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COVER NOTE

From: Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director

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To: 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 Coffee Agreement 2007

Delegations will find attached document COM(2021) 374 final - Annex.

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COM(2021) 374 final

ANNEX

ANNEX

to the

Recommendation for a Council Decision

**authorising the opening of negotiations to amend the International Coffee Agreement
2007**

ANNEX

Negotiating directives on the International Coffee Agreement 2007

The Commission may enter into negotiations with the other Contracting Parties to the International Coffee Agreement 2007 ('the Agreement') within the International Coffee Organization ('ICO') with a view to modernising the Agreement, taking into account the evolution in the coffee sector.

The review of the Agreement should improve the ICO governance, assess the balance of the voting and the contribution systems and address the integration of the private sector and civil society into the work of the ICO.

The Union is a member of the ICO Working Group for the Future of the Agreement ('WGFA'), which is currently working on recommendations for changes to be introduced into the ICA 2007 and which will follow the objectives put forward by Union Member States in International Commodity Bodies ('ICBs').

The negotiating directives should take into account the objectives of simplification and streamlining of the agreement while maintaining the intergovernmental role of ICO for which ICO Members have pledged.

1. GOVERNANCE

International Coffee Council (ICC)

As regards the periodicity of ICC meetings, the current system of two meetings a year should be maintained. One of the meetings could be a virtual one.

The ICC Chair and Vice-Chair should have a one-year mandate to facilitate the participation of all ICO members to decision process. The Vice-Chair could have a reinforced role in the ICC. To benefit from the experience gained, the Vice-Chair may express to the Council his/her interest to become Chair after the first year. The Council may express its acceptance if the Vice-Chair has proven to be suitable.

ICO Committees

If relevant in their work, the merging of ICO committees should be encouraged as a part of the streamlining of the ICO. A larger participation of the Members in the committee work should be encouraged.

World Coffee Conference ('WCC')

The current periodicity of a high-level WCC every four or five years should be kept, but with flexibility to adapt to specific circumstances or a particular situation (e.g. change in the coffee market situation, external event having an effect on the coffee sector, etc.)

2. VOTES AND CONTRIBUTIONS

Exporting and importing members

The division between exporting and importing members should be retained as a relevant basic principle for the decision process in many ICBs.

Method of calculation for votes and contribution

The current arrangement based on exported or imported coffee volumes seems to constitute the easiest and the most reliable system for calculating the voting rights and the financial contributions of each Member to the Administrative Budget of the ICO. However, the relevance of other systems (e.g. value of exports/ imports, mixed systems, etc.) used in other ICBs could be explored with indications of the consequences of their use for the ICO.

3. PARTICIPATION OF PRIVATE SECTOR AND CIVIL SOCIETY

The private sector and civil society should be better integrated in the working process within the ICO. Different formulas should be explored to find the best way to make them participate more closely in the context of a modernised agreement.

As regards the eligibility of the private sector, the Agreement should recognise its diversity, from small producers to large multinational company, and their respective potential roles within the ICO.

It would be preferable to foster the participation of trade/professional associations, but if the participation of individual corporations to the ICO was proposed, specific legal safeguards should be explored to ensure the independence of the ICO.

The approval process for participation of the private sector and civil society in the case of national companies or organisations should go through the ICO Member concerned.

Any move for better integrating the private sector should nevertheless preserve the intergovernmental character of the ICO.