



**Report of the 11<sup>th</sup> Meeting of the Working  
Group on the Future of the International  
Coffee Agreement  
9 March 2021**

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1. The Working Group on the Future of the International Coffee Agreement (WGFA) met for the eleventh time on 9 March 2021. The Chair, Ms Stefanie Küng, of Switzerland, welcomed all participants and thanked delegates for their presence.

2. Representatives of the following Members were present online using the Zoom software: Brazil, Colombia, European Union (Ireland and Sweden), Honduras, India, Indonesia, Japan, Malawi, Mexico, Papua New Guinea, Peru, Russian Federation, Switzerland, Togo, Uganda and Viet Nam.

**Item 1: Adoption of the Agenda**

3. The agenda contained in [WGFA 52/21 Rev. 1](#) was adopted.

**Item 2: Report of the 10th meeting of the Working group held on 11 February 2021**

3. The Chair presented a summary of the work of the WGFA to date, in particular the report of the previous meeting contained in the document [WGFA-51/21](#).

4. The Working Group took note of the report.

**Item 3: Scenarios based on different methods for the calculation of votes and contributions under a new Agreement**

5. The Chair invited the Head of Operations to present the scenarios contained in the document [WGFA-53/21 Rev. 1](#), which had been circulated to Members in preparation for this meeting. The Chair invited Members to present their comments.

6. The delegate for the European Union (EU) stated that the EU was looking for a fairer system for the calculation of the votes and contributions. He noted that the EU would be the largest contributor to the budget in all scenarios. As such, the EU was looking for a more realistic system of calculation of votes and contributions that took into consideration the evolution of the coffee sector. He noted that the EU did not expect a substantial increase in its contribution.

7. The Executive Director explained that a major reason why the contributions of the EU would rise under the options related to total trade was because no distinction

was made between exporting and importing members under these three scenarios; all Members were classified in a single category, without distinction between exporters and importers. As a result, the current cap on contributions that limits the votes and contributions of any single member to 66% of its category, which was the case of the EU, no longer applied. This was a major reason why scenarios that used 'total trade' showed an increase in votes and contributions for the European Union.

8. The delegate for Viet Nam requested clarifications about the source of the data used for the calculation of Viet Nam's contributions, as they noted an error in the calculation of the volume of exports.

9. The Executive Director stated that each country had an obligation under the Agreement to supply statistics on imports and exports in an accurate and timely fashion. Vietnam had failed to do so and the Secretariat had been forced to resort to other reliable sources. He assured all delegates that the Secretariat was open to engaging in bilateral conversations with any Member who desired to clarify and discuss calculation methods.

10. The delegate for Colombia asked about how the system planned to deal with the nuances of value, the value of exports and the value of imports and the value of the crop.

11. The Executive Director noted that data on value was garnered from the same sources used to collect data on volume and that the Certificates of Origin contained information on the value of each shipment. He also noted that the Secretariat received monthly data reports from countries and also subscribed to other public data sources. These sources provided data on both value and volume.

12. The delegate for Papua New Guinea noted that the matter of voting power was not as relevant as it had been in the past, since ICO decisions were based on consensus. Therefore, he considered that the calculation method based on volume, being the simplest one, remained the most appropriate manner to determine contributions. The delegates for Japan, Colombia and the European Union expressed support for maintaining the current calculation method based on volume.

13. The delegate for the European Union inquired about a possible adjustment to the status of some exporting members so that they officially become importing members to comply with the legal framework of the ICA.

14. The Executive Director noted that the Secretariat did not advocate any specific change to the way that votes and contributions were calculated, but instead was providing Members with options to consider. With reference to the comment by the delegate of the EU, the Executive Director noted that the eight countries concerned should technically be classified as importing Members under paragraphs 7 and 8 of Article 2 of the Agreement. However, these Members produced coffee and their primary interest in membership of the ICO was to obtain information related to coffee production and processing. Therefore, they However, he was of the opinion that they should continue to be considered as exporting members, even though this was not in strict accordance with the text of the Agreement. The Executive Director noted that the adjustment proposed by the delegate for the European Union would not have substantial financial implications in the distribution of the contributions among importing Members.

15. The delegate for Viet Nam stated that the calculation method based on value was the most accurate and should therefore be adopted in the new Agreement.

16. The delegate for Brazil expressed a preference for the scenario using 'total volume of trade' in the calculation of votes and contributions, since this would take into account the re-exports of processed coffee by importing Members.

17. The delegate for Indonesia noted that these discussions were very important for the future of the ICO and therefore requested more time to consult with his capital before submitting an official position.

18. The delegate for Viet Nam drew attention to the fact that, to make contributions to the ICO, Viet Nam was not financed by the government but by fees levied on exporters. Therefore, he requested that Viet Nam's annual contribution to the ICO be paid at the end of the year (in December).

19. The Executive Director noted that there were other Member countries where the private sector paid contributions to the ICO. He explained that, in order to fulfil its financial commitments, it was very important that the Organization receive the contributions promptly within the time limits set out in the ICA.

20. The delegate for Brazil argued that the current distinction between importing and exporting member countries within the Organization no longer reflected reality and that this matter should be further discussed and accounted for in the new Agreement.

21. The Chair agreed to allow more time for the delegations to review the scenarios and proposed to further discuss the different methods for the calculation of votes and contributions under a new Agreement at the next WGFA meeting.

**Item 4: Text contributions on options for the revision of the role and functions of Committees in the revised ICA**

22. The Secretariat requested to move this agenda Item to the next WGFA meeting to allow more time for the Secretariat to contact the participants designated as responsible for presenting new wording for the sections of the document [WGFA-49/21](#), containing the options for the revision of the role and functions of Committees in the revised ICA.

**Item 5: Next Steps**

23. The Chair summarised the agreed next steps. She noted that Papua New Guinea, Japan, Colombia and the European Union were in favour of 'keeping things simple' and maintaining the current calculation method based on volume. She also noted that Viet Nam was in favour of the change of a new form of calculation of votes and contributions based on value.

24. The Chair requested delegates to discuss the implications of the various scenarios with their capitals and return to this subject at the next WGFA meeting.

25. The Head of Operations stated that the Secretariat would remain at the disposal of Members to provide clarifications regarding the different scenarios.

26. The Chair requested the Secretariat to put together a consolidated version of the document [WGFA-49/21](#) and the other pillars of the Agreement to highlight which specific items had already been approved and which required further discussion. The option of establishing a small drafting group to move forward should be considered.

27. The delegate for Japan requested the establishment of a concrete timetable to move discussions forward.

28. The Chair invited comments, then moved to Agenda Item 6.

**Item 6: Other business**

29. No requests for Other Business were made.

**Item 7: Date of next meeting**

30. The Chair noted that the next WGFA Meeting would be held on Tuesday, 6 April 2021.