



Council of the
European Union

Brussels, 12 February 2018
(OR. en)

5449/07
DCL 1

PROBA 1
DEVGEN 7
RELEX 36
JUR 22
AGRI 14

DECLASSIFICATION

of document: 5449/07 RESTREINT UE

dated: 19 January 2007

new status: Public

Subject: Council decision authorising the Commission to open negotiations for an international agreement destined to amend or to replace the International Coffee Agreement 2001

Delegations will find attached the declassified version of the above document.

The text of this document is identical to the previous version.

RESTREINT UE



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 19 January 2007

5449/07

RESTREINT UE

PROBA	1
DEVGEN	7
RELEX	36
JUR	22
AGRI	14

"I/A" ITEM NOTE

from: Working Party on Commodities
on: 15 January 2007
to: COREPER/Council

Subject: Council decision authorising the Commission to open negotiations for an international agreement destined to amend or to replace the International Coffee Agreement 2001

1. The International Coffee Agreement 2001 (ICA, 2001) was concluded for the European Community by Council Decision 2001/877/EC of 24 September 2001¹, on the basis of Articles 133 and 300 (1) of the Treaty establishing the European Community. The ICA, 2001 is due to expire on 30 September 2007.
2. At the 95th and 96th sessions of the ICC, the question on the future of the Agreement was raised, but no final decision was taken on whether the new instrument should be the result of amendments to ICA, 2001 pursuant to its article 46 or of a fully-fledged negotiation with a view to replace ICA, 2001.

¹ OJ L 326 of 11.12.2001, page 22

RESTREINT UE

3. The International Coffee Council (ICC) is due to adopt a decision on the extension of ICA, 2001 at its 97th session (London, 21-25 May 2007), in order to allow for sufficient time for renegotiations. On 22 January 2007, the Council adopted a decision in favour of extending the ICA, 2001 for one or more periods not exceeding six years ¹.
4. On 8 December 2006, the Commission transmitted a recommendation to the Council in order to authorise the Commission to open negotiations for an international agreement destined to amend or to replace the International Coffee Agreement 2001 ².
5. On 15 January 2007, the Working Party on Commodities agreed on the attached negotiating directives ³.
6. In the light of the above, Coreper is invited to recommend Council to:
 - authorise the Commission to negotiate for an international agreement destined to amend or to replace the International Coffee Agreement 2001;
 - appoint the Working Party on Commodities to assist the Commission in this task since, in accordance with Article 300 of the EC Treaty, the Commission will conduct these negotiations on behalf of the European Community; and
 - adopt the negotiating directives in the Annex.

¹ Doc. 16901/06

² Doc. 16456/06 RESTREINT UE

³ Doc. 5485/07

Negotiating directives for an amended or new International Coffee Agreement

I. Introduction

In order to prepare the future discussions and to facilitate the Commission negotiations, hereafter are indicated the directives that the EC should follow during the negotiating process. The Commission may make additional proposals as work progresses. These proposals will be examined within the Working Party on Commodities and during on-the-spot co-ordination meetings.

As the ICO Council has not yet decided what kind of procedure will be followed (renegotiation or simple amendment) the present negotiating guidelines will cover both cases. Whether in the case of an amendment procedure or a renegotiation, the European Community (EC) would prefer that only a limited number of articles, should be the subject of discussions.

II. Proposed changes

In the light of the above considerations, the EC would prefer to preserve the nature and key objectives of the ICA.

The largest part of the Agreement does not need structural changes, as the present provisions represent a comprehensive framework for implementing the entire objectives. Therefore the structure of the ICA 2001 should remain globally unchanged, in order to allow the continuation of an orderly functioning agreement.

With the above principle in mind, the EC's position in the negotiations will be based on the following considerations:

RESTREINT UE

- (1) *Preamble and Objectives.* The current objectives are still up-to-date and therefore Art. 1 of ICA 2001 doesn't need any particular enlargement. In general terms, the EC should defend the principle that most of the additional issues that other members outside the EU would like to introduce, find an appropriate response in the current text and provisions without any particular need for change or amendment. This should give more flexibility and would not imply a revision of the ICA and its objectives. However, in the case of partial amendment of the preamble or objectives, the EC should propose the insertion of a reference to poverty alleviation and living standards. In this case, article 40 would also need some minor adjustments.
- (2) The question of the small-scale family farms representatives as a special category is not fully supported by the EC, as this category of producers is currently represented on the ICA bodies (PSCB) through the recognised producer associations and cooperatives of their respective countries. It is not the role of ICO to create special categories of members. If necessary, a reference to small producers could be accepted notably in the preamble.
- (3) *Sustainability.* The concept of sustainability, based on an economic, social and environmental model has been thoroughly discussed at all levels within ICO. The role of ICO (Council and/or Executive Board) should be to translate the general principles to be applied in the coffee economy. Objective N. 6 of the current agreement already encourages members to develop a sustainable economy; in addition Article 39 covers all approaches on sustainability (including mainstreaming). These provisions leave enough flexibility for any action desired. Slight amendments or additions to the current wording might nevertheless be acceptable, in the interest of clarity, including, if necessary, a reference to sustainability notably in the Preamble.

RESTREINT UE

- (4) Private sector Consultative Board (PSCB). The question of a possible new composition or expansion of the PSCB has been raised without result; but the best solution would be that the PSCB itself should come up with suggestions.
- (5) Studies and surveys. The EC doesn't see any need for amending the provision contained in Art 31 or for establishing priorities for actions to be undertaken by the Organisation. The EC firmly rejects any suggestion for transformation of "International Commodities Organisations" into bodies more similar to "Development Agencies" or "Study Groups".
- (6) Institutional and procedural issues. The EC rejects the idea of moving the Organisation toward operating by sole consensus instead of voting, as instead of facilitating decisions through a well defined and agreed process, this may create impasses. The problem for the ICO is more procedural. The answer for a proper solution is related to the solution that it will be retained for Art 13 paragraph 7 (limit of votes). It is not possible to suggest a particular solution in aware of a comprehensive discussion on votes with all the other consumers due to the financial implications. However, in any event, the EC will defend the current system linking votes to financial contributions and equal burden sharing among consumers and producers. One important element is represented by the limitation to 400 votes. The better solution for the EC should be the deletion of such a limitation. In case of difficulties to achieve this result, due to the likely opposition of other members, the EC could accept maintaining the capping to 400 votes on the condition that the excess votes would be redistributed among the members of the same group. Consequently, the EC rejects the abolition of the two groups of importers and exporters. As regards organisational matters, the EC while attaching great importance to improving, if possible, the efficiency of the Organisation, may accept to continue with the current structure and frequency of meetings. The creation of additional bodies (as i.e. the "Consultative Board on sustainability") should, on the contrary, be rejected due to the problems that the proliferation of committees may imply, including costs and membership.

RESTREINT UE

- (7) The European Community as contracting party. The new text of the ICA shall reflect the current membership of the EC characterised by the sole ratification of the EC. Nonetheless, the signature and conclusion by the EC as sole member will have some implications on different provisions where the participation of members is required. While clearly reaffirming its legal status, the EC will try to act in the best pragmatic way in order to avoid complex and fundamental changes to the current rules. The EC will ensure that all the relevant articles (notably art. 2 and 4) will be amended accordingly.
- (8) Observers. The current Agreement does not sufficiently clarify the participation of observers. In this context, if agreed also by all the other parties, the EC will not oppose to slightly amend art 16 with a view to better clarify the role and participation as observers of the relevant organisations including the representatives of the civil society.
- (9) Executive Board. The EC is in favour of maintaining the Executive Board accompanied by a possible reduction of duration of meetings. The Council should continue to meet twice a year in its ordinary sessions. In order to assure a proper participation of the European Community to the Executive Board the current practice appears to be the most pragmatic. In this case, it is proposed that the EC should continue to hold 5 seats (the Commission and 4 other members among the Member States) and Article 17 should be amended accordingly.
- (10) Financial resources. Excluding the mandatory contributions to the administrative budget, the EC reaffirms the current structure of the ICA and will consider additional funding mechanisms only on a voluntary basis.
- (11) Study on ICBs. In the light of the results of the study commissioned by the Commission on ICBs, the Commission reserves its right to propose, if appropriate, additional elements for insertion in the new instrument.