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COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
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То:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
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Subject:	ANNEX to the Recommendation for a Council Decision authorising the opening of negotiations to amend the International Cocoa Agreement 2010

Delegations will find attached document COM(2021) 119 final.

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ANNEX

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to the

Recommendation for a Council Decision

authorising the opening of negotiations to amend the International Cocoa Agreement 2010

ANNEX

1. GENERAL NEGOTIATING GUIDELINES

Proposed amendments

The recommendations for amendments to the International Cocoa Agreement (ICA 2010) drafted by the Working Group on the Review of the International Cocoa Agreement in 2019/2020 are welcome, as they follow the objectives put forward by the EU in International Commodity Bodies (ICBs).

Negotiating Guidelines

In line with the proposed amendments, the following general negotiating guidelines should apply:

- (1) The overall purpose of the ICA as outlined in Article 1 is not subject to change.
- (2) The ICA should be framed in accordance with overarching sustainability principles, to accomplish a sustainable cocoa economy. This includes:
- taking into account <u>the sustainable development principles</u> contained, inter alia, in the United Nations 2030 Agenda for Sustainable Development adopted in New York in 2015;
- taking into account the Paris Agreement on climate change and the nationally determined contributions (NDCs) of its Parties;
- pursuing the objective of ensuring that cocoa production is economically sustainable, by ensuring a living income to cocoa producers, which should provide for a decent income and a decent life;
- pursuing the objective of ensuring that cocoa production is environmentally sustainable, by preventing or halting deforestation and natural resource degradation;
- pursuing the objective of ensuring that cocoa production is socially sustainable, by ensuring the respect of human rights, and making progress towards zero child labour;
- and applying the sustainable development principles along the rest of the value chain.
- (3) The ICA shall remain into force until terminated by Members.

Detailed negotiating Guidelines

Preamble: to be possibly amended

The preamble could include a reference not only to "decent income" but also to "living income".

Article 1(j): to be possibly amended

Instead of "sufficient incomes", refer to "decent incomes" in order to ensure coherence in the text with the definition of "decent income" in Article 2(21).

Article 16(3): to be <u>deleted</u>

"The position of the Executive Director shall rotate between candidate from an exporting Member and candidate from an importing Member."

Article 36: to be possibly amended

"In the event of a predicted imbalance, the Council may suggest recommendations on how to mitigate the negative effects of the imbalance on primary producers. **The measures must however not put competition out of play**."

Article 42: to be possibly amended

The commitment to improve living standards and working conditions is welcome. A more specific commitment to the fight against child labour could be added.

Article 43: to be possibly amended

A more specific commitment to the fight against deforestation, forest degradation and climate change could be added.