



**Report of the 5<sup>th</sup> Meeting of the Working  
Group on the Future of the International  
Coffee Agreement  
3 April 2020**

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1. The Working Group on the Future of the International Coffee Agreement (WGFA) met for the fifth time on 3 April 2020. The Chair, Ms Stefanie Küng, of Switzerland, welcomed all participants and noted that this was a special virtual meeting using the GoToWebinar software due to the social distancing policy restrictions in place during the covid-19 pandemic.
2. The Executive Director stated that the meeting was the first fully virtual meeting in ICO history. He noted that this virtual meeting was also an important test of the technical viability of a virtual session of the International Coffee Council.
3. Representatives of the following Members were virtually present using the GoToWebinar software: Brazil, Colombia, Cuba, El Salvador, European Union, Ethiopia, Indonesia, Japan, Madagascar, Mexico, Nepal, Nicaragua, Peru, Sierra Leone, Tanzania and Viet Nam.
4. The Group considered the proposals received from Members under Pillar (c). The Group deliberated and reached agreements on several of the proposals as contained in document [WGFA-26/20 Rev. 1](#). Text highlighted in red denoted the proposed changes.

**Item 1: Adoption of the Agenda**

5. The agenda contained in [WGFA-30/20 Rev. 1](#) was adopted.
6. The delegate from Brazil noted that once the situation returned to normal and after the coronavirus lockdowns had ended, Brazil would submit a substantive proposal. He then proposed to extend the current Agreement for one year, until 2 February 2022. He stated that this would give Members a full year in which to draft a new and bold agreement.
7. The Chair noted the comment from the delegate of Brazil and suggested that the Working Group could discuss this proposal under Item 5 of the Agenda 'Next Steps'. The delegate of Brazil agreed.
8. The delegate from Peru noted that with the GoToWebinar software the names of delegations were not visible and requested that the names of delegations be circulated to participants.

9. The Secretariat and Communications Officer shared the names of the delegations that were present via the GoToWebinar chat function.

**Item 2: Report of the 4th meeting of the Working Group held on 27<sup>th</sup> February 2020**

10. The Chair presented a summary of the work of the Working Group up to the present date. She explained that options concerning the future of the International Coffee Agreement 2007 (ICA 2007) had been put before Members in the previous meeting, namely the proposals for amendments to Pillars (a) and (b) of the Agreement.

11. The Working Group took note of the report.

**Item 3: Proposals for change submitted by Members**

12. The Chair commented that Japan had submitted a new proposal, contained in [WGFA-31/20](#), since the last meeting. She invited the delegate from Japan to comment on their proposal.

13. The delegate from Japan asked to make comments in the discussion of Item 4.

14. The Chair agreed and noted that there were no further comments.

**Item 4: Consolidated proposals**

15. The Chair suggested that the current meeting would focus only on Pillar (c) and that, due to lack of time, discussion of Pillar (d) should be postponed to a future meeting of the Working Group.

16. Members of the Working Group agreed with the proposal of the Chair.

17. The Chair proceeded to introduce the proposals under Pillar (c) contained in document [WGFA-26/20 Rev 1](#). The Group deliberated the following:

## **Chapter II – Definitions - Article 2 – Paragraph (1)**

### **Proposed paragraph from Indonesia**

(1) *Coffee* means the beans and cherries of the coffee tree, whether parchment, green or roasted, and includes ground, decaffeinated, liquid and soluble [and premixed] coffee. The Council shall, as soon as possible after this Agreement enters into force, and again at intervals of three years, review the conversion factors for the types of coffee listed in sub-paragraphs (d), (e), (f) and (g) below. Following such reviews the Council shall determine and publish appropriate conversion factors. Prior to the initial review, and should the Council be unable to reach a decision on this matter, the conversion factors will be those used in the International Coffee Agreement 2001, which are listed in the Annex to this Agreement. Subject to these provisions, the terms listed below shall have the following meaning:

18. The delegate from Indonesia proposed postponing discussion of the inclusion of the reference to premixed coffee. Indonesia agreed to remove the square brackets for the word [Coffee].

19. The Chair noted that the Working Group agreed to defer discussion of this paragraph until Article 27, which was part of Pillar (d). The Chair noted that there were no further comments by Members on this proposal, and the suggestions would be noted in [red square brackets].

### *Chapter II – Definitions - Article 2 – Paragraph (1a)*

20. The Executive Director agreed with the point made by Guatemala that ‘in naked bean form’ should be reworded. He suggested to replace it by ‘in raw, unroasted bean form’.

21. Members of the Working Group agreed with the wording proposed by the Executive Director.

## **Chapter II – Definitions - Article 2 – Paragraph (1a)**

### **Consolidated paragraph from the Working Group:**

(1a) *green coffee* means all coffee [~~in the naked bean form~~] [in raw, unroasted bean form];

**Additional paragraph proposed by Indonesia on Article 2, Definitions:**

(1h) *premixed coffee* means mixtures of instant/soluble coffee or roast and ground coffee with other food ingredients, usually sugar and/or creamer, and possibly some other ingredients.

22. The delegate of Papua New Guinea agreed with the additional paragraph and stressed the importance of premixed coffee in Asia.

23. The delegate from Indonesia proposed to postpone discussion of this paragraph.

24. The Executive Director commented that this issue raised complex questions about the definition of what constituted coffee. He suggested that this discussion could be held within the context of proposed changes to Article 27 of the Agreement.

25. The Working Group agreed to defer discussion of this paragraph until Article 27, Pillar (d).

**Chapter II – Definitions - Article 2 – Paragraph (2)**

(2) *Bag* means 60 kilogrammes or 132.276 pounds of green coffee; *tonne* means a mass of 1,000 kilogrammes or 2,204.6 pounds; and *pound* means 453.597 grammes.

26. The delegate from Indonesia agreed to remove the square brackets for the word [Bag].

27. The Working Group agreed to retain original wording for Chapter II – Definitions – Article 2 – Paragraph (2).

**Chapter II – Definitions - Article 2 – Paragraph (3)**

(3) *Coffee year* means the period of one year, from 1 October to 30 September.

28. The delegate from Indonesia agreed to remove the square brackets for the words [*Coffee year*].

29. With regard to the comment from Ethiopia that “depending on the agroecology, Ethiopian coffee harvesting can go to the end of November. I think this kind of difference should also be considered”, the Executive Director noted that coffee year was an artificial construct used for administrative purposes within the Agreement and that it should not be confused with crop year.

30. The Working Group agreed to retain original wording.

**Chapter II – Definitions – Article 2 – Paragraph (4)**

(4) *Organization and Council* mean, respectively, the International Coffee Organization and the International Coffee Council.

31. The delegate from Indonesia agreed to remove the square brackets for the words [Organization and Council].

32. The Working Group agreed to retain original wording.

*Chapter II – Definitions - Article 2 – Paragraph (5)*

33. The Working Group agreed to the amendment proposed by Costa Rica, Honduras, Mexico and Panama to change [Community] to [Union].

34. The delegate from Indonesia agreed to remove the square brackets for the words [Contracting Party].

35. The Working Group agreed with the proposal of Indonesia.

**Chapter II – Definitions - Article 2 – Paragraph (5)**

**Consolidated paragraph from the Working Group:**

(5) *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.

*Chapter II – Definitions - Article 2 – Paragraph (10)*

36. The Working Group agreed to amend the dates in the final version.

**Chapter II – Definitions - Article 2 – Paragraph (10)**

**Consolidated paragraph from the Working Group:**

(10) *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.

*Chapter III – General undertakings by members – Article 3 - Paragraph (1)*

37. The Working Group agreed to the change proposed by Panama.

**Chapter III – General undertakings by members – Article 3 - Paragraph (1)**

**Consolidated paragraph from the Working Group:**

(1) Members undertake to adopt such measures as are necessary to enable them to fulfill their obligations under this Agreement and fully cooperate with one another in securing the attainment of the objectives of this Agreement; Members **also** undertake to provide all information necessary to facilitate the functioning of this Agreement.

*Chapter III – General undertakings by members – Article 3 - Paragraph (2)*

38. The Working Group agreed to the changes proposed by Guatemala.

39. In response to the proposal by Ethiopia to include language about the property rights of coffee-producing countries in this paragraph, the Executive Director stated that the question of property rights should be kept separate from the Certificates of Origin. However, this question could be included in Article 1 “Objectives”. He suggested that Ethiopia submit a proposal with wording for inclusion in Article 1.

**Chapter III – General undertakings by members – Article 3 - Paragraph (2)**

**Consolidated paragraph from the Working Group:**

(2) 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.

*Chapter V – The International Coffee Organization – Article 6 – Seat and structure of the International Coffee Organization – Paragraph (3)*

40. The Executive Director suggested that the title of the Projects Committee be left unchanged in order to avoid limiting its role.

41. The Working Group agreed to defer discussion of this issue to a later meeting and retain the words [Management and Implementation] in square brackets.

**Chapter V – The International Coffee Organization - Article 6 - Seat and structure of the International Coffee Organization – Paragraph (3)**

**Consolidated paragraph from the Working Group:**

(3) The highest authority of the Organization shall be the Council. The Council shall be assisted as appropriate by the Finance and Administration Committee, the Promotion and Market Development Committee and the Projects **[Management and**

**Implementation]** Committee. The Council shall also be advised by the Private Sector Consultative Board, the World Coffee Conference and the Consultative Forum on Coffee Sector Finance.

**Proposed additional paragraph from Peru.**

(x) The Council will be supported by an executive team led by the Executive Director of the ICO.

42. The delegate from Peru commented that the inclusion of this paragraph expressed the fact the Executive Director is answerable to the International Coffee Council, considering the proposed team as part of the bureaucracy of this Organization.

43. The Working Group agreed on inclusion of the additional paragraph proposed by Peru.

**Chapter VII – The Executive Director and the staff – Article 17**

**Original paragraph from the ICA 2007 retained:**

(3) The Executive Director shall appoint the staff of the Organization in accordance with regulations established by the Council.

44. The Working Group agreed to retain original wording (paragraph proposed by Indonesia not approved) and that this issue could be more properly handled within the context of the Rules of the Organization and the Staff Regulations and Staff Rules.

**Chapter VII – The Executive Director and the staff- Article 17 - Paragraph (4)**

**Original paragraph from the ICA 2007 retained:**

(4) Neither the Executive Director nor any member of the staff shall have any financial interest in the coffee industry, the coffee trade or the transportation of coffee.

45. The Working Group agreed to retain original wording (paragraph proposed by Costa Rica, Mexico and Panama not approved) and that this issue could be more properly handled within the context of the Rules of the Organization and the Staff Regulations and Staff Rules.

*Chapter VII – The Executive Director and the staff- Article 17 - Paragraph (5)*

46. The Chair noted that the Working Group agreed to discuss this further at a later date and to consult Panama on the intention behind the suggested wording [of the ICO bodies].



## **Chapter VII – The Executive Director and the staff – Article 17 – Paragraph (5)**

### **Proposed paragraph from Panama:**

(5) In the performance of their duties, the Executive Director and the staff [of the ICO bodies], shall not seek or receive instructions from any Member or from any other authority external to the Organization. They shall refrain from any action which might reflect on their position as international officials responsible only to the Organization. Each Member undertakes to respect the exclusively international character of the responsibilities of the Executive Director and the staff and not to seek to influence them in the discharge of their responsibilities.

## **Chapter VII – The Executive Director and the staff – Article 17**

### **Additional paragraph proposed by Indonesia on Article 17:**

(x) Information regarding available vacancies and the requirements to be met by candidates to such vacancies shall be promptly sent in written forms to Members and posted on the website of the Organization. Where appropriate in order to achieve a better balance in exporting and importing Members' representation, such notifications may include preferential consideration of candidates of given nationalities.

47. The Executive Director commented that this issue could be more properly handled within the context of the Rules of the Organization and the Staff Regulations and Staff Rules.

48. The delegate from Colombia commented that the staff should be appointed on the basis of merit and not nationality.

49. The delegate from the European Union commented that preferential consideration should not be based on nationality and that, as a general rule, the EU does not have a policy of preferential treatment by nationality with regard to staff vacancies.

50. The Working Group agreed that this issue should be discussed within the context of the Staff Regulations and Staff Rules.

## *Chapter VIII – Finance and Administration – Article 18 – Finance and Administration Committee*

51. The Working Group agreed with the change proposed by Panama.

**Chapter VIII – Finance and Administration – Article 18 – Finance and Administration Committee**

**Consolidated paragraph from 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.

*Chapter VIII – Finance and Administration – Article 19 – Finance*

52. The Working Group agreed to retain the original wording. Nicaragua's proposal was not accepted.

**Chapter VIII – Finance and Administration – Article 19 – Finance**

**Original paragraph from the ICA 2007 retained:**

(1) The expenses of delegations to the Council and representatives on any of the committees of the Council shall be met by their respective Governments.

**Chapter VIII – Finance and Administration – Article 20 – Determination of the Administrative Budget and assessment of contributions**

**Proposed additional paragraphs from Indonesia:**

(x) The Organization shall endeavour to cooperate with other international organizations, as well as with multilateral and bilateral donor agencies, in order to obtain financing assistance and support of multilateral and bilateral donors for the execution of programmes, projects and activities of interest to the coffee economy as appropriate.

(x) The Organization shall endeavour to assist Members in preparing projects of interest to the coffee economy, to be financed by donor agencies.

53. The delegate from Indonesia stated that his country had suggested this additional paragraph in the interest of modernizing the Organization.

54. The Executive Director commented that these two proposed additional paragraphs would be better placed under Article 28, Development and funding of projects.

55. The delegate from Brazil agreed that the proposed paragraphs made the ICO more 'active', but agreed that they should be placed in Article 28.

56. The Working Group agreed to discuss the paragraphs proposed by Indonesia when the Group discusses Article 28 (Pillar d).

#### **Chapter VIII – Finance and Administration – Article 21 – Payment of contributions**

57. The delegate of Switzerland expressed a preference for wording to sanction Members in persistent arrears automatically and to avoid language such as “the Council may...”. Instead, she suggested the inclusion of wording such as “Unless the Council decides otherwise...”.

58. The Chair noted the comment from Costa Rica, Honduras, Mexico and Panama on Article 21 that it was important to clearly state the consequences faced by a Member that has been suspended due to a delay in the payment of their outstanding contributions to the ICO, as well as the procedure for paying those contributions and when a Members' rights are recovered.

59. The Executive Director agreed with the position of Switzerland. He preferred that the consequences of persistent failure by Members to pay their contributions in a timely fashion should be explicitly addressed in the text of the Agreement. The Executive Director had been requested to prepare a resolution on this subject for presentation at the next meeting of the Finance and Administration Committee.

60. The delegate from Papua New Guinea agreed that the proposed paragraph by the European Union and Indonesia should be included but noted that some of the wording, such as 'financial obligations', was not clear.

61. The Working Group agreed to defer a decision on the wording of this Article to a later date and to retain the text of the proposals from Guatemala, the European Union and Indonesia in square brackets.

*Chapter XIII – General Provisions – Article 37 – Standard of Living and working conditions*

62. The Executive Director stated that he sympathized with the proposal from Guatemala, which focused on the farmers at the base of the global coffee value chain, but that the need to improve the standard of living and working conditions should apply to all links in that chain.

63. The delegate from Mexico suggested adding the words [especially, in the coffee production sector].

64. The Chair noted that the Working Group did not approve Guatemala's proposed change but accepted the proposal of the delegate from Mexico, and the paragraph was amended.

**Chapter XIII – General Provisions – Article 37 – Standard of Living and working conditions  
Consolidated proposal from the Working Group**

Members shall give consideration to improving the standard of living and working conditions of populations engaged in the coffee **value chain and especially in the coffee production sector**, consistent with their stage of development, bearing in mind internationally recognized principles and applicable standards on these matters. Furthermore, Members agree that labour standards shall not be used for protectionist trade purposes.

**Chapter XIV – Consultations, disputes and complaints – Article 38 – Consultations  
Proposed paragraph from Mexico:**

**In accordance with its applicable domestic laws and regulations**, each Member shall accord sympathetic consideration to, and shall afford adequate opportunity for, consultation regarding such representations as may be made by another Member with respect to any matter relating to this Agreement. In the course of such consultation, on request by either **Party** and with the consent of the other, the Executive Director shall establish an independent panel which shall use its good offices with a view to conciliating the **Parties**. The costs of the panel shall not be chargeable to the Organization. If a **Party** does not agree to the establishment of a panel by the Executive Director, or if the consultation does not lead to a solution, the matter may be referred to the Council in accordance with the provisions of Article 39. If the consultation does lead to a solution, it shall be reported to the Executive Director who shall distribute the report to all Members.

65. The Chair noted that the Working Group requested that Mexico supply more details on the reasons behind their proposed amendment and to defer discussion on this proposal to a later meeting.

#### **Chapter XIV – Consultations, disputes and complaints – Article 39 – Disputes and complaints**

##### **Proposed paragraph from Mexico:**

(1) Any dispute concerning the interpretation or application of this Agreement which is not settled by negotiation **between the Members concerned** shall, at the request of any Member party to the dispute, be referred to the Council for decision.

66. The Chair noted that the Working Group requested that Mexico supply more details on the reasons behind their proposed amendment and to defer discussion on this proposal to a later meeting.

#### **Chapter XV – Final Provisions – Article 40 – Signature and ratification, acceptance or approval and Article 42 – Entry into force**

67. The Working Group agreed with the comments of Costa Rica, the European Union, Honduras, Mexico, Nicaragua, Panama and Peru to revise the dates in the final version.

68. The Chair noted that the “European Community” was to be replaced by “European Union”.

#### **Chapter XV – Final Provisions – Article 43 – Accession**

##### **Proposed paragraph from Mexico:**

(1) 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.

69. The Executive Director noted that the proposed amendment had important implications. For example, Palestine was a member of some specialized agencies of the United Nations but not of the UN itself. He saw a need for further discussion, as there was a question as to whether the membership of the ICO should be restricted to Members of the United Nations or be more inclusive.

70. The Chair noted that the Working Group agreed to defer discussion on the suggested change from Mexico and to keep the text in square brackets.

**Chapter XV – Final Provisions – Article 48 – Duration, extension and termination**

71. The Working Group agreed to defer discussion of the title of the Article until its paragraphs had been agreed.

*Chapter XV – Final Provisions – Article 48 – Paragraph (1)*

72. The Working Group requested the Secretariat to review the proposals and consolidate the three paragraphs into one.

**Chapter XV – Final Provisions – Article 48 – Paragraph (1)**

**Consolidated proposed paragraph from the Working Group:**

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

*Chapter XV – Final Provisions – Article 48 – Duration, extension and termination – Paragraph (2)*

73. The Chair noted the two proposals from both the EU and Japan. The delegates of Brazil and Nicaragua agreed with Japan.

74. The delegate from Indonesia added that the agreement should accommodate and respond to new challenges, and should be reevaluated at least once every five years. The EU agreed.

75. The Chair took note that the Working Group had decided to include [at least every five years] but noted that the paragraph needed rewording.

76. The delegate from Japan requested to defer discussion of their proposal to a later date.

77. Working Group agreed to keep the text proposed by Japan in square brackets.

**Chapter XV – Final Provisions – Article 48 – Duration, extension and termination – Paragraph (2)**

**Consolidated proposed paragraph from the Working Group:**

(2) **[The Council shall review this Agreement whenever the need arises, in particular to accommodate and respond to new challenges, to be assessed at least every five years, and take decisions as appropriate.]**

**Chapter XV – Final Provisions – Article 48 – Duration, extension and termination – Paragraph (3)**

78. The Working Group agreed to delete paragraph (3) of Article 48.

*Chapter XV – Final Provisions – Article 48 – Duration, extension and termination – Paragraph (6)*

79. The Working Group agreed to the proposed changes from Indonesia and Japan to remove ‘duration and/or’.

**Chapter XV – Final Provisions – Article 48 – Duration, extension and termination – Paragraph (6)**

**Consolidated proposal from the Working Group**

(6) 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.

**Chapter XV – Final Provisions – Article 49 – Amendment – Paragraph (1)**

**Proposed paragraph from the Executive Director:**

(1) The Council may propose an amendment of the Agreement and shall communicate such proposal to all Contracting Parties. The amendment shall enter into force for all Members of the Organization 100 days after the Depositary has received ~~notifications instruments~~ of acceptance from Contracting Parties holding at least two-thirds of the votes of the exporting Members, and from Contracting Parties holding at least two-thirds of the votes of the importing Members. The two-thirds percentage referred to herein shall be calculated based upon the number of Contracting Parties to the Agreement at the time that the proposal of the amendment was circulated to the Contracting Parties concerned for acceptance. The Council shall fix a time within which Contracting Parties shall notify the Depositary of their acceptance of the amendment, which shall be communicated by the Council to all Contracting Parties and the Depositary. If, on expiry of such time limit, the percentage requirements for the entry into effect of the amendment have not been met, the amendment shall be considered withdrawn.

80. The Chair noted the proposals from Japan and Indonesia.

81. The delegate from Japan expressed understanding of Indonesia's proposal. Japan stated that, however, it was difficult to agree with it as it was and will submit a new proposal to be discussed at a later date.

82. The delegate from Indonesia stated that Indonesia was open for further discussions on this paragraph.

83. The Working Group agreed with the Executive Director's proposal to use the words 'instruments'.

84. The Chair noted that the Working Group decided to defer a decision on the wording of this paragraph to a later date.

#### **Chapter XV – Final Provisions – Article 49 – Amendment – Paragraph (2)**

##### **Proposed paragraph from the Executive Director:**

(2) Unless the Council decides otherwise, any Contracting Party which has not notified **the Depository of its** acceptance of an amendment **in accordance with the provisions of paragraph (1) of this Article** within the period fixed by the Council shall cease to be a Contracting Party to this Agreement from the date on which such amendment becomes effective.

85. The Working Group agreed on the proposed paragraph from the Executive Director.

#### **Chapter XV – Final Provisions – Article 50 – Amendment**

86. The Working Group agreed to revise the year of the Agreement in the final version.

#### **Chapter XV – Final Provisions – Article 51 – Authentic texts of the Agreement**

##### **Proposed paragraph from Mexico:**

IN WITNESS WHEREOF the [~~undersigned~~ **Plenipotentiaries**], having been duly authorized to this effect by their respective Governments, [~~have signed~~ **sign**] this Agreement on the dates appearing opposite their signatures.

87. The Chair noted that the Working Group agreed to defer discussion on the suggested change from Mexico and to keep the text in square brackets.



**Annex: Proposed title from Indonesia:**

Conversion factors for roasted, decaffeinated, liquid, ~~and~~ soluble ~~and~~ premixed coffee as defined in the International Coffee Agreement 2001

88. The Chair noted that the amendment to the title of the Annex proposed by Indonesia would be discussed at a future meeting.

**Annex: Proposed paragraphs from Indonesia.**

*Roasted coffee*

To ~~find~~ convert the equivalent of roasted coffee to green coffee, multiply the net weight of roasted coffee by 1.19.

*Decaffeinated coffee*

To ~~find~~ convert the equivalent of decaffeinated coffee to green coffee, multiply the net weight of the decaffeinated coffee in green, roasted or soluble form by 1.00, 1.19 or 2.6 respectively.

*Liquid coffee*

To ~~find~~ convert the equivalent of liquid coffee to green coffee, multiply the net weight of the dried coffee solids contained in the liquid coffee by 2.6.

*Soluble coffee*

To ~~find~~ convert the equivalent of soluble coffee to green coffee, multiply the net weight of the soluble coffee by 2.6.

89. The Chair noted that the Working Group agreed to change 'find' to 'convert'.

**Annex: Additional paragraph proposed by Indonesia:**

To convert premixed instant/soluble and premixed ground roasted coffee into green bean equivalent, multiply their net weight by 0.26 and 0.59, respectively.

90. The Working Group agreed to postpone discussion of the additional paragraph proposed by Indonesia until a decision was reached on [premixed coffee].

**Item 5:                      Next steps**

91.     The delegate from Brazil proposed that the International Coffee Agreement be extended until 2 February 2022. He informed that Brazil intended to submit a substantive proposal on changes to the Agreement but that, in light of the difficult conditions caused by covid-19, it would not be possible to conclude the discussions of the Working Group before the Council in September. He saw a need to leave an additional year to work on the text of a new Agreement. He also stated that he had been very well impressed by the meeting and that it had worked very well from a technical viewpoint. Brazil especially agreed with the proposal from Indonesia on the need to obtain resources from donor agencies. Brazil considered that the proposals from Indonesia and the EU regarding possible sanctions for arrears in the payment of contributions were important for the financial sustainability of the Organization. He stressed the importance of thinking about not only the Agreement itself, but also about renewing the Organization, thinking about its usefulness, its objectives and making the ICO and its advisory bodies more active.

92.     The delegate from Mexico stressed the importance of concluding the process of revision of the Agreement, as currently there were many risks along the value chain, in terms of labour, logistics and general competitiveness. The revision should be concluded as soon as possible so that the current administration in Mexico could use the Agreement as a reference for policy making.

93.     The delegate from Colombia stated that he had some concerns with the comments from the delegates from Brazil and Mexico. Times were very difficult, and it had become increasingly difficult to justify Colombia's membership in the ICO. He stated that countries are likely to plunge into an economic crisis in the near future. He questioned the purpose and the current mission of the ICO and asked the questions: 'Where do we want the ICO to be?', 'What is the purpose of the ICO?' and 'What are its deliverable objects?'. He suggested that the Working Group should have a serious discussion about rethinking the ICO so that that the Organization would be more effective in serving the coffee sector in a positive way. He leaned towards the suggestion put forward by Brazil in terms of timing to allow for a substantive discussion on policy. He suggested that perhaps it would be better to stop the discussion on revision of the Agreement and start an in-depth debate on substantive questions. Perhaps this crisis was an opportunity to be more brave and audacious.

94. The delegate from Brazil congratulated the delegate from Colombia for his intervention and stated that his country had similar questions. Before revising the Agreement, the objectives and the effectiveness of the organization needed to be better defined. He suggested that the Working Group needed to be more prudent and to delay any decisions regarding the future for another year. During this time Members could reflect about the purpose of the Organization and the benefits they derived from membership.

95. The delegate from Mexico agreed with the delegates of Colombia and Brazil. He mentioned that this was a critical moment that required deeper discussion. He stated that Mexico agreed with Brazil's suggestion to extend the Agreement by one year. The Working Group needed to rethink how to best support coffee growers, in particular small-scale farmers. He stated that there was a real sense of urgency from farmers and that there was a need for a stronger global policy for the coffee sector.

96. The delegate from Nicaragua stated that he shared a sense of urgency and agreed with Brazil's suggestion to extend the Agreement by one year. The Working Group should not let this opportunity to rethink the Organization pass. There was a need to rethink everything from the bottom-up in order to justify membership in the ICO.

97. The delegate from Colombia suggested that the ICO could play an important role in the post-covid world, with the necessary tools. He stated that the ICO needed to be the right entity for the challenges to come, to have the right tools and have the 'teeth' to make things happen.

98. The delegate from the EU expressed his concerns about the process of extension for one year since it triggered the same long process as a new Agreement. He stated that the EU supported the initial comment from the delegate of Mexico. He questioned whether an extension was worthwhile. However, he shared the views about rethinking strategy, goals and objectives of the ICO. He also stated that the entire burden could not be put on the Secretariat, which comprised just 14 people. He suggested that the Working Group needed to decide by September on how to best help the coffee sector while also respecting interests of the staff of the Organization.

99. The Chair thanked the delegates for the discussion and stated that the work of the Working Group depended on the ambition and the appetite of Members.

100. The Executive Director stated that the question of extension was an existential one. Even if the Working Group concluded its work and the Council approved the text of a new Agreement, this would have to go through internal legislative procedures in each country. Past experience had shown that at least four years would be required before a new Agreement would come into effect. In his opinion, the only reason not to extend the Agreement was if Members wanted to terminate the Organization. He commented that the products of an Organization like the ICO were often intangible and hard to quantify. He appreciated the thoughts put on the table by Members regarding a new ICA, but felt that many of the changes desired by Members could be achieved within the scope of the existing Agreement, even while the text of a new ICA was being finalized and then submitted for internal approval according to the legislative process in each Member.

101. The delegate from Colombia stated that this discussion on the extension had the aim of preserving the Organization and not terminating it. He suggested that a substantive discussion should be held on what the ICO should look like in five or ten years. He suggested that this debate should be kept separate from the discussion of the text of a new Agreement and instead focus on the purpose of the Organization. By concentrating this issue, Members would find it easier to align players domestically in support of the Organization.

102. The delegate from Brazil emphasized the need to define the purpose of the ICO. He noted that the ICO should be less costly, more efficient and more agile. To achieve this aim, meetings needed to be more frequent and results more tangible.

103. The delegate from Mexico supported the suggestions of the delegate from Colombia and stated that the objective of these proposals was to strengthen the ICO.

104. The delegate from Colombia suggested that production of coffee was likely to be increasingly concentrated in the post-covid world and that it was important to respond to the challenges arising from this situation. He feared that an economic catastrophe would prevail for the next five or ten years. This would not only affect farmers; another concern was that the small, high-quality coffee chains would not survive. Thus producers would lose a significant outlet for their product; it would be a long time before people would be willing to enter a crowded coffee shop. All existing challenges will be exacerbated by the pandemic. He emphasized again the need for an in-depth discussion on the objectives of the Organization.

105. The delegate from the EU agreed that these substantive issues needed to be discussed at the next virtual meeting. He suggested that this discussion should support the revision of the text of the Agreement. In a context of high pressure on public finance in general and high tension on the ICO financial outlook in particular, there is an imperative need to have a clear understanding on the best perspectives for the ICO.

106. The Executive Director stated that the Secretariat was liaising with other international organizations about their responses to covid-19. He noted that the response of the ICO needed to be discussed, especially what could be achieved within the existing resources of the organization.

107. The Chair proposed to discuss these issues further in future meetings, but not to abandon completely the work on the future of the Agreement.

**Item 6: Other business**

108. The Executive Director requested delegates to send any comments they might have regarding technical issues related to the virtual meeting, since it was unlikely that any in-person meetings would be held in the near future.

**Item 7: Date of next meeting**

109. The next meeting will be held on the 30 April 2020.