



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

ICC 93-10

6 June 2005
Original: English

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

18 – 20 May 2005

1. The International Coffee Council, chaired by Mr. Markus Schlagenhof of Switzerland, met from 18 to 20 May 2005.

Item 1: Adoption of the Agenda and schedule of meetings

2. The Council adopted the draft Agenda contained in document ICC-93-0 Rev. 1 and took note of the arrangements for meetings contained in document EB-3811/02 Rev. 5.

Item 2: Votes and credentials

Item 2.1: Votes in the Council for coffee year 2004/05

3. The Council took note of the situation of outstanding payments affecting voting rights as at 16 May 2005 and approved the redistribution of votes in the Council and Executive Board for coffee year 2004/05 contained in document EB-3873/04 Rev. 2.

Item 2.2: Credentials

4. 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 verbal report on credentials presented by the Secretary which was subsequently circulated, together with the List of Delegations, as document ICC-93-9.

Item 3: Membership of the International Coffee Agreement (ICA) 2001

5. The Council extended a special welcome to the United States which was represented as a Member at the Session following its accession to the ICA 2001 on 3 February 2005. The delegate of the United States made a statement to the Council, a copy of which was circulated as document ICC-93-8.

6. The Council noted that as at 18 May 2005, there were 74 Members of the Organization, comprising 44 exporting and 30 importing countries, as listed in the report on membership contained in document EB-3886/05 Rev. 1. In addition, as notified in document ED-1948/05, following the deposit at the United Nations of an instrument of ratification by Italy, the requirements for entry into force set out in Article 45 of the Agreement and Resolution number 409 had been met and the Agreement had entered into force definitively on 17 May 2005.

7. The Chairman of the Executive Board said that the Board had considered two draft Resolutions, one concerning the extension of the time limit until 31 May 2006 for the deposit of instruments of ratification, acceptance, approval or accession (WP-Council No. 131/05); and another concerning the extension of the time limit to 31 May 2006 for the deposit of instruments by Governments which were provisionally applying the Agreement (WP-Council No. 132/05). The Board had decided to recommend that the Council should approve both draft Resolutions.

8. The Council took note of this information and decided to approve the draft Resolution contained in document WP-Council No. 131/05 to extend the time limit until 31 May 2006 for the deposit of instruments of ratification, acceptance, approval or accession, which became Resolution number 421. The Council also decided to approve the draft Resolution contained in document WP-Council No. 132/05 concerning the extension of the time limit until 31 May 2006 for the deposit of instruments by Governments which were provisionally applying the Agreement, which became Resolution number 422. Copies of both Resolutions are attached to these Decisions.

Item 4: Coffee market situation

9. The Executive Director introduced his monthly analysis of the coffee market (ED-Letter April 2005) and an overview of the coffee market situation contained in document ICC-93-5. The latter document included an analysis of production and consumption in the main exporting and importing countries. It also provided data on price movements since 1999, and analysed possible short-term scenarios. Since the last quarter of 2004 coffee prices had recorded a considerable rise, with the ICO composite indicator price moving between 94.90 and 107.36 US cents/lb during March 2005, compared to a 58.79 and 62.88 cents range in March 2004. Such levels had not been recorded since the last quarter of 1998. This price

rise had faltered somewhat towards the end of March 2005, before recovering from mid-April onwards. Prices therefore remained firm and confirmed that the crisis, created by weak price levels for exporting countries for over four years, was coming to an end. While the four coffee groups had enjoyed a price rise, the differential between Other Milds and Robustas had grown and reached an average of 85.52 US cents/lb in April 2005, compared to 39.07 cents in April 2004 and 27.27 cents in April 2003. The price increase of the last quarter of 2004 and early 2005 also confirmed the important role of fundamentals in determining movements in coffee prices. He noted that the weakness of the US dollar continued to negatively affect the real income of coffee producers. The latest OECD report pointed to a general firming of economic growth in its Member countries, despite turbulence on the oil market. The total volume of domestic demand for the OECD countries was predicted to increase by 2.9% in 2005, and by 1.9% in the Euro zone, 3.3% in the United States and 2.1% in Japan. This economic growth in the main coffee importing countries contrasted with the rise in poverty in exporting countries, which had been suffering for too long from a fall in the value of their coffee exports. In conclusion, the Executive Director said that price movements in the last six months revealed a recovery in exporting countries following a long period of decline in income to very low levels. Market fundamentals would be likely to underpin current price levels since there was a deficit in 2005 between production and consumption of approximately 8 million bags. A sustained firmness in coffee prices would depend primarily on the ability of producing countries to implement policies to foster production limited to consumption requirements.

10. In discussions on this item, it was suggested that future reports on the market situation should include information about volatility indices and data for the futures markets in New York and London, as investment funds were playing an increasingly important role in determining movements in prices.

11. The Council noted that these suggestions would be reflected in future reports and took note of the monthly analysis of the coffee market (ED-Letter April 2005), the overview of the market situation contained in document ICC-93-5 and the second official estimate for the Brazilian coffee crop for 2005/06 contained in document WP-Board No. 967/05.

Item 5: Coffee development projects

**Item 5.1: Projects already approved by the
Common Fund for Commodities (CFC)**

12. The representative of the Food and Agriculture Organization of the United Nations (FAO), Mr. Julius Jackson, introduced the progress report on the project entitled “Enhancement of coffee quality through prevention of mould formation” contained in document ICC-93-2 and said that the website “Reducing OTA in coffee” (www.coffee-ota.org)

was now live and available in English, French and Spanish. A half day plenary workshop on the conclusions of the project would be held in Brazil at the time of the ICO meetings in September 2005.

13. The Council took note of this information. The Council also took note of the progress report on projects contained in document EB-3878/04 Rev. 1, and the following progress reports on projects: “Improvement of coffee production in Africa by the control of coffee wilt disease (Tracheomyces)” (document ICC-93-3), “Integrated stem borer management in smallholder coffee farms in India, Malawi and Zimbabwe” (document ICC-93-1) and “Strengthening the commercial, financial, management and business capacity of small coffee producers/exporters in Mexico and Nicaragua” (document ICC-93-4).

Item 5.2: Projects for approval by the Council

14. The Chairman of the Executive Board said that the Executive Board had considered three new project proposals. It had noted that the proposal entitled “New tools for the coffee grower” contained in document WP-Board No. 936/03 Rev. 1, was a revised version of the “Coffee compendium” proposal aimed at providing simple answers to key questions asked by small coffee producers, which had been approved in principle by the ICO Executive Board in 2003. The proposal had not been sent to the Virtual Screening Committee for consideration as a previous version had been approved by the Board. The representative of CABI, Dr. Peter Scott, had made a presentation to the Board on this proposal. The Board had noted that this was an important project and had decided to recommend that the Council should re-endorse its resubmission to the CFC Consultative Committee.

15. The Board had also taken note of a presentation by the representative of Côte d’Ivoire on the project entitled “Increase in added value by developing the potential of Gourmet Robusta coffee (Côte d’Ivoire, Gabon and Guinea)”, contained in document WP-Board No. 968/05. This project was aimed at enhancing the value of Robusta coffee in terms of selection and marketing in a niche market and the Virtual Screening Committee had considered that the proposal was highly relevant for the countries involved, although the management of the project and pilot activities needed further consideration. Noting that the project would be discussed at a technical meeting before being submitted to the CFC Consultative Committee for consideration, the Board had decided to recommend that the Council should approve this proposal for submission to the CFC.

16. In the case of the project entitled “Enhancing the income of smallholder farmer groups in the coffee producing belt of Nigeria”, contained in document WP-Board No. 969/05, the Board had noted that the Virtual Screening Committee had advised that while the beneficiaries and action areas of the project were in line with ICO and CFC priorities, the project required further analysis and considerable reformulation, and it would be advisable to develop a smaller proposal initially.

17. Finally, the Chairman of the Board said that the Board had requested the Secretariat to ensure that the report of the Virtual Screening Committee was submitted before meetings of the Board to facilitate consideration of project proposals by Members. It had further noted that the Virtual Screening Committee was open to all interested Members and that the USA had indicated its interest in participating in it.

18. The Council took note of this report. On the recommendation of the Executive Board, it decided to re-endorse the proposal “New tools for the coffee grower” and to approve the proposal “Increase in added value by developing the potential of Gourmet Robusta coffee (Côte d’Ivoire, Gabon and Guinea)”, for submission to the CFC.

Item 5.3: Overview of USAID coffee activities

19. Ms. Carol Wilson of USAID made a detailed report on USAID coffee activities. Copies of her presentation were made available at the meeting and are available on request from the Secretariat.

20. The Council took note of this report and expressed its great appreciation for the contribution of USAID in the coffee sector. A number of Members commented on the excellent work of USAID and expressed their support for its initiatives which were well structured and had helped to improve competitiveness and production as well as enhancing social development. The importance of increasing income for coffee growers and improving quality was highlighted. In response to the request for information about procedures for developing projects and identifying areas of possible interest, the Council noted that interested countries should contact the local USAID mission in their country. The mission representative would then consult the government and private sector representatives in the country to ensure a full understanding of what was needed, and develop an appropriate programme in close cooperation with the country.

Item 6: 2nd World Coffee Conference

21. The representatives of Brazil made a presentation on prospects for the expansion of agribusiness in Brazil and the role of coffee, and on the arrangements for the 2nd World Coffee Conference which would be held in Salvador, Brazil, from 23 to 25 September 2005. The Conference would be chaired by H.E. Mr. Roberto Rodrigues (Minister of Agriculture, Livestock and Food Supply, Brazil) and would take as its theme “Lessons emerging from the crisis: New paths for the coffee sector”. There would be three main sessions: Session 1: Lessons emerging from the crisis; Session 2: Coffee policies in a market economy and Session 3: How to develop a sustainable coffee economy. There would be an opening ceremony on the morning of 24 September, with the President of Brazil, H.E. Mr. Luiz Inácio Lula da Silva, Heads of State, Ministers from ICO Member countries and high-level representatives of multilateral donor organizations. Speakers for the Conference were high-

level and experts in their field and it was anticipated that the event would facilitate a free exchange of views and ideas with some of the most influential decision-makers in the coffee industry. The Executive Director would prepare a background document for speakers and participants to facilitate discussions and analysis. The Conference would be followed by ICO meetings from 26 to 29 September, and there would be an opportunity to visit coffee growing areas in Bahia on Friday 30 September, with the cost of the tour subsidized by the State of Bahia. Each ICO Member would be given two free places to attend the Conference, and registration fees would be US\$550 (or US\$450 if registration was completed by 30 June 2005). A website for the Conference (www.worldcoffeeconference.com) had been established to enable delegates to register on-line. Preparations were well advanced and information about the outline programme, hotels and other arrangements was contained in document ICC-93-6. The Government and the private sector in Brazil were making every effort to ensure the success of the Conference and sponsorship was being sought in view of the need for the event to be self-financing. A brochure on the Conference including opportunities for sponsorship was distributed at the meeting and the cooperation of all Members in informing the coffee sector in their countries about this important event and in helping to identify potential sponsors was welcomed.

22. The Council expressed its appreciation to the Government of Brazil for its thorough preparations. It took note of document ICC-96-6 and further noted the importance of early registration by Members to obtain their two free places.

**Item 7: Report by the Chairman of the
Private Sector Consultative Board (PSCB)**

23. The Vice-Chairman of the PSCB introduced the report of the meeting of 16 May 2005 (subsequently circulated as document PSCB No. 67/05). The PSCB had considered the Executive Director's report on the coffee market and had made a number of comments on data including discrepancies in stock figures, particularly in consuming countries, which the Executive Director would follow up. The PSCB had received a report on the Positively Coffee Programme, the three year pilot programme for which was coming to an end. Until now funding had come from industry, however a contribution by producing countries would be appreciated. A formal proposal for producing countries to contribute to the Programme would be considered in September 2005. The Chairman of the Positively Coffee Working Group had requested a contribution towards translations from English into the other three official languages. In the case of the Health Care Professions – Coffee Education Programme, the PSCB had received a report on the programme's activities in six countries and on topics covered. Discussions had also taken place on sustainability initiatives and Members had received a presentation on the status of the Common Code for the Coffee Community, which was still being developed. The relevance of this initiative to trade and industry in consuming countries as well as producing countries had been raised, as had the need to take into account anti-trust regulations, concerns expressed by producing countries in

September 2004, and the value of a cost-benefit analysis. In discussions on the proposal related to a Worldwide Sustainable Coffee Fund, the PSCB had noted that this would be considered by the Executive Board. On food safety aspects, while there was no further news to report at present on bioterrorism regulations or on OTA, the EU was working on consolidating and harmonizing Maximum Residue Levels of pesticides in products of plant and animal origin. Coffee was likely to be included on the list of products to be reviewed. The PSCB and the ICO could play a useful role in providing the EU with information on pesticides being used and the frequency of their usage. On the issue of acrylamide, the question of labelling was under consideration by the authorities in California. The PSCB had also taken note of a report on the Coffee Quality-Improvement Programme. It had been suggested that it would be useful to look at Robusta quality in the light of ISO standards. On the issue of the European Coffee Contract, the PSCB had noted that the FCA contract would be finalised shortly and the final text submitted to the European Coffee Federation (ECF) AGM in June 2005. Unfortunately this was without the input of producer representatives. It involved a harmonization of contracts which had existed since 1956. Regarding a suggestion for the ICO to establish a Contracts Committee, as the contract was between private parties, not Governments, it belonged more within the PSCB than the Executive Board. The matter would be examined again at the next meeting of the PSCB when it was hoped that the draft contract would be available. The PSCB had also received a report on the 2nd World Coffee Conference. PSCB members had been encouraged to participate in this and to make available their mailing lists so that invitations could be sent to the widest possible audience and to contact their associations on the matter of sponsorship. Finally, the PSCB had received a presentation on the International Trade Centre/UNCTAD/WTO Coffee Guide website.

24. The Council took note of this report, and further noted that in response to a query about the review of EC legislation on maximum limits for Ochratoxin A, including green coffee, by 30 June 2006 at the latest (as indicated in ED-1940/05), the EC would provide further information about this at the next meeting in September 2005.

Item 8: Report from the Chairman of the Statistics Committee

25. The Chairman of the Statistics Committee, Mr. David Hallam, introduced the report of the Committee's meeting on 16 May 2005. He had been re-elected as Chairman for the next two coffee years; however the election of Vice-Chairman would be deferred until the next meeting. Mr. Manoel Bertone of Brazil would replace Mr. Jaime Payne as a representative of producing countries. Concerning compliance with statistics, full and satisfactory compliance by exporting Members was over 84% and that of importing Members was around 77%. There had been some improvement in compliance by Côte d'Ivoire and the Democratic Republic of Congo, however Indonesia's performance had fallen and Mr. Hallam would raise this on a mission to this country in July 2005. The Committee had noted that Members should be encouraged to improve their compliance with the Rules on Statistics

which would increase market transparency and enhance reliability of statistical publications. The Committee had received a report on the third survey on inventories and stocks of green coffee. The Secretariat had been advised that a more proactive approach should be taken to obtain a greater response from participating warehouses and that it would be useful to liaise with the ECF before carrying out the next survey to avoid duplication of efforts. In the case of ICO indicator prices, the recommendations of the Committee were contained in document WP-Council No. 133/05. The Committee had considered information about exports of organic coffee and informal notes on guidelines on organic coffee definition and certification. The ICO would continue to monitor data on organic coffee and would compare data extracted from Certificates of Origin with that published by other international organizations. Data had been presented on imports of speciality soluble coffee for 2003/04 which revealed a considerable increase on the previous year. The ICO was requested to conduct an exercise based on trade data from Eurostat from 1995 showing the volume of imports under the relevant Harmonized System codes. The Committee had also received a report on the upgrading of the statistical system and had been advised that in view of the closure of the DTI library in London in 2006, other sources of information should be consulted to obtain data on non-member countries. Finally the Committee had noted that the possibility of assistance to exporting Members through collaboration with the US Department of Labour would need to be discussed with the US authorities, and had requested the Chairman to stress to the Council the importance of the Statistics Committee's work in enhancing market transparency and in encouraging timely and reliable statistics from Members.

26. The Council took note of this report, a copy of which was subsequently circulated as document WP-Statistics No. 90/05. It decided to approve the recommendation of the Statistics Committee on the share of markets and their weightings in the calculation of group and ICO composite indicator prices (as set out in document WP-Council No. 133/05) with effect from 1 October 2005.

Item 9: Report by the Chairman of the Promotion Committee

27. The Vice-Chairman of the Promotion Committee said that the Promotion Committee had met on 19 May 2005. The Committee had received a report on the meeting of the Steering Group on Promotion which had included discussions on developing projects to renew promotional activity in China. He was pleased to report that following consultations, exporting Members were prepared to make US\$15,000 available from the Promotion Fund to the Executive Director to develop a proposal to renew promotion activities in China.

28. The Committee had also discussed the possibility of ICO participation in the 2006 *Salon International de l'Agriculture*; this proposal required further consideration. On the issue of Coffee and Health, a proposal had been received from the Chairman of the Promotion Committee requesting a contribution from producing Members. Producers had

agreed to consider this and would report back in September. Finally exporting Members had approved the Accounts of the Promotion and Special Funds. The Council took note of this report.

Item 10: Studies and seminars

Item 10.1: Studies

29. The Chairman of the Executive Board said that the Board had considered three proposals for studies. The proposals were defined within the context of the UNEP/ICO framework of studies on coffee, environment and international trade as a concrete approach to assist Members in understanding these subjects (contained in document EB-3723/99). The proposal for a study of environmental issues relating to the coffee chain within a context of trade liberalization, through a life-cycle approach (contained in document WP-Board No. 974/05) had been developed by EDE Consulting and was aimed at identifying the positive and negative effects on the environment of all activities involved in the coffee life-cycle and providing a number of guidelines and recommendations for all those involved in the coffee chain who wished to apply this method of analysis. If approved by the Council it would be submitted by the ICO and EDE Consulting to appropriate funding bodies.

30. The proposal for a study of the environmental impact and efficiency use of natural resources contained in document WP-Board No. 973/05 had been developed by the Natural Resources Institute (NRI). It contained Terms of Reference to develop a study that would look at the linkages between international trade, the environment and socio-economic issues to compare the environmental impact and efficient use of natural resources between coffee and other crops in the agro-industrial sector. The proposal had initially been presented to the Executive Board in September 2002. If the Board recommended it for approval by the Council it would be submitted by the ICO and the NRI to appropriate funding bodies and the ICO could make a counterpart contribution to the study.

31. The third proposal was for a study of the impact of the Kyoto Protocol on coffee trade and environmental quality in the coffee life-cycle contained in document WP-Board No. 972/05. It was part of the fourth study which would consider current multilateral regulations and agreements, and was aimed at providing an overview of the rules, procedures and criteria developed under the Kyoto Protocol for the Clean Development Mechanism (CDM) and Greenhouse Gas (GHG) market. It had been presented to the Executive Board in September 2003 and would be developed by EcoSecurities Ltd. If approved by the Council, it would be submitted to the CFC for funding under the “Fast-Track” procedure. The Board had noted that the three proposals for studies would be reviewed at the next meeting following further consideration by Members.

32. The Council took note of this report.

Item 10.2: Seminar on Genetically Modified Coffee

33. The Head of Operations said that the Seminar on Genetically Modified (GM) Coffee held on 17 May 2005 was part of the ICO's overall six year plan of action under the 2001 Agreement. Although no GM coffee was currently on the market, research was proceeding and the seminar had been held with a view to facilitating analysis and discussion of this matter. It had been chaired by Mr. Ezzedine Boutrif, Chief, Food Quality and Standards Service, FAO, and was a practical example of cooperation with FAO in light of the recent Memorandum of Cooperation. Ten expert speakers from a range of fields including research institutes, scientists, the biotechnology industry, NGOs and producing countries had been invited with the aim of informing Members about their perceptions of the different aspects of GM coffee and sharing their experiences. Over 100 delegates had attended the event and the presentations by the speakers would be made available to Members on a CD-Rom. The Council took note of this report and further noted the request for Members to disseminate the CD-Rom to the relevant organizations in their countries.

Item 11: Sustainability initiatives

34. The Chairman of the Executive Board said that the Board had taken note of an update on the Common Code for the Coffee Community (4Cs) contained in document PSCB No. 65/05 and a communication from the Eastern African Fine Coffees Association on sustainability contained in document EB-3899/05. It had considered two proposals for sustainability initiatives. The first proposal, entitled "Support for the implementation of the Worldwide Sustainable Coffee Fund" was contained in document WP-Board No. 966/05. The Board had noted that the concept of the Fund had been endorsed by a number of Members and PSCB associations and had been sent to the Virtual Screening Committee for comment. Following discussions on the proposal, in which Members had indicated the need for further information and time to analyse it, the Board had noted that the proposal would be considered at its next meeting in September 2005.

35. In the case of the second initiative, entitled "Pre-proposal for conducting a cost-benefit analysis of common sustainability standards serving the coffee sector", contained in document WP-Board No. 970/05, which had been submitted by the International Institute for Sustainable Development (IISD), the Board had noted that the proposal outlined activities for conducting benchmarking and preliminary "sustainability" cost-benefit analysis of the main sustainability standards systems being implemented within the coffee sector. Following preliminary discussions on this proposal, the Board had noted that it would be considered at its next meeting in September 2005.

36. The Chairman of the Board said that in addition to considering these two initiatives, a draft Resolution on sustainability had been circulated by producing countries at the meeting with a view to facilitating focussed and constructive discussions on sustainability and

reaching a common understanding. The draft text requested the Secretariat to consult exporting Members on their views on sustainability and measures that could foster the sustainability of the coffee economy, including “best practices” currently in place, and based on the results of the consultations, to report on the relevant aspects of sustainability and on ways and means to promote the sustainability of the coffee economy, giving special attention to a range of aspects. These included an increase in development aid, which would make possible the improvement of production systems in coffee-growing countries; technology transfer, with a view to the adoption of more efficient production techniques; improved access to developed countries’ markets, with a reduction in trade barriers which principally affected products with greater added value; a reduction in asymmetries between the prices received by the producers of green coffee and those received by agents in other stages of production; measures aimed at attracting investment directed towards the technological modernization of the coffee sector in developing countries; policy principles for sustainability in coffee production; and the impact and cost of adopting “best practices” in coffee production. In discussions on this item, consuming countries indicated that they were open to considering this, however a simpler approach might be to request the Executive Director to respond to the concerns of the producers, and indicate any financial implications involved. Finally, the Chairman said that the Board had noted that Producing Members would issue a declaration on the Common Code at the Council.

37. The Council took note of this report, and further noted the suggestion that as the Pre-proposal for conducting a cost-benefit analysis of common sustainability standards serving the coffee sector was intended for submission to the CFC for fast-track financing, it would be more appropriate to include it under the item on coffee development projects.

38. In discussions on this item, the importance of economic sustainability for coffee producers was highlighted. The draft Resolution on sustainability had been prepared with a view to facilitating constructive discussions and exporting Members welcomed the Executive Director’s willingness to consult them on this issue. The point was made by an importing Member that it would be useful if the Executive Director could consult all Members.

39. The Council noted that at the request of Members, the Executive Director would consult all Members about their views on sustainability and would report on the outcome of his consultations at the next meeting.

40. Exporting Members then made a declaration on the Common Code for the Coffee Community, a copy of which was circulated at the meeting as document ICC-93-7.

41. In discussions on this item, an exporting Member noted that it was premature to take a definitive position on the Code when key elements had still to be completed. The ICO was

an appropriate forum for discussions on it, as provided for in Article 39 of the 2001 Agreement. Another producing Member highlighted the costs to Producers of implementing the Code, which should not be discussed further by Members for the present.

42. Comments made by EC Members referred to the fact that the programme was a private sector initiative and was not yet finalized. The ICO was an appropriate forum for discussions on coffee and sustainability initiatives including the Code, and Members should be informed of relevant developments. The Code had been launched during the coffee crisis to help to contribute to a solution to the crisis and developed in close consultation with stakeholders from the coffee chain including representatives from 17 producing countries on the Steering Committee. Smallholder organizations from Latin America had been involved, and although it had not been possible to identify such organizations in Africa and Asia, the views of these regions were being taken into account. The second phase had begun in January 2005 and involved testing the draft Code in the field and obtaining feedback. As Dr. Uschi Eid had said, the Code was a document which needed to be brought to life and improved through a constructive process. It would not work if there were no advantages or benefits for Producers or Consumers from implementing it. Inclusion of the Code in the proposed IISD study on a cost-benefit analysis of sustainability could be helpful. It was a voluntary initiative, which the private coffee sector could choose whether to apply or not, and ICO Members were invited to contribute to strengthening it to ensure that it worked for the benefit of Producers and Consumers.

43. The Executive Director noted that the Code had been developed outside the ICO. The ICO had followed its development as an observer and had been present in this capacity at a number of meetings and had kept Members informed. As requested earlier, the ICO would analyse sustainability issues in the light of consultations with Members. He suggested that when the 4Cs concluded its work, if it wished to request the opportunity to present the final outcome to Members, Members could take a decision on this request in the context of consultations on sustainability.

44. The Council noted that exporting Members felt strongly that the 4Cs should not be further considered for the present by the ICO, although some producing countries were in favour of continuing discussions. The Code was a private sector initiative, developed by its stakeholders through consensus which had been presented to the ICO for discussion and feedback, and not formal endorsement. One possibility might be to include it in the IISD proposal discussed earlier. When the Code was finalised, if Members agreed, the 4Cs Secretariat could be given the opportunity to present its conclusions without the ICO having to be formally involved in the Code.

45. Exporting Members reiterated that this would not be acceptable and they awaited the results of consultations with Members on sustainability.

46. The Council noted that the Executive Director would consult Members about their views on sustainability and would report on the outcome of his consultations at the next meeting.

Item 12: International commodity policies

Item 12.1: Millennium Development Goals

47. Sir Richard Jolly, Chairman of the United Nations Association in the United Kingdom made a presentation on reaching the Millennium Development Goals (MDGs). Copies of the UN Millennium project publication “Investing in Development” were circulated at the meeting. Copies of Sir Richard’s presentation can be obtained on request from the Secretariat.

48. In discussions on this item, the need was raised for the UN to follow up the Commission for Africa’s recommendations as this body would be dissolved after the G8 Summit in July 2005. While diversification was put forward as a solution to the imbalance of supply and demand, subsidies for agricultural products distorted the market and should be removed for it to be a viable solution. Regarding the point that the outlook for Sub-Saharan Africa meeting the MDGs was pessimistic, the Council noted that the UN Secretary General had set up a high-level panel and the NEPAD initiative was also being implemented. While economic growth was important, countries in the past had made improvements in areas such as health and child mortality without economic growth. With national and international support, progress could be made.

49. The Council expressed its appreciation for the informative report by Sir Richard Jolly. It noted the role of the 2001 Agreement as an instrument of international cooperation which contributed to the reduction of poverty and the attainment of the MDGs and welcomed continuing cooperation with the United Nations in developing a global partnership for pursuing the MDGs.

Item 12.2: EU Action Plan on commodities

50. The Council noted that the EU Action Plan on commodities had been introduced to the Council in May 2004 (document ED-1909/04 and Add. 1). It was hoped that the Plan would make a positive contribution to combating poverty. The EU was now at the stage of developing ways of implementing the plan and responsibilities for different areas and it was hoped that this next stage would be completed by the end of the year. In parallel with this, the work of commodity organizations in responding to the challenges ahead would be reviewed, either as part of an overall study or on a case by case basis.

Item 13: National coffee policies

51. The Council noted that no requests had been received from Members to report on national coffee policies at this Session.

Item 14: Financial and administrative matters

52. The Chairman of the Executive Board said that the Chairman of the Finance Committee had reported on the Finance Committee meeting of 16 May 2005 (subsequently circulated as document WP-Finance No. 22/05), including the financial situation contained in document WP-Finance No. 20/05. The Board had taken note of this report, which indicated that overall the Organization was well within budget for the year and in sound financial shape. In the case of the Reserve Fund, the Secretariat would prepare a document showing the situation as at the end of 2003/04 and 30 April 2005. The Board had also noted the interest of the USA in participating in the Finance Committee. The Executive Director had reported in detail on the premises at 22 Berners Street, the lease for which had been signed the previous week. As instructed by the Council in January 2005, he had proceeded with negotiations with the Landlord in the absence of an alternative offer to London and in order to give further time for consideration to the European Union. The letter from the EC on this issue had been circulated to Members in early March (document ED-1942/05). The main elements of the lease were the insertion of a break clause at the end of the sixth year, in March 2011, for which a figure of £800,000 had finally been agreed as financial compensation for the Landlord in the event that the ICO exercised this right. Other main elements were that the lease should be for 12 years from April 2005; and that the rent would be £500,000 per annum for the ground, first and second floors with a rent review at the end of year six. Eight parking spaces would be used at a cost of £24,000 per annum, representing half the number of spaces occupied by the Organization up to this point. The ICO would be able to sub-let part of the premises or assign the entire lease. It would also give up responsibility for managing the building, in return for which a service charge would be payable to the Landlord. Two posts would be saved within the Organization as a result of this. Both the Landlord and the ICO would undertake a refurbishment and modernisation programme of the common parts and the conference and office facilities. The Board had also considered document WP-Finance No. 19/05 containing the draft Administrative Budget for 2004/05 which would be reviewed in detail by the Finance Committee in July 2005. The Board had requested the Secretariat to provide an analysis of any differences between a communication submitted in January 2005 to show the hypothetical effect of the various options relating to the premises, and the proposed Budget, and to discuss the appropriate level for the Reserve Fund with Members. The Council took note of this report.

Item 15: Other business

Contact details

53. Producing and consuming Members were requested to give their spokespersons updated contact details for their countries to facilitate communication with representatives in advance of the next meeting, and to provide this information to the Secretariat when available.

United States of America

54. On a point of general procedure, the Council noted that the views of the USA in ICO bodies would be expressed directly by its delegate.

Item 16: Future meetings

55. The Council took note of document EB-3887/05 containing dates of meetings in 2005/06 and 2006/07.

56. The Council also noted that at the invitation of the Government of Brazil, the next Session of the Council would take place from 26 to 29 September 2005 in Salvador, Brazil, after the World Coffee Conference from 23 to 25 September, and requested all Members to register as early as possible for the World Coffee Conference.



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

ICC Resolution No. 421

18 May 2005
Original: English

E

International Coffee Council

Ninety-third Session
18 – 20 May 2005
London, England

Resolution number 421

APPROVED AT THE FIRST PLENARY MEETING,
18 MAY 2005

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 418 the period for the deposit of instruments of ratification, acceptance or approval was further extended to 31 May 2005;

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 418, the period for the deposit of instruments of accession on the conditions established by Resolution number 404 was further extended to 31 May 2005; 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 and 418 from 31 May 2005 to 31 May 2006.
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 and 418 from 31 May 2005 to 31 May 2006.
3. To request the Executive Director to convey this Resolution to the Secretary-General of the United Nations.



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APPROVED AT THE FIRST PLENARY MEETING,
18 MAY 2005

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 419 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 2005; 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 2006 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.