



**Report of the 14th Meeting of the Working
Group on the Future of the International
Coffee Agreement held on 10 June 2021**

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The Working Group on the Future of the International Coffee Agreement (WGFA) met for the fourteenth time on 10 June 2021. The Chair, Ms Stefanie Küng, of Switzerland, welcomed all participants and thanked delegates for their presence.

Representatives of the following Members were present online using the Zoom software: Brazil, Colombia, Democratic Republic of the Congo, European Union (Germany, Ireland and Sweden), Honduras, India, Indonesia, Japan, Kenya, Madagascar, Mexico, Papua New Guinea, Peru, Russian Federation, Switzerland, Togo, Uganda and Viet Nam. The Chair of the Private Sector Consultative Board, Mr Anil Bhandari, was also present.

Item 1: Adoption of the Agenda

1. The agenda contained in [WGFA 62/21 Rev. 2](#) was adopted.

Item 2: Report of the 13th meeting of the Working Group held on 11 May 2021

2. The Chair presented the report of the previous meeting, contained in document [WGFA-61/21](#).
3. The Working Group took note of the report.

Item 3: International Coffee Agreement: Proposals for change submitted by Vietnam

4. The Chair invited the delegate of Vietnam to present the set of proposed changes to the International Coffee Agreement put forward by Vietnam, contained in document [WGFA-63/21](#).
5. The Chair suggested to evaluate the proposals by Vietnam individually, as each part of the Agreement is discussed by the Working Group.
6. The Working Group decided that the proposals from Vietnam will be evaluated and discussed at appropriate times in the future.

Item 4: Report of the Drafting Group on the meeting held on 3 June 2021 and on the articles related to votes and contributions

7. The Chair introduced the item by informing delegates of a change in the composition of the Drafting Group. Two Asian Members, India and Vietnam, had expressed their interest in joining the Drafting Group, which still had one open space. In the interests of achieving a broad representation, the Chair proposed that both Members should participate in the Drafting Group.

8. No objection to the proposed change in the composition of the Drafting Group was presented.

9. The Executive Director presented a report on the meeting of the Drafting Group held on 3 June 2021. The delegates of the Drafting Group had received a preliminary version of the discussion paper on votes and contributions contained in document [WGFA-65/21](#). The Executive Director noted that the options presented in the discussion paper were not exhaustive since they were a subset of the available options that had awakened the most interest among Members. He clarified that the Secretariat was neutral in regard to any option.

10. The key matters discussed by the Drafting Group were the following:

- Linking or delinking votes and contributions
- Maintaining or changing the distinction between exporting and importing countries in the determinations of votes
- Maintaining or changing the distinction between exporting and importing countries in the determination of contributions
- Maintaining volume of imports or exports as the basis for calculation of votes and/or contributions or using a different variable.

11. The presentation of the Executive Director is included as an Annex to this report.

12. Regarding the calculation of votes, the Executive Director presented two options: V1, where 1000 votes are evenly divided by exporting and importing Members (current system); and V2, where 1000 votes are no longer equally distributed (change in the system). The Executive Director reported that the Drafting Group had preferred to maintain the distinction between exporting and importing Members in the determination of votes, therefore the Working Group should explore branch V1 and set aside branch V2.

13. Branch V1 contained three options: V1.1, in which votes were based on the volume of exports or imports (current system); V1.2, in which votes were based on the value of exports or imports; and V1.3, where votes are based on a mix of 50% value and 50% volume of exports and imports. The Drafting Group had concluded that a 50%-50% mix of volume and value of imports or exports should be used as the basis for the calculation of votes (branch V1.3).

14. Regarding the calculation of contributions, the Executive Director presented two options: C1, where assessed contributions are proportional to votes (current system), and C2, where assessed contributions are not proportional to votes (change in the system). The Drafting Group had concluded that option C2 was preferable.

15. Branch C2 contained three options: C2.1, in which assessed contributions were based on volume of total trade; C2.2, in which assessed contributions were based on value of total trade; and option C2.3, in which assessed contributions were based on a mix of 50% value of total trade and 50% of volume of total trade. The Drafting Group concluded that the 50%-50% mix of volume and value of total trade should be used as the basis for the calculation of contributions (option C2.3).

16. Regarding the matter of whether the distinction between exporting and importing countries in the determination of contributions should be maintained or changed, no decision was made by the Drafting Group.

17. The delegate of Uganda inquired whether any quantitative test had been made regarding the branches V1 and V2. The Executive Director clarified that the Statistical Appendix of the document [WGFA-53/21 Rev. 2](#) contained full information on the impact of all options on each Member's contribution.

18. The delegate for Papua New Guinea asked whether option C2 implied that the new Agreement would maintain the existing system of basic and proportional votes. The Executive Director replied that delegates could discuss and decide whether basic votes should be abolished or changed at a later point.

19. The delegate of Brazil asked for a graphical representation of how each Member's contributions would change according to each scenario.

20. In summing up the debate on this agenda item, the Chair highlighted two important areas of convergence of the Drafting Group: maintaining the 50%-50% split in

votes between exporting and importing Members, and using a mix of volume and value for calculation of votes and contributions. She noted that some delegations would need more time to consult their capitals and suggested that the Drafting Group would move forward to drafting a text that reflected their preferences.

Item 5: Role of the private sector

21. The Chair reported that at the last WGFA meeting the delegates agreed to the three following steps regarding the integration of the private sector in the Organization:

- Revitalizing the Private Sector Consultative Board
- Formalizing the role of the Coffee Public-Private Task Force; and
- Exploring other forms of membership by the private sector.

22. The Chair reminded delegates that for this final point, the Secretariat was requested to prepare a proposal for the institution of other forms of membership.

23. The Head of Operations presented the possible categories of membership for the integration of the private sector contained in document [WGFA-64/21](#).

24. The Chair reported the receipt of a communication from the Chair of the Private Sector Consultative Board, Mr Anil Bhandari, which had been circulated among delegates as document [WGFA-66/21](#). In his communication, the Chair of the PSCB provided additional details on his proposal to establish a bicameral Organization.

25. The delegate of the European Union highlighted the importance of guaranteeing the active participation of civil society in the Organization.

26. The delegate of Brazil stated that private sector companies should stay in the Coffee Public-Private Task Force, while associations should be part of the PSCB.

27. The delegate of Kenya recommended exploring how the International Tea Committee had integrated the private sector.

28. The Chair asked the Secretariat to prepare a draft proposal on the integration of the private sector in the new Agreement to be submitted first to the Drafting Group and then to the Working Group.

Item 6: Next Steps

29. With regard to the WGFA's next steps, the Chair proposed that the group begin its examination of the text of the new Agreement, starting with the Preamble. For this purpose, the delegations who had promised, in earlier meetings, to furnish specific language on amendments had been contacted. The Secretariat reported that replies have been received from Papua New Guinea and Peru. Colombia, Kenya, Mexico and Nicaragua were again invited to send their proposals to the Secretariat.

30. Delegates agreed on the way forward proposed by the Chair.

Item 7: Appointment of the Vice Chair

31. The Chair stated that the terms of reference of the WGFA contained in document [ICC-124-15](#) determine that the Chair and Vice Chair should be appointed by the Council. She asked the Secretariat to include this item in the agenda of the September Session of the International Coffee Council.

32. Meanwhile, the Chair stated that it would be useful for the Group to designate an interim Vice Chair. She requested the spokesperson of exporting Members, Ambassador Marco Farani, to informally sound out the exporting Members and propose a Vice Chair at the next meeting of the Working Group.

Item 8: Other business

33. No requests for Other Business were made.

Item 9: Date of next meeting

34. The Chair noted that the next WGFA Meeting would be held on 8 July 2021.