



**INTERNATIONAL
COFFEE
ORGANIZATION**

WP Council 305/20

27 May 2020

Original: English

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International Coffee Council
126th Session (Special)
4 and 5 June 2020
London, United Kingdom

Draft Resolution

RESTORATION OF VOTING RIGHTS OF MALAWI

WHEREAS:

Paragraph (2) of Article 21 of the International Coffee Agreement 2007 provides that, “If any Member fails to pay its full contribution to the Administrative Budget within six months of the date on which the contribution is due, its voting rights and its right to participate in meetings of specialized committees shall be suspended until its contribution has been paid in full. However, unless the Council so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under this Agreement”;

As at 20 May 2020 Malawi had outstanding contributions amounting to £58,656 for 2019/20 and previous years;

Malawi has submitted a proposal for the payment of its arrears as shown in document FA-242/20 (attached); and

In recognition of the commitment by Malawi to pay the arrears in accordance with the instalment scheme shown in document FA-242/20, it is deemed appropriate to restore its voting rights,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To allow Malawi to pay its outstanding contribution of £6,520 for coffee year 2019/20 to the Administrative Budget immediately and the remaining outstanding contributions to be paid in three equal instalments of £17,379 over the next three coffee years, each payable on 1 July.
2. To restore with immediate effect the voting rights of Malawi for as long as the above payment plan is maintained and future contributions are paid in accordance with the provisions of Article 21 of the 2007 Agreement.
3. That this Resolution shall not constitute a precedent in respect of the waiver of obligations relating to contributions under the provisions of Article 21 of the 2007 Agreement.
4. To request the Executive Director to inform the Finance and Administration Committee of Malawi's compliance with its obligations under paragraph 1 of this Resolution.



Finance and Administration Committee
38th Meeting
1 and 2 June 2020
London, United Kingdom

Malawi

**Payment of arrears in contributions
to the Administrative Budget**

RESTRICTED

Background

1. As indicated in the document concerning the situation of outstanding contributions affecting voting rights (document [ICC-126-1](#)), Malawi has outstanding arrears of £58,656 as at 26 May 2020.

2. The Coffee Association of Malawi (CAMAL) has submitted a letter dated 20 May 2020 (see attached Annex I) requesting the ICO to consider ways of paying its arrears. The Secretariat has proposed the following payment plan to which they have agreed (Annex II):

- (a) The current contribution of £6,520 for coffee year 2019/20 to be paid in full immediately.
- (b) The first instalment of £17,379 to be paid on 1 July 2021.
- (c) The second instalment of £17,379 to be paid on 1 July 2022.
- (d) The third instalment of £17,379 to be paid on 1 July 2023.

Action

The Committee is requested to consider whether this proposal is acceptable as a means of settling the arrears of Malawi, and to make a recommendation to the Council in connection with the votes of Malawi in view of efforts being made to repay its outstanding contributions

COFFEE ASSOCIATION OF MALAWI (CAMAL)

20 May 2020

Mr José Sette
Executive Director
International Coffee Organization
222 Gray's Inn Road
London WC1X 8HB

Dear Mr Sette,

Outstanding contributions to the International Coffee Organization

Further to my conversation with your Personal Assistant, Mrs Hamida Ebrahim, concerning the outstanding contributions of Malawi to the Administrative Budget of the ICO, I have communicated the matter to members of the Coffee Association of Malawi and have also requested further information from the Ministry of Trade and Industry.

Looking at the cumulative arrears over several years and taking into consideration the current challenges facing the world coffee sector, as well as our own current financial position, Malawi is not in a position to pay this amount in one lump sum.

The coffee sector in Malawi faces important financial challenges. Although new members have joined the Coffee Association, they are not yet in the production stage. We have just smallholders in cooperatives and two or three larger estates in production. This has weighed heavily on us.

In light of the above, we request the assistance of the ICO Secretariat in preparing a Draft Resolution containing a repayment plan on the following terms:

1. The current contribution for coffee year 2019/20 to be paid in full immediately; and
2. The remaining outstanding contributions to be paid in instalments over the next three coffee years.

I look forward to your assistance in this matter.

Yours faithfully,

Signed: Bernard B. Kaunda
Chairman
Coffee Association of Malawi

ANNEX II

MZUZU COFFEE PLANTERS COOPERATIVE UNION LIMITED

26 May 2020

Mr José Sette
Executive Director
International Coffee Organization
222 Gray' s Inn Road
London WCIX 8HB

Dear Mr Sette,

I refer to your response for our request to the proposition made.

We agree to the arrangement on the payment plan proposed.

Yours faithfully,

Signed: Bernard B. Kaunda
Chairman