



**INTERNATIONAL
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**Report of the 19th Meeting of the
Working Group on the Future of the
International Coffee Agreement held on
24 November 2021**

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The Working Group on the Future of the International Coffee Agreement (WGFA) met for the nineteenth time on 24 November 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, EU-Sweden, Indonesia, Japan, Mexico, Papua New Guinea, Russian Federation, Uganda and Vietnam.

Item 1: Adoption of the Agenda

2. The agenda contained in [WGFA 80/21](#) was adopted.

Item 2: Report of the 18th meeting of the Working Group held on 21 October 2021

3. The Vice-Chair presented the report of the previous meeting, contained in document [WGFA-79/21](#).

4. The Working Group took note of the report.

Item 3: Draft of the International Coffee Agreement 2021: Pillars A, B and C

5. The Vice-Chair noted that the Drafting Group met on 9 and 15 November 2021 to examine the draft text of the new International Coffee Agreement (ICA) and had reviewed the Preamble, Pillars A, B, C of the new ICA, as well as new articles on the role of the private sector. The draft text of paragraphs examined and recommendations of the Drafting Group were contained in document [WGFA-78/21 Rev. 1](#).

6. The Vice-Chair summarized the discussion held and the modalities of the work carried out within the Drafting Group and introduced document [WGFA-78/21 Rev.1](#), 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:

- *Pillar B – Article 11 “Sessions of the Council”*: paragraph 1
- *Pillar C – Article 2 “Definitions”*: paragraph 1 (b), (c), (d), (e), (f), (g), paragraphs 2, 3, 4, 6, 7, 8, 9

- *Pillar C – Article 3 “General undertakings by Members”: paragraph 3*
- *Pillar C – Article 6 “Seat and structure of the International Coffee Organization”: paragraphs 1 and 2*
- *Pillar C – Article 7 “Privileges and immunities”*
- *Pillar C - Article 17 “The Executive Director and the staff”*
- *Pillar C - Article 19 “Finance”*
- *Pillar C – Article 20 “Determination of the Administrative Budget and assessment of contributions”: paragraph 1*
- *Pillar C – Article 21 “Payment of contributions”: paragraphs 1, 2, and 3.*
- *Pillar C – Article 22 “Liabilities”*
- *Pillar C – Article 23 “Audit and publication of accounts”*
- *Pillar C- Article 35 “Preparations for a new Agreement”*
- *Pillar C – Article 38 “Consultations”*
- *Pillar C – Article 39 “Disputes and complaints”*
- *Pillar C – Article 40 “Signature and ratification, acceptance or approval”: paragraphs 2, 3 (dates to be determined)*
- *Pillar C – Article 41 “Provisional application”*
- *Pillar C – Article 42 “Entry into force” (dates to be determined)*
- *Pillar C – Article 43 “Accession”: paragraphs 2 and 3*
- *Pillar C – Article 44 “Reservations”*
- *Pillar C – Article 45 “Voluntary withdrawal”*
- *Pillar C – Article 46 “Exclusion”*
- *Pillar C – Article 47 “Settlement of accounts with withdrawing or excluded Members*
- *Pillar C – Article 48 “Duration, extension and termination”: paragraphs 4 and 5*
- *Pillar C – Article 51 “Authentic texts of the Agreement”*

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

a) Preamble - recital 3 (new recital)

Original text ICA 2007

Additional recital proposed by Colombia and not contained in the ICA 2007.

Text approved by the Working Group

“Considering the need for collaboration among 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

Original text ICA 2007

“promoting international cooperation on coffee matters;”

New text approved by the Working Group

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

c) Article 1- paragraph 4

Original text ICA 2007

“providing a forum for consultations seeking understanding with regard to the structural conditions in international markets and long-term trends in production and consumption that balance supply and demand, and result in prices fair both to consumers and to producers;”

New text approved by the Working Group

“providing a forum for consultations to seek understanding of the structural conditions in international markets and long-term trends in production and consumption that balance supply and demand, as well as to regulate adequately the spot, physical and financial markets for coffee in order to address volatility and excessive speculation that can distort prices, with negative effects on both producers and consumers;”

d) Article 1 – new paragraph

Original text ICA 2007

Additional paragraph proposed by Costa Rica, El Salvador, Honduras, Mexico, Nicaragua and Panama (see paragraph 68 of WGFA-29/20) and not contained in the ICA 2007.

Text approved by the Working Group

“To address, where appropriate through research, the challenges facing the global coffee sector including but not limited to price volatility, high production costs, pests and diseases, climate change and traceability of coffee.”

e) Article 1 - new paragraph

Original text ICA 2007

Additional paragraph proposed by Costa Rica, El Salvador, Honduras, Mexico, Nicaragua and Panama (see paragraph 68 of WGFA-29/20) and not contained in the ICA 2007.

Text approved by the Working Group

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

f) Article 2 – paragraph 1(a)

Original text ICA 2007

“green coffee means all coffee in the naked bean form before roasting;”

Text approved by the Working Group

“green coffee means all coffee in raw, unroasted, bean form;”

g) Article 2 – paragraph 5

Original text ICA 2007

“Contracting Party means a Government, the European Community or any intergovernmental organization referred to in paragraph (3) of Article 4 which has deposited an instrument of ratification, acceptance, approval or notification of provisional application of this Agreement in accordance with the provisions of Articles 40, 41 and 42 or has acceded thereto in accordance with the provisions of Article 43.”

New text approved by the Working Group

“Contracting Party means a Government, the European Union or any intergovernmental organization referred to in paragraph (3) of Article 4 which has deposited an instrument of ratification, acceptance, approval or notification of provisional application of this Agreement in accordance with the provisions of Articles 40, 41 and 42 or has acceded thereto in accordance with the provisions of Article 43.”

h) Article 2 – paragraph 10

Original text ICA 2007

“Depositary means the intergovernmental organization or Contracting Party to the International Coffee Agreement 2001 designated by decision of the Council under the International Coffee Agreement 2001, to be taken by consensus before 31 January 2008. Such decision shall form an integral part of this Agreement.”

New text approved by the Working Group

“Depositary means the intergovernmental organization or Contracting Party to the International Coffee Agreement 2007 designated by decision of the Council under the International Coffee Agreement 2007, to be taken by consensus before [date to be determined]. Such decision shall form an integral part of this Agreement.”

i) Article 2 – new paragraph

Original text ICA 2007

Additional paragraph drafted by the Secretariat and originally contained in document WGFA-74/21.

Text approved by the Working Group

“Civil Society means the wide array of non-governmental and not for profit organizations that have a presence in public life, express the interests and values of their members and others, based on ethical, cultural, political, scientific, academic or philanthropic considerations.”

j) Article 3 – paragraph 1

Original text ICA 2007

“Members undertake to adopt such measures as are necessary to enable them to fulfil their obligations under this Agreement and fully cooperate with one another in securing the attainment of the objectives of this Agreement; in particular, Members undertake to provide all information necessary to facilitate the functioning of this Agreement.”

New text approved by the Working Group

“Members undertake to adopt such measures as are necessary to enable them to fulfil their obligations under this Agreement and fully cooperate with one another in securing the attainment of the objectives of this Agreement; in particular, Members also undertake to provide all information necessary to facilitate the functioning of this Agreement.”

k) Article 3 – paragraph 2

Original text ICA 2007

“Members recognize that Certificates of Origin are important sources of information on the trade in coffee. Exporting Members, therefore, assume responsibility for ensuring the proper issuing and use of Certificates of Origin according to the rules established by the Council.”

New text approved by the Working Group

“Members recognize that Certificates of Origin are important sources of statistical information on the trade in coffee. Exporting Members, therefore, assume responsibility for ensuring the proper issuing of Certificates of Origin.

l) Article 4 – paragraph 3

Original text ICA 2007

“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.”

New text approved by the Working Group

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

m) Article 9 – paragraph 4

Original text ICA 2007

“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.”

New text approved by the Working Group

“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.”

n) Article 18

Original text ICA 2007

“A Committee on Finance and Administration shall be established. The Council shall determine its composition and mandate. This Committee shall be responsible for supervising the preparation of the Administrative Budget to be presented to the Council

for approval, and carrying out any other tasks which the Council assigns to it which shall include monitoring income and expenditure and matters related to the administration of the Organization. The Finance and Administration Committee shall report on its proceedings to the Council.”

New text approved by the Working Group

“A Committee on Finance and Administration shall be established. The Council shall determine its composition and mandate. This Committee shall be responsible for supervising the preparation of the Administrative Budget of the Organization to be presented to the Council for approval, and carrying out any other tasks which the Council assigns to it which shall include monitoring income and expenditure and matters related to the administration of the Organization. The Finance and Administration Committee shall report on its proceedings to the Council.”

o) Article 40 – paragraph 1

Original text ICA 2007

“Except as otherwise provided, this Agreement shall be open for signature at the Depository headquarters from 1 February 2008 until and including 31 August 2008 by Contracting Parties to the International Coffee Agreement 2001 and Governments invited to the session of the Council at which this Agreement was adopted.”

New text approved by the Working Group

“Except as otherwise provided, this Agreement shall be open for signature at the Depository headquarters from [date to be determined] until and including [date to be determined] by Contracting Parties to the International Coffee Agreement 2007 and Governments invited to the session of the Council at which this Agreement was adopted.”

p) Article 40 – paragraph 4

Original text ICA 2007

“Upon signature and ratification, acceptance or approval, or notification of provisional application, the European Community shall deposit a declaration with the Depository confirming its exclusive competence over matters governed by this Agreement. The member States of the European Community shall not be eligible to become Contracting Parties to the Agreement.”

New text approved by the Working Group

“Upon signature and ratification, acceptance or approval, or notification of provisional application, the European Union shall deposit a declaration with the Depositary confirming its exclusive competence over matters governed by this Agreement. The member States of the European Union shall not be eligible to become Contracting Parties to the Agreement.”

q) Article 43 – paragraph 1

Original text ICA 2007

“Except as otherwise provided for in this Agreement, the Government of any State member of the United Nations or of any of its specialized agencies or any intergovernmental organization described in paragraph (3) of Article 4 may accede to this Agreement in accordance with procedures which shall be established by the Council.”

New text approved by the Working Group

“Except as otherwise provided for in this Agreement, the Government of any State Member of the United Nations or of any of its specialized agencies or any intergovernmental organization described in paragraph (3) of Article 4 may accede to this Agreement in accordance with procedures which shall be established by the Council.”

r) Article 48 – paragraph 1

Original text ICA 2007

“This Agreement shall remain in force for a period of ten years after it enters into force provisionally or definitively unless extended under the provisions of paragraph (3) of this Article or terminated under the provisions of paragraph (4) of this Article.”

New text approved by the Working Group

“This Agreement shall remain in force until terminated by the Council under the provisions of paragraph (4) of this Article.”

s) Article 48 – paragraph 6

Original text ICA 2007

“Any decision taken with respect to the duration and/or termination of this Agreement and any notification received by the Council pursuant to this Article shall be duly transmitted by the Council to the Depositary.”

New text approved by the Working Group

“Any decision taken with respect to the termination of this Agreement and any notification received by the Council pursuant to this Article shall be duly transmitted by the Council to the Depositary.”

t) Article 50

Original text ICA 2007

“All acts by or on behalf of the Organization or any of its organs under the International Coffee Agreement 2001 shall remain in effect until the entry into force of this Agreement.”

New text approved by the Working Group

“All acts by or on behalf of the Organization or any of its organs under the International Coffee Agreement 2007 shall remain in effect until the entry into force of this Agreement.”

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

a) JAPAN: Article 6 – paragraph 4 (new paragraph)

Original text ICA 2007

Additional paragraph proposed by the WGFA and not contained in the ICA 2007.

Text provisionally approved by the Working Group

“The Council will be supported by the Executive Director and the staff of the ICO.”

b) OTHER DELEGATIONS: Article 48 – paragraph 2

Original text ICA 2007

“The Council shall review this Agreement five years after its entry into force and shall take decisions as appropriate.”

Text provisionally approved by the Working Group

“The Council shall review this Agreement every five years if necessary or whenever the need arises, in particular to accommodate and respond to new challenges and opportunities.”

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

- **Additional paragraph under Article 1 “Objectives”:**
“facilitating the availability of information on market access analysis in producing and consuming countries, including information on tariff and non-tariff barriers, as well as the activities undertaken by Members with the view to promoting the elimination of trade barriers.”
- **Paragraph proposed by Vietnam under Article 17 “The Executive Director and the Staff”:**
“The Executive Director and members of the staff shall be appointed alternatively between the exporting – importing Members and amongst regions (Asia & Ocean Pacific region; Africa; Europe; America). The positions are opened to only Member countries that are not in arrears and possess no less than 20 votes.”

The delegate of Papua New Guinea disagreed with the paragraph proposed by Vietnam as it would disadvantage Members with fewer votes. The delegate of Brazil echoed his position and stressed that the competencies and preparedness of the staff should be valued over the alternation between exporting and importing countries and among regions. The delegate of Japan agreed with Papua New Guinea and Brazil and added that the discussion on the eligibility of candidates for the post of Executive Director from countries that were in arrears should be addressed in other articles of the Agreement.

- **Paragraph proposed by Vietnam under Article 21 “Payment of contributions”:** “For Vietnam, due to its contribution comes from the exporting fee of its coffee exporters, so that Vietnam will make its payment by instalments and finish its payment by December yearly”.

The WGFA decided not to approve this paragraph as it was not applicable to all the Members.

- **Article 48 “Duration, extension and termination”:** paragraph 3

11. With reference to paragraph 1 of Article 2 “Definitions”, the Vice-Chair pointed out a technical specification on the composition of premixed coffee was necessary in order to progress with the discussion on this matter and acknowledged the need to include “premixed coffee” in the new ICA given its significant proportion in the coffee trade.

12. The delegate of Japan informed he could not agree with the inclusion of premixed coffee in the new text of the ICA without having received further clarifications on its definition. In this sense, he also questioned the modalities to collect information on premixed coffee for statistical purposes and suggested the discussion on this matter take place under the review of Pillar D of the agreement.

13. Members agreed to wait for the abovementioned technical specification by some delegations and/or trade associations and to defer the discussion on this topic to a later stage.

14. Members agreed to postpone the discussion on paragraph 3 of Article 6 “Seat and Structure of the International Coffee Organization” as no final decision on the merging of committees had been made by Members.

15. With reference to Article 20 “Determination of the Administrative Budget and assessment of contributions”, the WGFA decided to defer the revision of the proposed text until a final decision on the question of votes and contribution had been made.

16. When reviewing the three different additional paragraphs proposed by the European Union, Indonesia and Vietnam under Article 21 “Payment of contributions” the delegate of Brazil asked for further clarifications on the concept of termination of membership rights.

17. The Executive Director noted that the [ICC Resolution 470](#) did not further defined the terms of the temporary suspension of membership for Members in arrears.

18. The delegate of Japan objected to the abovementioned proposals as their content was already covered in the ICC Resolution 470. In addition, he specifically disagreed with the proposal of Vietnam, considering the period of maximum two consecutive years too short.

19. The Executive Director invited Members to take into account a period of two consecutive years before the suspension of the membership rights took place could cause a considerable financial strain to the Organization.

20. Following the objection of Indonesia to the deletion of this paragraph from the new text of the ICA, the Vice-Chair requested the delegate of Indonesia to align the proposed paragraph to Resolution 470 and to submit a revised version of it to the following WGFA meeting. The delegate of Indonesia agreed with the proposal of the Vice-Chair.

21. With reference to Article 49, the delegate of Japan clarified that their proposal intended to enable the effective operation of the ICO, allowing the entry into force of amendments not involving new obligations without requiring their approval by the Council.

22. The Executive Director stressed that legal advice for the definition of obligation might be needed.

23. The delegate of Brazil supported, in principle, the proposal of Japan to simplify the amendment procedure but suggested that the adoption of resolutions entering into force immediately could be a more efficient way to proceed, thus avoiding the amendment of the Agreement and consequent reapproval by Members' national authorities.

24. The Vice-Chair requested the Secretariat liaise with Japan and other delegations to discuss whether the proposal by Japan could be addressed within a resolution of the International Coffee Council. The delegate of Japan agreed to submit a new proposal limiting the application of this amendment procedure only to specific categories of articles related to the operation of the ICO.

Item 4: Role of the Private Sector

25. The Vice-Chair noted that in order to review the text of the articles drafted by the Secretariat Members needed to make final decisions related to the role of the private sector first. The creation of the Board of Affiliate Members and the inclusion of the Coffee Public-Private Task Force were identified as the two key questions requiring Members' attention and consideration.

26. The delegate of Brazil stressed that during previous meetings of the WGFA Members had already approved the creation of the Board of Affiliate Members as well as the integration of the Task Force in the new text of the International Coffee Agreement. With reference to the Board of Affiliate Members, the delegate of Brazil emphasized the need to discuss the modalities of affiliation of the private sector and civil society.

27. The delegate of Japan questioned whether the creation of the Board of Affiliate Members was necessary and suggested further discussing the topic.

28. The Vice-Chair noted that Members agreed to include the private sector in the new ICA and that representatives of the private sector and civil society should be included in a different category in order to clearly maintain the distinction among them and Members of the ICO.

29. The delegate of Brazil highlighted that there was already general consensus to adopt the term "Affiliate Member".

30. Members discussed and approved the text for "civil society". With reference to the definition of "private sector", the delegate of Japan suggested merging sub-items (i) and (ii) and keeping only the word "farmer", while the delegate of Brazil asked the word "producer" also to be retained.

31. In this regard, the Head of Operations clarified that the decision to include the word "farmer" originated from the need to align the new ICA to most of the agreements within the UN System and the international development field.

32. The Executive Director noted that in the International Coffee Agreement 2007 the word "producer" was the most frequently used.

33. The delegate of Japan asked for clarifications on “social enterprise” and the Secretariat shared definitions given by the Organisation for Economic Cooperation and Development (OECD), the European Commission (EU) and the International Labour Organization (ILO). The delegate of Japan suggested the words “social enterprise” be deleted considering the “private sector” paragraph already contained the category “micro-, small and medium-sized enterprises (MSMEs).

34. After extensive discussion on the definition of “Private Sector” and “Affiliate Member”, Members decided to defer a decision on the text proposed by the Secretariat and contained in document [WGFA-74/21](#). The Vice-Chair requested the Drafting Group to review the wording of the abovementioned paragraphs and to submit a recommendation at the following meeting of the Working Group on the Future of the Agreement on 14 December 2021.

Item 5: Next steps

35. The Chair informed the Working Group that the Drafting Group would continue reviewing articles and paragraphs on the role of the private sector and Pillar D, and then submit the results of its discussions to the WGFA.

Item 6: Other business

36. No additional requests for other business were made.

Item 7: Date of next meeting

37. The Chair noted that the next WGFA Meetings would be held on 14 December, while the Drafting Group should meet on 1 and 8 December 2021.