | 1,907,507 | 1,675,345 | 61,650,802 |
| Dec-19 | 0 | 80,326,352 | 2,279,882 | 1,867,346 | 84,473,580 |
| Total 2019 | 12,190,161 | 1,191,136,572 | 16,558,475 | 20,143,948 | 1,240,029,156 |

(*) Note: The field highlighted in yellow is the missing data which was due to an upgrade in the statistics software of VCCI which resulted in a lapse in input of data in that period. In this case VCCI had worked with the Customs office to check the data and confirm the data as in the above table.



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Why different?

Every year a number of coffee from the Laos and China are transit cargo through Viet Nam. This volume of coffee is traded as “Temporary imports and Re-exports”. As informed by the Vietnam Chamber of Commerce and Industry (VCCI), this volume of coffee would not be issued by the CO from Vietnam. Therefore, it is not included in the CO data sent to ICO.

So if ICO collects the data from GSO and Customs, it will obviously be higher than that of VCCI which has accurate export data and VCCI is the unique office which is authorized to issue the CO in Vietnam.

In light of above, we kindly request you to correct the data published in the document ED 2343/20 which is the basis for recalculating of the distribution of votes and as a consequence contributions of Vietnam for coffee year 2020/2021.

We are sending you herewith recalculation of the correct data. The distribution of vote and contribution of Viet Nam would be 180 votes and 169.394 pound sterling rather than 202 votes and 190.284 pound sterling indicated by ICO.

You can see in the Anex I which is the correction edited by us for your reference.

We await confirmation of correction of data as a matter of urgency.

Sincerely Yours,

Luong Van Tu

- Cc:
- H.E. Le Quoc Doanh, Vice Minister of MARD for report;
 - Dr. Nguyen Do Anh Tuan, Director of ICD, MARD;
 - H.E. Nguyen Hoang Long, Ambassador of Vietnam in the UK;
 - Mr. Nguyen Canh Cuong, Commercial Counselor of Vietnam in UK and North Ireland.
 - Ms. Tomoko Hayashi, Head of Finance and Administration.



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ANEX I

Recalculation of Votes and contribution 2020/2021: Correction of statistic of Viet Nam

| No. | | 2016 | 2017 | 2018 | 2019 | Average | Share in total export | Basic Vote | Proportion of Vote | Total Vote | Contribution by value per vote: 942 GBP |
|-----|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|------------|--------------------|-----------------|---|
| | Members | 114,963,251 | 112,206,205 | 118,890,310 | 120,520,103 | 116,644,967 | 100.00 | 165 | 835.00 | 1,000.00 | 942,000 |
| 1 | Angola | 10,945 | 9,055 | 9,323 | 17,740 | 11,766 | 0.0101 | 5 | 0.08 | 5.08 | 4,789 |
| 2 | Bolivia (Plurinational State of) | | | | | | | | | | |
| 3 | Brazil | 34,269,150 | 30,924,568 | 35,637,359 | 40,691,005 | 35,380,521 | 30.3318 | 5 | 253.27 | 258.27 | 243,291 |
| 4 | Burundi | 204,271 | 168,876 | 201,725 | 192,000 | 191,718 | 0.1644 | 5 | 1.37 | 6.37 | 6,003 |
| 5 | Cameroon | 281,129 | 245,017 | 287,415 | 249,902 | 265,866 | 0.2279 | 5 | 1.90 | 6.90 | 6,503 |
| 6 | Central African Republic | | | | | | | | | | |
| 7 | Colombia | 12,831,391 | 12,984,596 | 12,807,973 | 13,672,226 | 13,074,047 | 11.2084 | 5 | 93.59 | 98.59 | 92,872 |
| 8 | Costa Rica | 1,006,928 | 987,155 | 1,207,946 | 1,039,144 | 1,060,293 | 0.9090 | 5 | 7.59 | 12.59 | 11,860 |
| 9 | Côte d'Ivoire | 1,432,044 | 854,621 | 1,522,458 | 2,104,257 | 1,478,345 | 1.2674 | 5 | 10.58 | 15.58 | 14,679 |
| 10 | Cuba | | | | | | | | | | |
| 11 | Democratic Republic of Congo | 170,955 | 88,619 | 188,000 | 189,926 | 159,375 | 0.1366 | 5 | 1.14 | 6.14 | 5,785 |
| 12 | Ecuador | 922,626 | 695,146 | 482,699 | 506,267 | 651,685 | 0.5587 | 5 | 4.67 | 9.67 | 9,104 |
| 13 | El Salvador | 495,993 | 527,101 | 571,424 | 545,833 | 535,088 | 0.4587 | 5 | 3.83 | 8.83 | 8,318 |
| 14 | Ethiopia | 3,000,724 | 3,773,406 | 3,589,048 | 3,921,250 | 3,571,107 | 3.0615 | 5 | 25.56 | 30.56 | 28,791 |
| 15 | Gabon | - | - | 17 | - | 17 | 0.0000 | 5 | 0.00 | 5.00 | 4,710 |



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Ref: 108 /VICOFA-2021

Hanoi, October 7th, 2021

Mr. N. N. Narendra, Chair of the Finance Committee
 Mr. Jose Sette, Executive Director
 International Coffee Organization
 222 Gray's Inn Road
 London WC1X 8HB
 United Kingdom

Following the meeting dated on 30 September 2021 and subsequent the letter ref 96/VICOFA-2021 on 1st September 2021, as requested, Viet Nam would like to make clarifications and propose the solution that would be suitable and benefit to both.

As indicated, the different amount is £20.980. We would like to share with you as follows: Firstly, as you know that the contribution to the budget of ICO comes from the coffee exporters of Viet Nam and we had informed to them the fee of the year 2020. This based on the real export volume of the exporters. The fee collection of the year has finished, so we are not able to request them contribute more in order to compensate the surplus amount. Secondly, the amount of £20.980 is not much to ICO, in contrast, it is quite much to the exporting coffee companies in the difficult period of Covid19 pandemic and the long time coffee price crisis. In this difficult period, the exporting companies need more support from ICO which will help them support ICO on the membership of Viet Nam to the organization. At the moment, we are consulting them to support the extension of the ICA 2007 and if they support the extension, ICO will benefit more from big contribution of Viet Nam in the next two years.

In light of that, Viet Nam kindly request Mr. N.N Narendra, chair of the Financial Committee submit our proposal to the International Coffee Council to adapt the correct C/O data and approve the contribution of Viet Nam to the budget of ICO for the year 2020/2021 which is £169.394. This would be a big support of ICO to our exporters who will continue contributing to the budget of ICO in the long future.

We are looking forward to your support and approval.

Sincerely Yours,

Luong Van Tu

Cc: - H.E. Le Quoc Doanh, Vice Minister of MARD for report;
 - Dr. Nguyen Do Anh Tuan, Director of ICD, MARD;
 - H.E. Nguyen Hoang Long, Ambassador of Vietnam in the UK;
 - Mr. Nguyen Canh Cuong, Commercial Counselor of Vietnam in UK and North Ireland