



Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

ICC 95-12

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**Decisions and Resolutions adopted
at the Ninety-fifth Session of the
International Coffee Council**

22 – 25 May 2006

1. The International Coffee Council, chaired by Mr. Saint-Cyr Djikalou of Côte d'Ivoire, met from 22 to 25 May 2006.

Item 1: Adoption of the Agenda and schedule of meetings

2. The Council adopted the draft Agenda contained in document ICC-95-0 Rev. 1 and took note of the schedule of meetings.

Item 2: Admission of observers

3. The Executive Director reported that the ICO had received a request from a non-governmental organization (NGO), Oxfam, which had shown great interest in the work of the Organization and which had distributed copies of its report "Grounds for change: creating a voice for small coffee farmers and farm-workers with the next International Coffee Agreement (ICA)" as delegates arrived. As provided for in Rule 6 of the *Rules of the Organization*, the Council could invite any organization concerned with coffee to send observers to Council Sessions. Members would need to consider this matter and decide whether organizations such as Oxfam should be granted admission on an ad hoc or a more permanent basis. He noted that the matter was related to the issue of proposals on the future of the Agreement. He had previously suggested that proposals from non-governmental organizations (NGOs) or the private sector should be submitted through Members, or in the case of PSCB members could also be submitted through the PSCB for consideration by the Council.

4. In discussions on this item, several Members noted that Oxfam had been actively involved in working to help small coffee growers and raising awareness of the coffee crisis,

and welcomed its interest in participating. Members were open to considering this and how NGOs such as Oxfam might participate at ICO meetings. Following further consultations, the Council noted that Members needed more time to consider this and whether requests for admission by Oxfam and other organizations as observers should be on a meeting by meeting basis, or on a more a permanent basis. The Executive Director would prepare a document with terms of reference for the admission of observers which would be sent to Members prior to the next Council Session of September. Pending a decision, the representative of Oxfam was invited to make a brief statement at this meeting.

5. The representative of Oxfam noted that copies of Oxfam’s publication “Grounds for change” had been made available at the meeting. Oxfam had not come with the intention of making a specific statement. It had been actively and positively involved as a social development organization in coffee matters and was here because it wished to follow discussions on the future of the Agreement and offer constructive recommendations such as those outlined in its report. The issues being discussed were important enough to give all stakeholders the opportunity to follow the debate and offer constructive recommendations. Oxfam would like to continue to be part of the debate and asked for clarification on the exact rules for observers. In the case of smallholders, Oxfam was not trying to subvert the governance structure of the ICO, but rather wished to suggest that the issues facing small farmers were serious enough to warrant spaces in an advisory capacity so that organizations representing small producers could inform the debate and articulate their concerns directly. Sustainability issues and issues facing small producers were very urgent and discussions on the future of the ICA provided a historic opportunity to consider how to translate these concerns into long term actions.

6. The Council took note of this information and noted that the Secretariat would inform Oxfam in due course of the Council’s decision on this matter.

Item 3: Votes and credentials

Item 3.1: Votes in the Council for coffee year 2005/06

7. The Council took note of the situation of outstanding payments affecting voting rights as at 25 May 2006 and approved the redistribution of votes in the Council and Executive Board for coffee year 2005/06 contained in document EB-3895/06 Rev. 5.

Item 3.2: Credentials

8. The Council noted that the Secretariat had examined the credentials received from Members and had informed the Chairman of the Council that they were found to be in good and due form. The Council decided to approve the report on credentials which was subsequently circulated, together with the List of Delegations, as document ICC-95-11.

**Item 4: Membership of the
International Coffee Agreement (ICA) 2001**

Item 4.1: Current situation

9. The Executive Director reported that, as at 22 May 2006, there were 74 Members of the Organization, comprising 44 exporting and 30 importing countries. Regarding EU countries which had not yet completed the formalities for membership, Poland had advised the Executive Director that it was close to depositing an instrument. The Executive Director had been in contact with Bulgaria and Romania which were due to join the EU in January 2007 to inform them about membership procedures. In the case of non-member countries, Panama had confirmed that it was taking the necessary steps for membership and the matter would also be pursued by the Peruvian Government following elections in this country in June 2006. Contacts were continuing with other non-member countries including Canada, China and the Russian Federation. He urged all Members to make representations to the Embassies of these countries to convey the ICO's interest in their future membership of the Organization. The Council took note of this request.

10. The Executive Director introduced two draft Resolutions, one concerning the extension of the time limit until 31 May 2007 for the deposit of instruments of ratification, acceptance, approval or accession (WP-Council No. 137/06), and another concerning the extension of the time limit to 31 May 2007 for the deposit of instruments by Governments which were provisionally applying the Agreement (WP-Council No. 138/06).

11. The Council requested the Secretariat to analyse the reasons for delays in depositing instruments of accession and endeavour to ensure that the relevant countries completed the formalities without any further delay. The proposed deadline in the draft Resolutions was 31 May 2007, only four months before the Agreement was due to expire. The Council took note of this request. It noted that the delays were due to legal procedures for ratifying or acceding to the Agreement which varied from country to country and which could be time-consuming, and further noted that non-member countries referred to above should be given the opportunity to accede and that EU Member States were making efforts to complete the formalities for membership. It decided to approve the draft Resolution contained in document WP-Council No. 137/06 to extend the time limit until 31 May 2007 for the deposit of instruments of ratification, acceptance, approval or accession, which became Resolution number 423. The Council also decided to approve the draft Resolution contained in document WP-Council No. 138/06 concerning the extension of the time limit until 31 May 2007 for the deposit of instruments by Governments which were provisionally applying the Agreement, which became Resolution number 424. Copies of both Resolutions are attached to these Decisions.

Item 4.2: Accession of Timor-Leste

12. The Council noted that in January 2006, the Executive Board had recommended that the Council should approve a draft Resolution setting conditions for the accession of Timor-Leste. Following the need to obtain additional confirmation about the classification and crop year of Timor-Leste, the draft Resolution was subsequently modified to allow more flexibility on these areas and to allow additional time for the deposit of an instrument of accession. On the recommendation of the Board, the Council decided to approve the draft Resolution setting out conditions for the accession of Timor-Leste, contained in document EB-3907/06 Rev. 1, which became Resolution number 425. A copy of the Resolution is attached to these Decisions.

Item 5: Coffee market situation

13. The Executive Director introduced his report on the market situation (contained in the ED-Letter April 2006). He said that there had been a number of fluctuations in the coffee market. After having fallen in March 2006, coffee prices rose slightly during the month of April. Investment funds had been very active which had contributed to the slight increase in price volatility. The composite indicator price which stood at 101.20 cents in January had fallen by around 12%, standing at 88.42 on 19 May. On a month by month basis, prices were below what they had been in the previous year. This drop did not reflect the market fundamentals which indicated some measure of balance in the market with production estimated at 120 million bags in 2006/07 and consumption at 117 million bags. Furthermore, the shortfall in production for crop year 2005/06 had led to a draw down of stocks both in exporting and importing countries since demand remained strong. In recent visits to producing countries he had seen very low levels of warehouse stocks, giving little room for manoeuvre; however stocks in producing countries were still estimated at around 24.5 million bags. Stocks in importing countries were also falling and if consumption in these countries continued to increase by 1.5% – 2% p.a. this would deplete stock levels further. The information disseminated by the ICO depended on the accuracy of data provided by Members and the Executive Director urged all exporting Members to carry out a study of stocks in their countries before the next Council session. He noted that consumption in producing countries was supporting the market. In addition to Brazil, which had doubled consumption from 8 million in 1988 to 16 million bags in 2006, a number of Members were developing domestic consumption in their countries. Supply was tight but this was not always reflected in the market because of the presence of investment funds and speculators which were causing some volatility in prices. There was reason to believe that the market would remain at present levels for the time being with some recovery, subject to volatility. He added that any gains in prices were offset by factors such as increases in oil costs which had an impact on inputs such as fertilizers, and currency valuations. Finally he drew attention to document WP-Council No. 136/06 containing the final official estimate and second production estimate for the Brazilian coffee crop for 2006/07.

14. The Council took note of this information and further noted the request for all producing countries to send the Executive Director an analysis of their stock levels by **30 August 2006**, to enable the Secretariat to report on this matter at the Council Session in September 2006.

Item 6: 2nd World Coffee Conference

15. The Chairman of the 2nd World Coffee Conference, Mr. Roberto Rodrigues, Minister of Agriculture, Livestock and Food Supply of Brazil, introduced the final report of the 2nd World Coffee Conference which took place in Salvador from 23 to 25 September 2005. Copies of the final report which included a CD-Rom with detailed information about the Conference, such as the programme, presentations and conclusions of the Conference, and copies of the Chairman's presentation were distributed to all delegates.

16. He pointed out that the conclusions of the Conference were divided into five areas: economic environment; consumption/demand; production/supply; sustainability and market transparency. In the case of the economic environment, the coffee market was not independent but was part of commodity markets and the global economy. There was no longer a climate for interventions. To find a balance between production and consumption, market instruments were needed to guarantee balanced remuneration for the whole supply chain, with an emphasis on the weakest links (the coffee growers), without losses to other elements of the supply chain. Market controls should be opposed, eliminating trade barriers and providing free access to markets for coffee and other products that helped farmers to diversify production. Producing countries must work to develop market instruments to coordinate product flows, to ensure a stable supply in the interests of all elements in the supply chain.

17. In the case of consumption/demand, there was a range of suggestions for actions to increase consumption in the different markets. In traditional markets, these could include new products such as pods and espresso and institutional programmes. In the case of emerging markets, accessible prices were important and soluble coffee was the first step in coffee-drinking. In producing countries, the development of a coffee culture and improving quality were key. The role of institutional programmes in promoting coffee had been mentioned by many speakers, including coffee and health and assistance from international donors. The ICO could have a role as a stimulator and catalyst of programmes in these three markets.

18. Concerning production/supply, to meet the forecasts of additional consumption, market-based instruments were needed to organize production and avoid over-supply and overproduction. Proposals included improving the organization of producers via cooperatives etc. to shorten the supply chain and facilitate access to credit; training of growers and strategic alliances to enable producers to trade crops and acquire knowledge.

The addition of value was highlighted, especially through the industrialization of coffee in producing countries, as the price of industrialized products was more stable than raw materials. Other proposals included disseminating risk management instruments and diversifying production to reduce dependency on a single product, and removing trade barriers. The ICO could have several roles including finding funding for programmes, coordinating programmes involving several countries, integrating policies across producing nations and facilitating sustainability initiatives to ensure that standards and obligations were balanced and negotiated among all elements of the coffee chain.

19. In the area of sustainability, sustainable growth of the coffee supply chain was important with a balanced development of supply and demand and a more harmonious distribution of income throughout the supply chain to ensure profitability at all levels, with attention to the three main components of sustainability: economic, social and environmental. Economic sustainability was the basis for environmental and social sustainability. It was the result of many actions including research, technology, trading and industrialization. Sustainability initiatives were developing and becoming more sophisticated, however speakers had raised the need for adjustments including greater emphasis on economic sustainability, facilitating the access of smallholders to certification, and dividing the costs of certification so that producers received adequate remuneration. There was evidence of the interest of international donors in providing support for the efforts of the coffee sector.

20. Finally, in the area of market transparency, speakers had raised the need for greater market transparency in order to reduce volatility by using modern technology for crop forecasts, stock control and demand forecasts. Reliable market data were crucial for coordination of production, stimulating demand in an adequate manner and assuring the sustainability of coffee as a business. The ICO could play a leading role in the preparation, integration and validation of statistics and forecasts.

21. The Council took note of this information and reiterated its congratulations to the Chairman for the excellent arrangements which had been made for the Conference and its great appreciation for the informative presentation and comprehensive final report. The conclusions of the report would be particularly useful for delegates who could take the proposals into account in their discussions on the future of the Agreement. Finally, the Council noted that document EB-3901/05 Rev. 1 containing a report on themes and new ideas had been circulated.

Item 7: Future of the ICA 2001

22. At the meeting of the Executive Board in January 2006, the Board highlighted the importance of the discussions on the future of the 2001 Agreement taking place in the Council as well as the Board, to facilitate full participation by Members. It also decided that at the meetings in May 2006, Members should examine the extent to which the objectives of

the Agreement had been achieved and areas where changes were required, and then consider procedures which might be required to accomplish these changes, such as modifications to the current Agreement or a new Agreement. The Secretariat's report on progress on achieving the objectives of the 2001 Agreement had been circulated as document EB-3902/05 and provided a detailed overview of progress achieved since the start of the 2001 Agreement. The Council noted that it was a useful starting point for considering what had been achieved and which areas could be strengthened. Members had been invited to consult stakeholders in their countries (including the private sector and civil society), and to submit their views in writing on progress on the objectives and the future of the Agreement in advance, to assist Members in preparing for discussions in the Council.

23. The Council took note of a number of contributions on the future of the Agreement received from Members, which were introduced at the meeting by the delegates concerned. These included communications from Angola (WP-Board No. 992/06); Brazil (WP-Board No. 999/06); the European Union (WP-Board No. 988/05); Kenya (ICC-95-9); Japan (WP-Board No. 994/06), United States (WP-Board No. 1000/06) and the Chairman of the Promotion Committee (document WP-Board No. 991/06). Two new documents on the future of the Agreement were circulated during this meeting: a communication from Norway contained in document WP-Council No. 1001/06 and a communication from Brazil, containing a contribution from the Parliamentary Coffee Group (document ICC-95-10). A number of Members made verbal statements on the future of the Agreement¹. The Council further noted that the report by the Chairman of the 2nd World Coffee Conference included some important new ideas and these should be taken into account by Members. Finally, the Council noted that a number of communications from representatives of the Private Sector Consultative Board (PSCB) had been received which would be considered by the PSCB at its meeting on 24 May 2006, including communications from the All Japan Coffee Association (AJCA) (document PSCB No. 82/06), the National Coffee Association of the USA (NCA) (PSCB No. 85/06) and the Institute for Scientific Information on Coffee (ISIC) (PSCB No. 84/06).

24. Following the discussion, the Secretariat was asked to prepare a summary of proposals submitted to date to structure discussions and assist Members in considering the various contributions. This could group the ideas raised by Members into broad themes such as objectives, statistics, organizational structure etc. A preliminary informal document summarizing the proposals received or which had been made verbally at the meeting was distributed. This was subsequently revised following suggestions from Members to include an indication of specific actions which might be required to deal with each proposal (such as issues not included in the 2001 Agreement, issues covered by the Agreement, articles where changes were required and budgetary implications). Members also noted the importance of proposals from the private sector, but these should be dealt with separately from those of

¹ *Subsequently included in document WP-Council No. 140/06*

Governments. A revised preliminary summary of proposals was circulated as document WP-Council No. 140/06. Members noted that it provided an approximation in abbreviated form, to Members' positions, which had been developed more extensively in their individual submissions. It was not a definitive document but should be seen as a first step and a tool to facilitate discussions and could be updated as necessary to reflect suggestions and priorities identified by Members. While it would enable Members to give their views on the various suggestions received to date, Members would need further time to consider it and additional proposals could be made. It was further noted that paragraph 2 of the introduction to this document should be amended to make it clear that the allocation of codes reflected the initial assessment of the Secretariat, rather than the views of Members.

25. Some concern was expressed that Members could be initiating a renegotiation process by discussing the ideas raised in the preliminary summary, as many Members had indicated that they would prefer minor amendments rather than a full renegotiation of the Agreement. In addition the document did not contain the proposals of all Members at this stage. The line between amendments and renegotiation was subjective: Members would need to consider at what point amendments would require a renegotiation. The point was also made that this was a step-by-step process which would enable Members to exchange ideas and identify key themes and priorities.

26. The Council reviewed the preliminary summary of proposals contained in document WP-Council No. 140/06.

Section 1 – Objectives/mission: The Council noted that Brazil, Indonesia and the EU considered that the objectives of the Organization were sufficiently broad and covered areas requiring action by the Organization. In the case of the relevance of the ICO, it was suggested that it would be useful to consider a mission statement as this would facilitate consideration of other areas. The proposal by the NCA (contained in document PSCB No. 85/06) could be a useful starting point. Another delegate noted that discussions on a mission statement could involve wider consideration of the functions of ICBs, and have repercussions for other commodity organizations. Other points made referred to the fact that there were no proposals to amend the Preamble, which would indicate that Members recognized the need for the Agreement. The principle of private and public sector cooperation was a useful proposal as was the proposal to extend the objective on quality to include customer satisfaction. The issue of sustainability should be further clarified, for example the new definition on sustainability could be included in the Agreement.

Section 2 – Coffee market/remunerative prices: The Council took note of a proposal from Vietnam in connection with Article 24 (Administrative Budget), that the contributions of exporting countries should be based on the value rather than the quantity of coffee exports. Comments on this section referred to the proposal for increased coordination on activities relating to sanitary and non-sanitary trade barriers; this was an important matter and

Members would need to see how it could be reflected in the Agreement. The point was made that tariffs should be dealt with in the appropriate framework and Article 16 referred to other organizations competent in this area. It would be important to identify trends in different types of coffee. There was a role for the ICO with respect to price volatility and areas such as hedging, which would require cooperation with organizations such as the World Bank. In the case of some proposals funding would be needed to develop these activities. The Secretariat should indicate if this would involve significant work for the Organization and highlight any financial implications.

Section 3 – Information/research: No additional comments

Section 4 – Statistics: Members noted the importance of statistics and the need to strengthen this area. In the case of the proposal for the ICO to forecast world coffee supply and demand, the point was made that there were inherent problems with forecasting and Members would need to know what model and data were proposed. This could detract from the neutrality of the ICO; if the ICO forecast that production would increase and prices fell, this would be of concern to producers. In response to these points it was noted that some ICBs such as the International Copper Study Group made forecasts and were considered to be neutral. Intergovernmental forecasts on supply and demand could help to avoid price volatility. Another delegate noted that Members were required to provide timely and accurate information and it would be useful to consider what could be done if they did not, and to look at the issue of technical assistance.

Section 5 – Projects: In discussions on this section, comments included the need for the ICO to avoid becoming a factory for projects. Projects were a key means of helping developing countries and there should be clear priorities and criteria for approving them such as their impact on poverty, the environment etc. It would be important to strengthen the Virtual Screening Committee (VSC) and to have more explicit procedures for projects. The evaluation of projects and dissemination of projects results were very important, as was the suggestion to diversify sources of finance. The suggestion for a new chapter on projects would mean entering new territory; the proposals might not necessarily require changes but could be included in the rules to ensure flexibility.

Section 6 – Promotion and consumption: The Council noted that promotion was a fundamental pillar of the Organization. Although a new article on promotion had been included in the 2001 Agreement, there were no additional resources for it. The Common Fund for Commodities (CFC) was still looking at options for supporting market development, and the development of the objective on promotion needed careful study.

Section 7 – Health: In the case of the proposal by one Member to introduce coffee and health into the objectives, it was noted that it could be useful to develop this idea.

Section 8 – Quality: In the case of customer satisfaction, it was suggested that while this was of great importance, it was beyond the scope of the ICO to achieve this and it might not necessarily require changes to the Agreement. The point was also made that producers needed remunerative prices to provide consumers with quality coffee. It was also suggested that changes proposed in areas such as quality and health might be achieved through new instruments if necessary. In the case of mould formation, Kenya suggested that it should be made clear in the Agreement that, prior to export, the exporting country was responsible, however once at sea, the importer had responsibility, so that producing countries were not penalized.

Section 9 – Private sector: The Council noted that the PSCB considered that small producers were adequately represented by the current structure as most producing country associations on the PSCB were made up of organizations representing all parts of the chain.

Section 10 – Sustainability: The Council noted that the Secretariat had prepared a draft definition of sustainability and it would be important to agree on the concept of sustainability. Document WP-Council No. 140/06 should be amended to include the USA's views on the need for a contemporary view of sustainability which would include the three aspects of economic, environmental and social sustainability; the EU also attached great importance to this concept and supported a balanced approach addressing the three dimensions. One Member noted that to address sustainability the Agreement did not necessarily need to be changed, but rather find innovative ways of implementing the objective. The concept of common but differentiated responsibilities could be further developed in the future; to achieve sustainable development, developing countries needed support such as technical assistance.

Section 11 – Structure institutional/legal provisions: The Executive Director suggested that consideration should be given to the duration of the Agreement. Previous Agreements had been restricted to six years but it might be useful to consider excluding a reference to a specific duration, and making provision for a review of the Agreement every few years. The Council noted that Members would need to consider this suggestion and how it could be incorporated into the Agreement. In the case of proposals from Japan and Indonesia on this matter, the Council noted that the former related to the new Article on membership proposed by the US and that both should be re-categorized as "C". In the case of voting, the point was made that the only votes in the last 15 years had been for the elections of the Executive Board. In general decisions were taken on a consensus basis and it would be useful to examine this. One delegation noted that it was open to considering the proposal by the USA but it should not lead to a distortion of the rights and obligations of the Agreement.

Section 12 – Organizational issues: In discussions on the proposal to review the use of languages, Members noted that the savings from deleting one language would be £35,000 and £115,000 if the ICO operated in English only. The point was made that if Members wished

to encourage the participation of small producers in the work of the ICO, language services would be crucial as these stakeholders would not necessarily speak English. Languages were a matter of international relations and it was clearly established what the official languages of organizations should be. There was a need to increase efficiency and to avoid repetition in the Board and Council and speed up the decision making process. Options could include either giving the Executive Board more functions and reducing those of the Council, or operating with the Council and various specialized committees which would work virtually. Finally, the Council noted that the EU wished to review a number of articles relevant to the competence of the EU. It would prepare a document for consideration at the meeting in September. Articles and provisions where amendments might be needed included: Article 2 (Definitions): paragraphs 5 and 6 (Contracting Party and Members respectively), and paragraphs (9) and (10), relating to votes; Article 4 (Membership of the Organization): paragraphs 3 – 5; Article 13 (Votes): paragraph 7; Article 17 (Composition and meetings of the Executive Board): paragraph 1; Article 45 (Entry into force): paragraph 1 (linked with sole EU membership); and Article 53 (Amendment) (linked with sole EU membership).

Section 13 – Procedures: The Council noted that the classification of Kenya should be changed as it was proposing amendments.

Next steps

27. The Council noted that the EU had submitted an initial position paper giving some general views; however it was considering proposals in a number of areas and would report on these in due course. It would also need to contact the United Nations regarding EU membership and the duality of membership by its Member States. In addition, the Council noted that the USA would continue its work and would develop specific text proposals for September.

28. The Council noted that it would be useful to establish a deadline for submission of ideas and proposals from Members as contributions which were submitted at a very late stage made it difficult for Members to study these and opened up debate on new issues, hampering progress. It would be important to receive the greatest number of proposals from as many Members as possible, rather than just a few countries. The Council decided that the deadline for submission of proposals from Members should be **15 August 2006**. This deadline would enable proposals to be translated and circulated by the Secretariat before 1 September 2006, to allow Members to have time to study them. The Council further noted that the Secretariat would distribute a revised version of document WP-Council No. 140/06 reflecting comments at this meeting no later than 15 July. Finally the Council noted that it would be useful if at the next meeting the Executive Director could highlight the key achievements and shortcomings of the 2001 Agreement.

Item 8: Coffee development projects

**Item 8.1: Projects already approved by the
Common Fund for Commodities (CFC)**

29. The Head of Operations informed the Council that three projects had been launched in 2006: “Diversification of production in marginal areas in the State of Veracruz, Mexico” which was launched in March in Veracruz, Mexico and which aimed to secure diversification from coffee production in marginal areas located below 600 metres above sea level by adopting more profitable and viable alternative crops; and “Pilot rehabilitation of the coffee sectors in Honduras and Nicaragua”, which had been launched in April in Honduras and Nicaragua. This project would involve restoring and modernizing coffee processing facilities and the construction of new processing facilities in these countries. Finally, the project entitled “Pilot rehabilitation of neglected coffee plantations into small family production units in Angola” had been launched at a workshop in May in Luanda. Its objectives included increasing the income of participating families through the development and marketing of high quality Robusta coffee for niche markets and facilitating the resettlement of displaced families.

30. The representative of the United Nations Office for Project Services (UNOPS) introduced progress reports for the projects “Coffee market development and trade promotion in Eastern and Southern Africa” contained in document ICC-95-2 and “Short and medium term finance for small-scale coffee farmers in Kenya”. Copies of these presentations are available on request from the Secretariat.

31. The Principal Economist of the Natural Resources Institute (NRI) reported on the study on the Potential for diversification in coffee exporting countries (the Executive Summary of Volume I (Guidelines for Policy-makers) was contained in document ICC-95-4). This was the second phase of a study funded by the CFC, and the first phase had created a model for analysing the cost competitiveness of coffee producing countries. The findings of the study had been presented at a workshop on 24 May and the comments of participants together with any comments received on the draft report in the next two weeks would be incorporated into the final report. He reiterated that the NRI would welcome the views and experiences of Members on the Main Report (Volume 1) and the Case Studies (Volume 2) and as well as on the preparation of pilot projects.

32. The Council took note of these presentations and further noted that the UNOPS recommended that the ICO should call for a meeting of all parties regarding reallocating funds to enable the project “Coffee market development and trade promotion in Eastern and Southern Africa” to be concluded, as without this, some of the achievements of the project might be lost.

33. The Head of Operations also introduced document ED-1988/06 containing guidelines for the prevention of mould formation, relating to the project “Enhancement of coffee quality through prevention of mould formation”. The final report and CD-Rom training tool for this project were being finalized and would be circulated shortly. He also introduced a final report and progress report for the project “Strengthening the commercial, financial, management and business capacity of small coffee producers/exporters in Mexico and Nicaragua” contained in documents ICC-95-7 and ICC-95-7 Add 1 respectively; an Executive Summary of the final report for the project “Sustainable coffee development in Eastern Africa” contained in document ICC-95-1; and progress reports for the projects “Robusta quality and marketing improvement by optimal use of coffee terroirs” and “Improving coffee quality in East and Central Africa through enhanced processing practices (Rwanda and Ethiopia)” contained in documents ICC-95-6 and ICC-95-5 respectively.

Price risk management project

34. The Council noted that the CFC had approved the project entitled “Coffee price risk management in Eastern and Southern Africa”, and the Commodity Risk Management Group of the World Bank had been proposed as Project Executing Agency (PEA). However the situation had changed and the ICO would need to pursue this or choose another PEA. This project would link well with the project for short and medium term finance for small-scale coffee farmers in Kenya.

CFC Consultative Forum on Coffee Development

35. The Council noted that the Executive Board had considered document EB-3915/06 containing a request from the CFC for a one day forum on Wednesday 27 September. The purpose of the meeting would be to discuss coffee development priorities for the next five years to enable the CFC to develop a more focused Five Year Action Plan for the period 2008 – 2012 outlining priority areas for intervention in the coffee sector. Following some discussion, the Board had noted that the Executive Director would contact the CFC to arrange a half-day meeting, possibly on the afternoon of Wednesday 27 September, which would include an exchange of views on future priorities and which would also enable Members to raise concerns about procedures such as delays in approving projects.

36. In discussions on this item, concern was expressed about the objectives of the meeting and whether the Organization would be in a position to state its priorities for the next five years at this early stage of discussions on the future on the 2001 Agreement. In response to this point the Council noted that the ICO Development strategy for coffee (document EB-3768/01 Rev. 3) which was last revised in 2004, could be updated again. The Executive Director could invite Members to comment on this document and suggestions for revising it could be considered at the meeting with the CFC in September. As the ICO was the main recipient of CFC funding, it would be important to take the opportunity to have an exchange of views. The

ICO could advise the CFC that Members were still examining the future of the Agreement and priorities and strategies were still in the process of being updated and it would keep the CFC informed of further developments.

37. The Council took note of this information and further noted that a half-day meeting with the CFC would be arranged at the time of ICO meetings in September 2006. The Secretariat would ensure that concerns raised during the Board meeting relating to projects such as time taken to consider and approve proposals and other challenges would be raised at this time to ensure that discussions were productive.

Item 8.2: Projects for approval by the Council

38. The Head of Operations said that at its meetings in January and May 2006, the Board had considered a number of reformulated project proposals and the comments and recommendations of the Virtual Screening Committee (VSC) on these proposals. It had decided to recommend that the Council should approve the following projects for submission to the CFC:

- Cost-benefit analysis of sustainability practices in the coffee sector: a programme for building management capacity in producing countries (document WP-Board No. 970/05 Rev. 1);
- Enhancing potential gourmet coffee production for tourism at local level (document WP-Board No. 980/05 Rev. 1); and
- Breeding coffee plants with durable resistance to Coffee Leaf Rust, anthracnose and other diseases (document WP-Board No. 979/05 Rev. 1)

39. In discussions on the proposal entitled “Enhancing potential gourmet coffee production for tourism at local level”, the point was made by other countries in the Central American region that the project included Nicaragua, a country which was in arrears with its contributions. It would be important for Nicaragua to comply with its commitments to the Organization before benefiting from this project.

40. The Council took note of this information and decided to approve the three projects listed above for submission to the CFC for financing. In the case of the project “Enhancing potential gourmet coffee production for tourism at local level” the Council noted that, once approved by the CFC, the project could commence in Costa Rica, Honduras and Guatemala, however with regard to the participation of Nicaragua, this should be delayed until the country had settled its outstanding contributions to the Organization. The ICO was the supervisory body for projects and made every effort to submit projects to the CFC for funding, and countries should ensure they were up-to-date with their contributions if they wished to participate in projects. The Council further noted the Executive Director’s point that not all Members of the Organization were Members of the CFC, and the CFC had

advised that countries should be Members of the CFC in order to have access to projects. However, not all countries were in the position to comply with the additional requirements that this would entail, and what was most important was that countries belonged to the relevant commodity bodies in order to benefit from projects.

Item 9: Report by the Chairman of the Private Sector Consultative Board (PSCB)

41. The Chairman of the PSCB introduced the report of the meeting of 24 May 2006. The PSCB had considered an update on the Common Code for the Coffee Community (4Cs) which would shortly become a reality. The 4Cs Management Unit should be regarded as a membership organization financed by users. The verification of compliance would be covered first by self-assessment, assisted by someone helping the farmers, and the licence to sell 4Cs coffee would be after verification. Consultation with anti-trust authorities had not revealed any problems to date.

42. The PSCB had also considered the draft definition on sustainability and had some reservations about this. It would consider a document by the NCA on this subject at the next meeting. In the case of the Positively Coffee Programme, new topics being covered were Coffee and Social Pleasure, Coffee and Blood Pressure and Coffee and Cancer. The new website should be fully operational in all four languages by the end of June 2006. In the case of the Health Care Professions – Coffee Education Programme, in the final year of its three year programme, the preliminary results were very encouraging. The PSCB also took note of a presentation by the NCA of a very successful consumer orientated programme in the USA. The results had been significant, and had increased the public perception that coffee was good for health. In the case of food safety, the PSCB had noted that it was believed that the European Food Standards Agency panel had concluded that Ochratoxin A (OTA) was not genotoxic. If correct, it would be unlikely that green coffee would be included in EU legislation on limits. The PSCB had further noted that the Codex Alimentarius Commission had decided to explore a Code of Practice on acrylamide, and that there had been no responses from Members to the Executive Director's request for information about Maximum Residue Levels (MRLs) of pesticides. He appealed again for information on pesticides and added that a comprehensive document from the AJCA had been circulated.

43. The PSCB had also considered a report on the Coffee Quality-Improvement Programme. The data needed to be examined with care. The matter of the ISO standard on coffee defects had been raised and the Chairman would discuss with the Secretariat the possibility of reconvening the Quality Committee with wider participation to review harmonization of Resolution number 420 with the ISO standard. Other matters discussed included the International Coffee Genome Network (ICGN), where Dr. Petiard had been appointed as an alternate to Dr. Graziosi, the PSCB's representative at the ICGN, and the study on tariffs which needed to be revised to reflect some comments by representatives.

44. Finally, the PSCB had considered the future of the Agreement. Representatives had noted that the PSCB could identify themes and suggestions and consider how to strengthen the PSCB for the future. Representatives would send their comments on the submission from the NCA which would be revised as necessary in the light of comments and an extraordinary meeting would be held on 24 September with a view to submitting the Board's views and conclusions to the Council on Monday 25 September. The PSCB had also considered the representation of small producers on the PSCB and believed that the current structure met their needs, with associations such as ORCECA and AEKI representing a range of small producers. While in certain areas NGO representation could be welcome, it should be limited. One possibility might be to invite NGOs to attend Sessions of the Council when presentations or open discussions were scheduled, or to workshops where their input would be beneficial.

45. The Council took note of this report, a copy of which was subsequently circulated as document PSCB No. 87/06, and expressed its appreciation to the Chairman of the PSCB and PSCB representatives for their work. It decided to approve a number of small amendments to the composition of the PSCB for 2005/06 and 2006/07 contained in document WP-Council No. 134/05 Rev. 2.

Item 10: Report by the Chairman of the Statistics Committee

46. On behalf of the Chairman of the Statistics Committee, the Statistician introduced the report of the Statistics Committee meeting held on 24 May 2006. Concerning compliance with statistics, full and satisfactory compliance by exporting Members was over 86%, while that of importing Members was just under 99%, the highest level achieved. There had been some improvements in compliance by Côte d'Ivoire and in the case of importing countries, Hungary and Malta were the only two countries still failing to comply with their obligations. It had been suggested that the Secretariat should prepare a report on imports of coffee by exporting Members, who should be requested to provide information on the origin and value of their imports. The Executive Director had invited all exporting countries who had requested technical assistance to provide more information about this; however to date only Indonesia had responded. It had been suggested that the Committee should identify all the requirements for assistance and then advise on the procedures to be followed, to ensure a comprehensive approach. It was also suggested that exporting Members could cooperate on a manual of best practice in supplying data. The Executive Director should contact countries in full compliance to request them to share their experience in this field. This could then be used to assist countries with poor compliance, for example through regional workshops and seminars. In the case of inventories and stocks, the ICO would monitor the results of the European Coffee Federation (ECF) of the stocks survey for the seven main European ports which were posted on its website. It was suggested that the Executive Director should write to importing countries to remind them of the importance of data, including inventories, and of the need to comply with the Rules on Statistics. The Committee also took note of a report on

exports of organic coffee and had requested information on the value of these exports, and of a report on data on imports of soluble coffee under specific Harmonized System codes. As the products imported under these codes contained on average 10% coffee, the ICO would need to adjust its historical series on imports of soluble coffee to reflect this. An exercise on imports by three countries would be carried out and it was hoped that the Committee would be in a position to make a recommendation on this issue at its next meeting. Finally the Committee took note of a report on implementation of new statistical software, and decided that a short document on the role of the Committee and the statistical work of the Organization should be prepared for its next meeting to enable the Committee to review future statistical priorities for the ICO and the Committee.

47. The Council took note of this report, a copy of which was subsequently circulated as document WP-Statistics No. 100/06. It further noted that the EU would investigate the lack of compliance with statistics by Hungary and Malta, and that Honduras would welcome a meeting with the Executive Director to discuss options for technical assistance including sharing experience in this area.

Item 11: Sustainability

48. The Council noted that a draft definition of sustainability had been circulated by the Executive Director in January to assist Members in replying to the survey on sustainability and a copy of the definition was contained in document ED-1981/06. The Council noted that this draft definition would be best considered in discussions on the future of the Agreement. The Council further noted that the contribution of Madagascar on sustainability had been circulated as document EB-3893/05 Add. 1.

Item 12: Studies

49. The Chief Economist introduced a study on coffee consumption in non-member countries (contained in document ICC-95-8). The study examined consumption performance and prospects in non-member countries for which statistical data might not be available in the information network of the International Coffee Organization. In particular, it assessed the extent to which such consumption could contribute towards an increase in world coffee consumption. The Council took note of this study and further noted that the ICO would continue to refine the data for consumption in these countries and that a future study would clarify the political status of Taiwan. It also took note of the recommendation that the important information in the document should be used to develop a wider strategy to increase consumption in non-member countries.

50. The Chief Economist also introduced a study on the effects of tariffs on the coffee trade contained in document ICC-95-3. This report complemented document ICC-94-6

(Obstacles to consumption), a survey published periodically by the Organization and containing information on tariffs and direct and indirect taxes on coffee and derived products. It analysed the impact of certain tariffs and customs measures on the consumption of coffee in both importing and exporting countries. In discussions on the study, it was suggested that the ICO should revise the document as it would be useful for Members to have more information on this very important issue. The document focussed on the tariffs of importing Members and there was only limited information about tariffs in exporting countries. The paper should address this more fully, and reflect the full membership of the Organization and the importance of other markets. More precision was needed as, in the case of the USA and Canada, the document reported tariffs where there were none.

51. The Executive Director said that trade between producing countries was increasing and in some cases importing countries re-exported coffee to producing countries. It was very important to be fully informed about the situation of tariffs in producing countries as well as consuming countries and to consider what the ICO's objective should be in this area. Ideally there should be no tariffs, as the removal of trade barriers such as tariffs were crucial to increasing consumption.

52. The Council took note of document ICC-95-3. It noted the importance of eliminating tariffs and further noted that the ICO would prepare a revised document with information on all Members which would be presented at the next meeting.

Item 13: Phytosanitary matters

53. At the meeting of the Executive Board in January 2006, producing countries had issued a declaration urging the EU to reject the adoption of maximum OTA levels for green coffee (document EB-3909/06). EU legislation introducing limits on roast and ground coffee had taken effect in April 2005 and these limits and possible limits on green coffee were being reviewed by the EU in 2006. The Council noted that the relevant EU authorities had been informed about the declaration of producing countries. The impact of OTA in various products was still being reviewed and no decision would be taken about extending the legislation until all the necessary information was available. The EU would need to be sure that there was a direct link between genotoxicity and OTA before revising legislation on limits. A recent study had cast doubt on any link between OTA and carcinogenic properties in the quantities indicated. The matter was still being carefully studied and the EU would keep Members informed of further developments. The Council further noted that the European Foods Standards Agency had not yet published its opinion but was understood to have concluded that there was probably not a foundation for classifying OTA as genotoxic (such a classification would have required more stringent controls). The matter would be considered by the DG SANCO Working Group this summer, which would review green coffee and other coffee products together with other food stuffs in the light of the latest information.

54. With regard to pesticides, the Council noted that, as previously reported, EC legislation relating to pesticides had been published in 2005 (Commission Regulation No. 396/2005, amending Council Directive 91/414/EEC), which would apply to a number of commodities. At the meeting of the Executive Board in January 2006, the Chairman of the PSCB had reminded Members that the EU was reviewing harmonization of Maximum Residue Levels (MRLs) of pesticides in or on food and feed of plant and animal origin, including coffee. He had highlighted the importance of sending information on pesticides, as if no information were provided, the EU might decide not to accept certain substances. The Executive Director had subsequently circulated document ED-1984/06 requesting Members to send information on the names of pesticides used in their countries, but to date no responses had been received. The Council noted that the EU was reviewing national legislation on MRLs with a view to harmonizing these. Discussions were continuing and a final decision could be taken this year. Coffee was one of a number of new products to which the harmonized EU legislation would apply. There was an initial list of chemical compounds based on existing national legislation. To establish the MRLs, the EU needed to know about the application of the agro-chemicals, their effects on health etc. In order to be able to enter into this process, it was important to know what chemical components were being used. If a product was found to contain an agro-chemical not on the list and exceeded detection levels, it would not be allowed in. However, if the agro-chemical were on the list, it could be included in the process of being given an MRL. Hence the appeal by the PSCB to Members to advise them about the pesticides being used so that they could participate in the process of being given an MRL. Finally the Council noted that industry surveys had found that coffee was generally not a sensitive product as levels of pesticides had generally been non-detectable. The Council noted that this was an important issue and urged all exporting Members to send the Executive Director information on pesticides used in their countries before **30 August 2006**, so that this information could be submitted to the Council in September 2006. The representative of the EU would report on further developments at the next Session.

Item 14: Cooperation with other agencies

55. The Executive Director said that he had attended a meeting of International Commodity Bodies held at the Food and Agriculture Organization of the United Nations (FAO) in Rome in April 2006, and had highlighted the importance of funding for projects to increase consumption as a means of achieving a better balance between supply and demand. As reported at the Board meeting in January 2006, the ICO now had observer status in the Codex Alimentarius Commission and was continuing to follow its analysis of OTA and other issues. He noted that, at the invitation of the World Trade Organization's Committee on Trade and Development, the Head of Operations had made a presentation to the Committee on 11 May 2006 entitled "Improving market conditions for coffee producers – the experience of the ICO". Copies of his presentation were available on the ICO website (www.ico.org).

Finally he reported that the Economist had attended the International Coffee Genome Network meeting held in Trieste in April and had reported on relevant ICO activities such as the Seminar on Genetically Modified Coffee. The Council took note of this report.

Item 15: National coffee policies

56. The Council took note of a presentation by the delegate of Guatemala on the Coffee Atlas 2006/07 of Guatemala (copies of which were distributed at the meeting) and of a communication from the Vietnam Coffee and Cocoa Association (VICOFA) in its capacity as a private sector representative on the ICO Quality Committee, contained in document WP-Board No. 1003/06.

Item 16: Financial and Administrative matters

57. The Council noted that the Finance Committee would meet on 7 July 2006, and an early start was proposed. The Committee would consider the draft Administrative Budget and policies and proposals for recovering outstanding arrears and submit its recommendations and report for consideration by the Board and Council in September 2006. At the request of the Chairman of the Finance Committee, the meeting would take place in the Committee room.

Item 16.1: Administrative Accounts of the Organization for the financial year 2004/05 and Report of the Auditors

58. The Council noted that at its meeting in January 2006, the Board had decided to recommend the Administrative Accounts of the Organization and the Report of the Auditors (document EB-3905/06) for approval by the Council. The Council further noted that as requested by the Finance Committee, a supplementary document showing the position of the Reserve Fund in the context of the level of outstanding contributions had been circulated (contained in document WP-Council No. 139/06). The Council took note of this document and, on the recommendation of the Executive Board, decided to approve the Administrative Accounts and the Report of the Auditors for the financial year 2004/05 contained in document EB-3905/06.

Item 16.2: Outstanding contributions

59. The Council noted that the matter of outstanding contributions would be included on the Agenda of the Finance Committee at its meeting on 7 July 2006.

Item 17: Other business

Stephen Kirubi (KPCU)

60. The Council noted that the Chairman of the Kenya Planters Cooperative Union Ltd. (KPCU), Mr. Stephen Kirubi, had died in March 2006, and expressed its condolences to his family and colleagues.

Climate change

61. Dr. Peter Baker of CABI Bioscience, United Kingdom, made a presentation on climate change in connection with Central America and the Caribbean and its possible impact on coffee. A copy of his presentation was made available to delegates attending the meeting and is available on request from the Secretariat. Steps which could be taken could include a more detailed mapping of likely change within the region, estimates on the impact on the quality and quantity of production, evaluation of adaptation techniques and plans to develop adaptation trials in the region and to diversify some regions out of coffee. He noted that CABI and Colombia had cooperated on a book on climate and coffee in this country and CABI would be interested in cooperating with other countries or regions on similar initiatives.

62. In discussions on this matter, delegates noted that countries were not powerless but could begin to adopt medium and long-term strategies such as diversification and soil and water management. It would be important to investigate resources from multilateral agencies such as the Inter-American Development Bank for further research and to encourage countries to develop strategies. The ICO could assist with investigating possible resources, and contacting relevant organizations and Governments which would be most affected. The Intergovernmental Panel on Climate Change had recently produced an important report on the regional impacts of climate change and the ICO should consider approaching it to avoid duplication of efforts and to make use of its research. The Council took note of this presentation and expressed its appreciation to Dr. Baker.

Farewell to delegates

63. The Council noted that this would be the last Session attended by Mr. Jim Howell of the United Kingdom and Mr. Markus Schlagenhof of Switzerland, former Chairman of the Council, and expressed its appreciation to both delegates for their great contribution and support for the work of the Organization.

Item 18: Future meetings

64. The Secretary introduced document WP-Council No. 135/06 containing proposed dates of meetings in 2006/07, which included a proposal for provision for an additional day of meetings in January, May and September 2007. He said that the dates of ICO meetings for 2006/07 had been set by the Council in May 2005. The International Tropical Timber Organization (ITTO) had been informed of these dates in August 2005, but the proposed dates of its Council session in May 2007 nevertheless clashed with the ICO Council Session scheduled for 21 – 25 May 2007. Delegates attending the ITTO meetings in Mexico the following week were requested to ask the ITTO to consider changing the date of its meeting since it would be very difficult for the ICO to change its own dates as the conference facilities had been booked for the previous week. In addition, the ICO had previously changed the dates of its meetings in January and May 2006 to allow delegates involved in both organizations to attend ITTO meetings.

65. The Council took note of this request and of the dates for meetings in 2006/07 contained in document WP-Council No. 135/06. It decided that in view of the need for time for discussions on the future of the 2001 Agreement, the Council Session in September 2006 should take place from 25 – 29 September, instead of from 26 – 29 September. The main part of the week would be devoted to discussions on the future of the Agreement as it would be important to reach a conclusion about the way forward at this time. The September meetings would be preceded by an extraordinary meeting of the PSCB on Sunday 24 September, and the CFC forum and the regular meeting of the PSCB would take place on 27 September. With regard to the deadline of **15 August 2006** for submissions from Members on the future of the Agreement, the Council noted that as the PSCB would meet on 24 September, it would therefore be submitting its contribution after the deadline. However the deadline related to Members of the Organization. The PSCB was invited to work with Members and to provide its views and advice. The deadline would enable PSCB representatives to take account of submissions received from Members and provide advice to the Council in September. The Council further took note of a request that the Secretariat should schedule the meetings in such a way as to avoid clashes with other meetings and enable representatives with interests in a number of bodies such as the Steering Group on Promotion and PSCB to participate in the various meetings.



International Coffee Organization
Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

ICC Resolution No. 423

22 May 2006
Original: English

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International Coffee Council
Ninety-fifth Session
22 – 25 May 2006
London, England

Resolution number 423

APPROVED AT THE FIRST PLENARY MEETING,
22 MAY 2006

International Coffee Agreement 2001

Extension of the time limit for the deposit of instruments of ratification, acceptance, approval or accession

WHEREAS:

Article 44 of the Agreement provides that the Council may decide to grant extensions of time to signatory Governments for the deposit of instruments of ratification, acceptance or approval of the 2001 Agreement;

Under the terms of paragraph 1 of Resolution number 421 the period for the deposit of instruments of ratification, acceptance or approval was further extended to 31 May 2006;

Under the terms of paragraph 1 of Resolution number 404 any country eligible to sign the International Coffee Agreement 2001 may accede to the Agreement up to and including 31 May 2002 or such later time as the Council may decide on the same conditions under which it could have ratified, accepted or approved the Agreement, or undertaken to apply it provisionally, in accordance with its laws and regulations;

Under the terms of paragraph 2 of Resolution number 421, the period for the deposit of instruments of accession on the conditions established by Resolution number 404 was further extended to 31 May 2006; and

A number of Governments have indicated that they require additional time to complete the necessary internal procedures required by their constitutions to allow them to deposit the required instruments,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To extend the period for the deposit of instruments of ratification, acceptance or approval of the International Coffee Agreement 2001 with the Secretary-General of the United Nations under the provisions of Article 44 of the Agreement and paragraph 1 of Resolutions numbers 410, 412, 414, 418 and 421 from 31 May 2006 to 31 May 2007.
2. To extend the period for the deposit of instruments of accession to the Agreement under the provisions of Article 46 of the Agreement, paragraph 1 of Resolution number 404, and paragraph 2 of Resolutions numbers 410, 412, 414, 418 and 421 from 31 May 2006 to 31 May 2007.
3. To request the Executive Director to convey this Resolution to the Secretary-General of the United Nations.



International Coffee Organization
Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

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International Coffee Council
Ninety-fifth Session
22 – 25 May 2006
London, England

Resolution number 424

APPROVED AT THE FIRST PLENARY MEETING,
22 MAY 2006

International Coffee Agreement 2001

Extension of the time limit within which Governments provisionally applying the International Coffee Agreement 2001 may deposit an instrument of ratification, acceptance or approval

WHEREAS:

Paragraph (2) of Article 45 of the Agreement provides that:

- (a) a Government which undertakes to apply this Agreement provisionally, in accordance with its laws and regulations, pending the deposit of an instrument of ratification, acceptance or approval shall be regarded as a provisional Party thereto until it deposits its instrument of ratification, acceptance or approval, or until and including 30 June 2002 whichever is the earlier; and
- (b) the Council may grant an extension of the time within which any Government which is applying the Agreement provisionally may deposit its instrument of ratification, acceptance or approval;

Under the terms of paragraph 1 of Resolution number 422 the period for the deposit of instruments of ratification, acceptance or approval by Governments which are provisionally applying the International Coffee Agreement 2001 was extended to 31 May 2006; and

Belgium/Luxembourg and Ghana, the Contracting Parties which are provisionally applying the Agreement, have indicated that they may have insufficient time to deposit their instruments of ratification, acceptance or approval,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To extend to 31 May 2007 the time limit within which Governments, which are provisionally applying the International Coffee Agreement 2001, may deposit an instrument of ratification, acceptance or approval.
2. To request the Executive Director to convey this Resolution to the Secretary-General of the United Nations.



International Coffee Organization
Organización Internacional del Café
Organização Internacional do Café
Organisation Internationale du Café

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International Coffee Council
Ninety-fifth Session
22 – 25 May 2006
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Resolution number 425

APPROVED AT THE FIRST PLENARY MEETING,
22 MAY 2006

CONDITIONS FOR THE ACCESSION OF TIMOR-LESTE

WHEREAS:

Article 46 of the Agreement provides that the Government of any State member of the United Nations or of any of its specialized agencies may accede to the International Coffee Agreement 2001 upon conditions which shall be established by the Council;

The Government of Timor-Leste has informed the Organization (document EB-3907/06) that it wishes to accede to the International Coffee Agreement 2001 as an exporting Member under the provisions of Article 46 thereof; and

The Executive Board has examined the application and has recommended the conditions to be established for the accession of Timor-Leste,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. That Timor-Leste be classified as an exporting Member and that its coffee be classified into its appropriate group and harvesting season following the provision of the relevant statistical data.
2. That Timor-Leste be requested to provide as much further historical statistical information on its coffee sector as soon as possible, including data on production, volume and value of its exports, domestic consumption and carry-over stocks.

3. To establish that the contribution of Timor-Leste to the Administrative Budget be computed on the basis of the number of votes to be held by it and the period remaining in the financial year in which its instrument of accession is deposited with the Secretary-General of the United Nations.
4. To accept the accession of Timor-Leste to the International Coffee Agreement 2001 on condition that Timor-Leste deposits its instrument of accession with the Secretary-General of the United Nations by 31 March 2007.
5. To request the Executive Director to convey this Resolution to the Secretary-General of the United Nations.