



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

ICC 97-4

4 June 2007
Original: English

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

24 and 25 May 2007

1. The International Coffee Council, chaired by Mr. Mauro Orefice of Italy, met on 24 and 25 May 2007.

Item 1: Adoption of the Agenda

2. The Council adopted the draft Agenda contained in document ICC-97-0 Rev. 1 and took note of the schedule of meetings.

Item 2: Admission of observers

3. The Executive Director introduced document WP-Council 141/06 Rev. 2, containing draft procedures for the admission of observers to Council sessions. These procedures had been prepared at the request of the Council to enable Members to consider the admission of non-governmental organizations as observers to Council Sessions. The document had been introduced in September 2006, but required further discussion.

4. In discussions on this item, it was suggested that in the case of paragraph 11 of the proposed procedures, it would be useful to include wording providing that the Executive Director should consult the Chairman of the Council on the admission of observers from organizations to plenary meetings for the purposes of presentations, in order to avoid a situation arising whereby the Council might subsequently not agree to the admission of such observers. The point was also made that it would be important to decide in advance which observers could attend the meeting, and to ensure that when observers were invited, it was with the purpose of making a contribution on a specific subject. The Council decided to postpone discussion of the procedures for the admission of observers until September 2007, when the matter could be reviewed in the light of further progress on the future of the Agreement.

5. The Executive Director said that in September 2006, the Council had decided to admit Oxfam as an observer to its 96th Session on an ad hoc basis. Oxfam had requested admission as an observer to the present session of the Council and he invited Members to consider this request. In discussions on this matter, the Council noted that Oxfam had made a number of recommendations on the draft text of the Agreement; however Working Group documents including the draft text of the Agreement were restricted and Members should ensure that such documents were not transmitted to non-Members. The point was also made that the Executive Director kept the general public informed about the outcome of ICO meetings such as the Working Group through regular press conferences. Exporting Members added that they would like to review this matter in their Group.

6. The Council took note of this information and further noted that, as no consensus could be reached on this matter, a decision could not be taken at this Session.

Item 3: Votes and credentials

Item 3.1: Votes in the Council for coffee year 2006/07

7. The Council took note of the situation of outstanding payments affecting voting rights as at 24 May 2007 and approved the redistribution of votes in the Council and Executive Board for coffee year 2006/07 contained in document EB-3918/06 Rev. 3.

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-97-3.

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

9. The Chairman of the Working Group on the Future of the Agreement, Mr. Saint-Cyr Djikalou, said that as decided by the Council in September 2006, a Working Group had been established with the mandate of examining the current Agreement and proposals submitted by Members, or other invited parties, and submitting recommendations to the Council at its Session in May 2007 (see document ICC-96-9). The Working Group had met on three occasions from 22 to 24 January, 19 and 20 March and on 21, 22 and 24 May 2007. The Group had structured its discussions around five main themes, namely, objectives, membership and votes, efficiency of deliberations and decision-making, structural and administrative matters and new and expanded areas of work. It had analysed proposals from Members and, following preliminary discussions, had established a Drafting Group comprising Brazil, Colombia, Côte d'Ivoire, the EC, the USA, the Chairman and the

Vice-Chairman of the Working Group and the Executive Director. The work carried out by the Group to date was contained in document WP-WGFA 3/07 Rev. 3. Key areas discussed included:

- the EC's participation as a single Member and Contracting Party, representing the interests of its member States;
- a decision to eliminate the Executive Board and to create three permanent committees to assist the Council with its work: the Finance and Administration Committee, the Promotion and Market Development Committee and the Projects Committee. The Council would also benefit from the input of the World Coffee Conference, the Private Sector Consultative Board and the Consultative Forum on Coffee Sector Finance;
- a ten-year duration of the Agreement.

10. Further consultations were required on a number of areas including: the Preamble, on which Members were invited to send proposals by 1 July 2007 (a proposal from the United States was circulated during the meeting as document WD-Future 17/07); Article 2 (Definitions), (in particular the definition of a distributed two-thirds majority vote); Article 12 (Sessions of the Council); Article 13 (Votes); Article 30 (Studies, surveys and reports); Chapter XIV (Final provisions) and a number of other minor areas. The Chairman expressed his appreciation to all Members of the Working Group for their contributions and to the Secretariat, and expressed particular thanks to the Drafting Group, which had enabled significant progress to be made.

11. The Council took note of this report and expressed its great appreciation to the Chairman for his guidance and leadership. The Council noted that, although substantial progress had been made in drafting the text of a new International Coffee Agreement, further time was required to allow the Working Group to conclude its work. The text of a draft decision to extend the remit of the Working Group was contained in document WP-Council 152/07. The Council accepted this text and took the following decision:

“The International Coffee Council, in order to conclude the process of determining the future of the International Coffee Agreement, decides to extend the remit of the Working Group established in September 2006 (see document ICC-96-9) until 30 September 2007. The Council further decides that the term of office of the Chairman and the Vice-Chairman should also be extended until 30 September 2007. The Working Group should therefore submit its recommendations to the Council at its 98th Session from 24 –28 September 2007.”

Item 5: Membership of the ICA 2001

Item 5.1: Current situation

12. The Secretary reported that as at 22 May 2007, there were 77 Members of the Organization, comprising 45 exporting and 32 importing countries. Bulgaria had deposited an instrument of accession on 15 March 2007. In the case of non-Member countries, the Junta Nacional del Café in Peru had recently put forward a Resolution to the Government at its Diálogo Nacional Cafetalero, highlighting the importance of Peru rejoining the Organization, and the Executive Director had been in contact with the new Ambassador of Peru in London to discuss membership. In the case of China, the coffee branch of the China Fruit Marketing Association had informed the ICO about its establishment in April 2007, the intention to set up the China Coffee Association in the next year, and its interest in future membership of the ICO. Regarding Canada and Russia there were no further developments to report.

13. The Secretary introduced two draft Resolutions relating to the International Coffee Agreement 2001. One draft Resolution concerned the extension of the time limit for the deposit of instruments of ratification, acceptance, approval or accession (WP-Council 145/07), and the other concerned the extension of the time limit for the deposit of instruments by Belgium/Luxembourg which were provisionally applying the Agreement and which required more time to complete the necessary formalities (WP-Council 146/07).

14. The Council took note of this information and decided to approve the draft Resolution contained in document WP-Council 145/07 to extend the time limit for the deposit of instruments of ratification, acceptance, approval or accession to 25 September 2007, which became Resolution 426. The Council further decided to approve the draft Resolution contained in document WP-Council 146/07 concerning the extension of the time limit to 25 September 2007 for the deposit of instruments by Belgium/Luxembourg which were provisionally applying the Agreement, which became Resolution 427. Copies of both Resolutions are attached to these Decisions.

Item 5.2: Accession of Timor-Leste

15. The Council noted that in May 2006, it had approved a draft Resolution setting conditions for the accession of Timor-Leste by 31 March 2007. As the Government of Timor-Leste required additional time to complete the procedures, a draft Resolution had been prepared extending this deadline to 25 September 2007 (contained in document WP-Council 147/07). The Council decided to approve the draft Resolution which became Resolution 428. A copy of the Resolution is attached to these Decisions.

Item 6: Coffee market situation

16. The Executive Director introduced his report on the market situation (contained in the ED-Letter April 2007). In April the average of the ICO composite indicator price was 99.30 cents/lb compared to 100.09 US cents/lb in March. The market had slackened due to plentiful supplies, with Vietnam exporting 84% more in the period January to March 2007 than in the same period in 2006. He noted that stocks in exporting countries were at historically low levels, with opening stocks in Brazil for crop year 2007/08 having decreased by almost 23.5%. The revised estimate of Brazilian production for crop year 2007/08, which had just begun, gave a figure of 32.1 million bags, comprising 22.3 million bags of Arabicas and 9.8 million bags of Robustas (see document WP-Board 1032/07). The coffee authorities in Vietnam had also sent estimates giving a production of 15.5 million bags in crop year 2006/07. Colombia's estimated production for crop year 2006/07 was around 12 million bags. On the basis of these figures, he could confirm his estimate of production for crop year 2007/08 at 112 million bags compared to 121 million in 2006/07. World consumption was likely to increase by 1.5% to 1.8% p.a., including figures for internal consumption in Brazil. Given a supply situation already characterized by a low level of world stocks, there was likely to be a shortfall of 6 to 8 million bags in world production relative to consumption in this year. The Executive Director stressed the need to continue to analyse the structure of world supply and demand. Governments had various mechanisms to help them manage structural cycles. In the case of climatic conditions, these continued to be a cause for concern, with the El Niño phenomenon leading to increased rainfall and falls in temperature in some areas. In Indonesia, for example, there were reports that exports in Sumatra had fallen by 60% because of weather conditions. He reiterated the importance of increasing domestic consumption, which helped to reduce exposure to currency fluctuations and volatile international prices. He would continue to circulate his monthly report on the coffee market and urged Members to continue to provide data on the market fundamentals.

17. In discussions on this item, the need for high quality information was stressed. It was suggested that it would be useful if national coffee associations could provide data to the ICO, to assist it in monitoring trends. The value of the Food and Agricultural Organization's (FAO) work in checking price elasticity and income was highlighted.

18. The Council took note of this information and further took note of the second production estimate for the 2007/08 coffee crop in Brazil and final official estimate for the Brazilian coffee crop for 2006/07 contained in document WP-Board 1032/07.

Item 7: Coffee development projects

**Item 7.1: Projects already approved by the
Common Fund for Commodities (CFC)**

19. The Head of Operations informed the Council that the CFC Executive Board had approved two new projects in April 2007: “Increase in added value by developing the potential of Gourmet Robusta coffee in Gabon and Togo”, costing US\$2,526,694 of which the CFC would contribute US\$1,782,113 as a grant, with CIRAD as Project Executing Agency (PEA). The second project was entitled “Enhancing the potential of gourmet coffee production in Central American Countries”, with a total cost of is US\$1,874,146, of which the CFC would contribute US\$617,560 as a grant. It would be implemented by the Istituto Agronomico per l’Oltremare (IAO) of the Italian Ministry of Foreign Affairs. The Head of Operations also informed the Council that a Rwandan cooperative participating in the ICO project “Improving coffee quality in East and Central Africa through enhanced processing practices” had taken second place in the Rwandan national section of the “Taste of Harvest” cupping competition. The competition, which was sponsored by the East African Fine Coffee Association (EAFCA), took place as part of the 4th African Fine Coffee Conference and Exhibition held in Ethiopia in February 2007.

20. During the 97th Session of the Council, project agreements were signed by the Executive Director, the CFC and representatives of PEAs for the projects entitled “Reconversion of small coffee farms into self-sustaining agricultural family units in Ecuador” and “Enhancing the potential of Gourmet Coffee Production in Central American Countries”.

21. The Head of Operations introduced document ICC-97-1 containing progress reports on the following projects and invited comments from Members on the new format of the document:

- Coffee market development and trade promotion in Eastern and Southern Africa
- Improvement of coffee production in Africa by the control of coffee wilt disease – tracheomycosis
- Integrated white stem borer management in smallholder coffee farms in India, Malawi and Zimbabwe
- Improving coffee quality in East and Central Africa through enhanced processing practices
- Robusta quality and marketing improvement by optimal use of coffee terroirs
- Pilot rehabilitation of the coffee sectors in Honduras and Nicaragua
- Pilot rehabilitation of neglected coffee plantations into small family production units in Angola
- Diversification of production in marginal areas in the State of Veracruz, Mexico
- Short and medium term finance for small-scale coffee farmers in Kenya

22. The Council took note of information reported on projects already approved by the CFC and of the progress reports on projects contained in document ICC-97-1.

Item 7.2: Projects for approval by the Council

23. The Chairman of the Executive Board said that its meetings in January and May 2007, the Board had considered a number of project proposals together with the comments and recommendations of the Virtual Screening Committee (VSC). It had decided to recommend that the Council should approve the following proposals for submission to the CFC:

- Competitive coffee enterprises programme (document WP-Board 1024/07)
- Coffee network: strengthening the capacities of small coffee producers in the Dominican Republic (document WP-Board 1028/07)
- Development and implementation of an environmentally friendly technology for the incineration of coffee pulp in El Salvador (document WP-Board 1029/07)
- Building capacity for coffee certification and verification in Eastern Africa (document WP-Board 1023/07 Add. 1)

24. The Council took note of this information and decided to approve the four projects listed above for submission to the CFC for financing.

25. The Chairman of the Executive Board said that the Board had expressed its full support and endorsement of a proposal to develop the domestic coffee markets in India, Indonesia and Mexico which had been approved by the Promotion Committee in principle in September 2002 (see document WP-Board 1031/07). The Board had expressed its great concern about the CFC Secretariat's intention to withhold the proposal from the Consultative Committee meeting in July 2007. Members had noted that the proposal was of the highest importance for the coffee sector as it would increase global consumption, reduce the impact of volatility in prices on producers and enhance added value and increase standards of living. The Board noted that the Executive Director would contact the Managing Director of the CFC by phone and by letter to communicate the views of the Executive Board and would make every effort to ensure that the CFC put the proposal forward to the Consultative Committee at the earliest opportunity. It was also suggested that Members should ensure that their representatives on the CFC were fully informed of this matter and participated in the debate in the CFC on the proposal. The Council took note of this report and confirmed its full support and endorsement of this important project.

Item 8: Report by the Chairman of the Private Sector Consultative Board (PSCB)

26. The Chairman of the PSCB, Mr. Christian Rasch Topke of ANACAFE, said that the PSCB had met on 23 May 2007. The PSCB had received a report on the future of the

Agreement and had expressed its thanks to the Council for considering the contribution of the PSCB on this matter, with support for the inclusion of a mission statement, and a focus on sustainability, market dynamics, statistics, projects and research and development. The PSCB considered that the proposed new structure would ensure that the ICO was better suited to delivering results. The PSCB also considered that it should be able to call on a wide range of scientific expertise as at present, and there was therefore no need to change Article 20 of the Agreement to achieve this. The PSCB had continued to review regular matters including food safety and the Coffee Quality-Improvement Programme. Dr. van der Vossen had given a presentation on the Coffee Rust Research Centre and the PSCB had received presentations on the Positively Coffee and the Health Care Professions – Coffee Education Programmes (HCP-CEP). In the case of the Positively Coffee Programme, information about three new topics was available (coffee and hydration, coffee and its components, and coffee and blood pressure); the resources in the Members area of the Positively Coffee website were being further developed and research was being monitored and updated on eleven existing topics. The International Coffee Congress in Bangalore, India in February 2007 had included a session on Positively Coffee. In the case of the HCP-CEP, the PSCB had noted that 2006 was the final year of this three year programme. The six existing countries (Finland, France, Italy, the Netherlands, Russia and the United Kingdom) would continue with a coffee and health programme, two new countries (Spain and Portugal) would be added in 2007, and others added in 2008. A full report including case studies, learning outcomes etc. would be available on CD-Rom at the next meeting and copies of this report, entitled “Communicating the current consensus” would be made available to all Members. Finally the PSCB had considered an update on the Common Code for the Coffee Community; the issue of EU import duties on soluble coffee imports from Brazil and had noted that PSCB representatives for 2007/08 and 2008/09 nominated by Members would be appointed by the Council at its September session.

27. The Council took note of this report, a copy of which was subsequently circulated as document PSCB-102/07. It expressed its appreciation to the Chairman of the PSCB and the PSCB representatives for their work and decided to approve the amendments to the composition of the PSCB for 2006/07 contained in document WP-Council 134/05 Rev. 3.

Item 9: Report by the Chairman of the Statistics Committee

28. On behalf of the Chairman of the Statistics Committee, the Statistician introduced the report of the Statistics Committee meeting held on 23 May 2007. The Committee had appointed Mr. Neil Rosser of Neumann Kaffee Gruppe (NKG) as Vice-Chairman for a two-year term and had noted that David Hallam was standing down as Chairman as he was taking up a new post with the FAO as Chief of Trade Policy Services. It had decided that the appointment of a Chairman should be deferred to September 2007 and had noted that the Executive Director would consult Members about a suitable candidate in the meantime. Concerning compliance with statistics, full and satisfactory compliance by exporting

Members was just under 83% while that of importing Members was just under 99%. In the case of importing Members, Bulgaria, Hungary and Malta were not complying with the provision of statistical data and contacts would continue to ensure that they complied with their obligations. It had been suggested at a previous meeting that a manual of best practice should be prepared and four exporting countries (Brazil, Guatemala, Honduras and India) were currently working on this. The manual would then be used as the basis for regional workshops to improve the performance of countries with poor compliance. The Organization had also initiated discussions with the International Trade Centre UNCTAD/WTO (ITC) on the possibility of assistance in collecting statistics. Regarding stocks and inventories, the ICO would continue to monitor the data posted on the European Coffee Federation website on a regular basis. In the case of organic coffee, data was still missing from monthly returns; the Organization should continue to encourage countries to send complete monthly reports in accordance with the Rules on Statistics. Germany, France and the USA had been contacted to provide information on retail prices of organic coffee. Germany had advised that it was not possible to collect this data; the USA would submit its response in September, and a reply was still awaited from France. The Committee recommended that the ICO should concentrate on obtaining this information before expanding data on fair trade, sustainable or other niche markets. The Committee had noted that the ICO would continue to request exporting countries to report on imports of coffee as data from exports and re-exports to exporting countries were much higher than reports on imports by exporting countries. Committee Members had been requested to send the Head of Operations their views on statistical priorities under a new Agreement by 15 June to enable the ICO to compile a document to be presented to the Council in September 2007. The Committee noted that the new statistical system would be demonstrated to Members during the meetings in September 2007 and had further noted that it would review market shares/group weightings in September 2007 and make a recommendation to the Council. The Committee would also be informed when the text of a new Agreement was approved in order to review conversion factors of roasted and soluble coffee. Finally, the Committee urged exporting Members to ensure that they issued Certificates of Origin for all shipments of coffee, as it appeared from press reports that exports by some countries were considerably higher than those reported to the ICO.

29. The Council took note of this report, a copy of which was subsequently circulated as document WP-Statistics 111/07, and expressed its appreciation to Mr. David Hallam of the FAO for his excellent cooperation and leadership of the Committee in the last six years.

Item 10: Promotion Committee

30. The Chairman of the Promotion Committee said that the Committee had met on 24 May 2007 and had taken note of a presentation by the representative of P&A International Marketing on the inclusion of milestones and markers and a matrix of results in the proposal to establish the ICO network to promote coffee consumption. The Committee

had also taken note of discussions by the Executive Board on a proposal to develop a pilot project to develop domestic coffee markets in India, Indonesia and Mexico, and had received updates on the Step-by-Step Guide to promote coffee consumption, the Positively Coffee and Health Care Professions – Coffee Education Programmes and the activities of the Institute for Scientific Information on Coffee (ISIC). Finally, the Accounts of the Promotion and Special Funds for 2005/06 had been approved by exporting Members. The Council took note of this report.

Item 11: Cooperation with other agencies

31. The Executive Director said he had given an address at the international conference “Global Initiative on Commodities: Building on Shared Interests”, organized by the CFC, African, Caribbean and Pacific Secretariat (ACP), the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP). This event took place from 7 – 11 May 2007 in Brasilia, Brazil and was part of the preparatory work for UNCTAD XII. A copy of the Executive Director’s address had been circulated as document ED-2011/07 and the final communiqué would be circulated to Members in due course. In addition, the ICO continued to keep in close contact with the FAO regarding technical assistance to Members, with the ITC, and with the Codex Alimentarius Commission.

32. In discussions on this item, it was suggested that the Executive Director should consider how to strengthen relationships with the Inter-American Development Bank (IDB), and that it would be useful to convene a meeting with the IDB and Central American countries in this connection. The point was also made that at major conferences such as UNCTAD, more could be done to raise concerns and suggestions through International Commodity Bodies (ICBs). The EC hoped to use its study of ICBs in forthcoming discussions and a copy of the study would be made available shortly. The Executive Director said that the ICO’s contribution at the “Global Initiative on Commodities” conference would be reflected in the final communiqué, which would include a paragraph stressing the importance of the role of ICBs, and he invited the EC to convey to its representatives the need to take note of this aspect.

33. The Council took note of this information.

Item 12: National coffee policies

34. There were no reports on national coffee policies.

Item 13: Financial and administrative matters

Item 13.1: Administrative Accounts of the Organization for the financial year 2005/06 and Report of the Auditors

35. On the recommendation of the Executive Board, the Council decided to approve the Administrative Accounts of the Organization for 2005/06 and the Report of the Auditors contained in document EB-3925/07.

Item 13.2: Payment of arrears

36. The Council noted that the Finance Committee and Executive Board had reviewed the matter of outstanding arrears of the Democratic Republic of Congo (D.R. Congo) and Uganda and in view of the efforts made by these countries to repay their arrears, had decided to recommend that their votes should be restored. In the case of Uganda, it was recommended that the draft Resolution contained in document WP-Council 148/07 should be approved, subject to further discussions taking place with Uganda concerning a possible shortening of the rescheduling period. In the case of the D.R. Congo, no payments had been received to date. In view of the recent change of government and of Finance Ministry officials within this country, it was recommended that the Draft Resolution contained in document WP-Council 149/07 should be approved, with the caveat that the matter should be reviewed again in September 2007 in the light of the D.R. Congo's compliance with the Resolution in the intervening period.

37. On the recommendation of the Board, the Council decided to approve the draft Resolution to restore Uganda's votes contained in document WP-Council 148/07, noting that further discussions with Uganda should take place concerning the possible reshortening of the rescheduling period. The Council further decided to approve the draft Resolution to restore the votes of the D.R. Congo contained in document WP-Council 149/07, noting that progress would be reviewed again in September 2007. These Resolutions became Resolution 429 and 430 respectively, copies of which are attached to these Decisions.

38. The Council further noted the point that over 25 exporting Members were in arrears with their contributions. This was a matter of great concern which created financial and administrative problems for the ICO. All Members were urged to make every effort to settle their arrears and to ensure the ICO had a solid foundation for undertaking new initiatives.

39. In the case of Panama, whose voting rights had been restored by the Council following its accession to the Agreement in July 2006, the Council noted that although no payment towards the arrears of this country or its contribution for 2006/07 had been

received, the country had only rejoined the ICO in September 2006. It was making efforts to resolve its arrears and the necessary payments would be made shortly. The Council decided that Panama's votes should continue to be restored for the time being.

Item 13.3: Contract of the Executive Director

40. The Council noted that the Executive Director's contract would expire on 30 September 2007. There was provision for renewing his contract for a further term of five years, and procedures on this matter had been decided by the Council in September 1987 (see document ICC-48-19). The Council expressed its appreciation for the work undertaken by the Executive Director in raising the profile of coffee and the ICO in his first term of office, and unanimously decided to extend his contract for a further five years until 30 September 2012. The Council further decided that a small task force should be established to review procedures for renewing the contracts of future Executive Directors.

Item 14: Other business

Sustainable Coffee Partnership

41. The Council noted that a meeting of the Sustainable Coffee Partnership had taken place on 23 May 2007 and the report of this meeting would be circulated to Members.

Ecuador

42. The representative of Ecuador made a statement, a copy of which is attached to these decisions as document ICC-97-2.

Item 15: Future meetings

43. The Secretary introduced document WP-Council 144/07 containing proposed dates of meetings in 2007/08 and 2008/09. Although a decision on the future of the 2001 Agreement had yet to be taken, it was considered advisable to reserve some dates for ICO meetings in view of the increasing use of the ICO conference facilities by external users. The exact requirement for the number of days of meetings in 2008 and 2009 could be reviewed by the Council respectively in September 2007 and May 2008.

44. The Council took note of this information and decided to approve the proposed dates of meetings in 2007/08 and 2008/09 on the basis outlined in document WP-Council 144/07. Finally the Council noted that its next Session would take place at the headquarters of the Organization in London during the week of 24 to 28 September, with a meeting of the Working Group to take place on 24 and 25 September 2007.



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International Coffee Council
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24 and 25 May 2007
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Resolution number 426

APPROVED AT THE SECOND PLENARY MEETING,
25 MAY 2007

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 423 the period for the deposit of instruments of ratification, acceptance or approval was further extended to 31 May 2007;

Under the terms of paragraph 1 of Resolution 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 423, the period for the deposit of instruments of accession on the conditions established by Resolution 404 was further extended to 31 May 2007; 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 410, 412, 414, 418, 421 and 423 from 31 May 2007 to 25 September 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 404, and paragraph 2 of Resolutions 410, 412, 414, 418, 421 and 423 from 31 May 2007 to 25 September 2007.
3. To request the Executive Director to convey this Resolution to the Secretary-General of the United Nations.



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Resolution number 427

APPROVED AT THE SECOND PLENARY MEETING,
25 MAY 2007

International Coffee Agreement 2001

Extension of the time limit within which Belgium/Luxemburg which are 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 424 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 2007; and

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

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To extend to 25 September 2007 the time limit within which Belgium/Luxembourg, 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.



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Resolution Number 428

APPROVED AT THE SECOND PLENARY MEETING,
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International Coffee Agreement 2001

Extension of the time limit for the deposit of an instrument of accession by 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;

Under the terms of paragraph 4 of Resolution 425, Timor-Leste may deposit an instrument of accession with the Secretary-General of the United Nations by 31 March 2007; and

The Government of Timor-Leste has indicated that it requires additional time to deposit its instrument of accession,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To extend to 25 September 2007 the time limit for the deposit of an instrument of accession by Timor-Leste under the provisions established in Resolution 425.
2. To request the Executive Director to convey this Resolution to the Secretary-General of the United Nations.



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**Waiver granted to Uganda in respect of
the payment of arrears in contributions
to the Administrative Budget**

WHEREAS:

Paragraph (2) of Article 25 of the International Coffee Agreement 2001 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, both its voting rights in the Council and its right to have its votes cast in the Executive Board shall be suspended until such contribution has been paid;

As at 12 January 2007 Uganda had outstanding contributions amounting to £187,845 for 2005/06 and previous years;

Uganda has submitted a proposal for the payment of its arrears as shown in document WP-Finance 41/07 (attached); and

In recognition of the commitment by Uganda to pay the arrears in accordance with the instalment scheme shown in document WP-Finance 41/07, it is deemed appropriate to restore its voting rights,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To permit Uganda to pay its outstanding contributions to the Administrative Budget for 2005/06 and previous years in 12 quarterly instalments of £17,117 each, payable from October 2006 to 30 September 2009.
2. To permit Uganda to pay its contributions to the Administrative Budget for 2006/07, 2007/08 and 2008/09 in monthly instalments from September 2006 to 30 September 2009.
3. To restore with immediate effect the voting rights of Uganda for as long as the above payment plan is maintained.
4. That this Resolution shall not constitute a precedent in respect of the waiver of obligations relating to contributions under the provisions of Article 25 of the 2001 Agreement.
5. To request the Executive Director to inform the Executive Board of Uganda's compliance with its obligation under paragraph 1 of this Resolution.



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

WP Finance 41/07

12 January 2007
Original: English

E

Contributions

Finance Committee
8th Meeting
25 January 2007
London, England

Uganda

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

RESTRICTED

Background

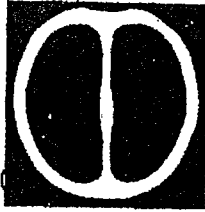
1. As indicated in the document concerning the situation of outstanding contributions affecting voting rights (document EB-3895/05 Rev. 7), Uganda has outstanding contributions of £187,845 as at 12 January 2007 for 2005/06 and previous coffee years. The contribution for the current year, 2006/07, amounts to £37,950, making a total amount due of £225,795.
2. Uganda has informed the Executive Director that problems in paying the required contributions have arisen because of budgetary constraints in the last few years.
3. Uganda has submitted a request dated 21 September 2006 to pay the arrears by quarterly instalments over three years. A copy of this request is attached hereto. The first payment of £8,558.50 per the attached schedule was received on 22 September 2006 and five subsequent instalments of £3,000 each have been received up to 12 January 2007 towards the 2006/07 contribution. In accordance with the ICO's normal practice, however, the latter payments have been applied against Uganda's oldest outstanding arrears.

Action

The Committee is requested to consider whether Uganda's proposal is acceptable as a means of settling its arrears, and to make a recommendation to the Executive Board in connection with the votes of Uganda in view of efforts being made to repay its outstanding contributions.

UCDA/ADM/13

Thursday, September 21, 2006



P. O. Box 7267,
Kampala, Uganda
Tel: 031 260 471 / 256 940
Telfax: 041 256 994 / 232 912
e-mail: md@ugandacoffee.org

Uganda Coffee Development Authority

Office of the Managing Director

The Executive Director,
International Coffee Organisation,
22 Berners Street,
LONDON.

Dear Sir,

Re: **PAYMENT SCHEDULE OF ARREARS**

This is in reference to Uganda's contributions to the administrative budget that are in arrears.

As you are already aware, we have been making monthly payments that are insufficient to cover full settlement of current obligation and accumulated arrears.

We wish to report that in the coffee year 2005/06 we have been able to make remittances and pay the equivalent of the 2005/06 budget of Pounds 38,006.00 in total with a view of stopping further accumulation.

We have with effect from September 2006 (see attached payment scheduled), made arrangements for additional remittances of Pounds 8.558-50 on or before the indicated value dates. The plan is such that each quarter, a total of GB Pounds 17,117.00 shall be remitted in two equal installments until September 2009, i.e. a total period of 3 years.

Our share of the administration budget for 2006/07 shall be made in monthly installments along side the payment plan of arrears.

This plan is reminiscent of the nature of our revenues which are realizable on a monthly basis.

We have today instructed our bankers to remit to your account Pounds 10,564.00 being:-

- i) Pounds 2006.00 balance of our targeted remittance of Pounds 38,006.00 in 2005/06; and
- ii) Pounds 8,558.50 initial installment payment as per arrears payment plan herewith attached.

Yours faithfully,


Henry Ngabirano
MANAGING DIRECTOR

c.c. H.E. Uganda's High Commissioner to the United Kingdom

**UGANDA COFFEE DEVELOPMENT AUTHORITY- PAYMENT PLAN OF
INTERNATIONAL COFFEE ORGANIZATION ARREARS (GBP 205,403.84)**

Date	Particulars	Value Date	Amount	Balance
	Arrears as 30 Sept 2006			£205,403.84
Oct-06				£205,403.84
Nov-06	1st Quarter 2006/07	22-Sep-06	£8,558.50	£196,845.34
Dec-06		30-Dec-06	£8,558.50	£188,286.84
Jan-07				£188,286.84
Feb-07	2nd Quarter 2006/07	15-Feb-07	£8,558.50	£179,728.34
Mar-07		30-Mar-07	£8,558.50	£171,169.84
Apr-07				£171,169.84
May-07	3rd Quarter 2006/07	15-May-07	£8,558.50	£162,611.34
Jun-07		30-Jun-07	£8,558.50	£154,052.84
Jul-07				£154,052.84
Aug-07	4th Quarter 2006/07	15-Aug-07	£8,558.50	£145,494.34
Sep-07		30-Sep-07	£8,558.50	£136,935.84
Oct-07				£136,935.84
Nov-07	1st Quarter 2007/08	15-Nov-07	£8,558.50	£128,377.34
Dec-07		30-Dec-07	£8,558.50	£119,818.84
Jan-08				£119,818.84
Feb-08	2nd Quarter 2007/08	15-Feb-08	£8,558.50	£111,260.34
Mar-08		30-Mar-08	£8,558.50	£102,701.84
Apr-08				£102,701.84
May-08	3rd Quarter 2007/08	15-May-08	£8,558.50	£94,143.34
Jun-08		30-Jun-08	£8,558.50	£85,584.84
Jul-08				£85,584.84
Aug-08	4th Quarter 2007/08	15-Aug-08	£8,558.50	£77,026.34
Sep-08		30-Sep-08	£8,558.50	£68,467.84
Oct-08				£68,467.84
Nov-08	1st Quarter 2008/09	15-Nov-08	£8,558.50	£59,909.34
Dec-08		30-Dec-08	£8,558.50	£51,350.84
Jan-09				£51,350.84
Feb-09	2nd Quarter 2008/09	15-Feb-09	£8,558.50	£42,792.34
Mar-09		30-Mar-09	£8,558.50	£34,233.84
Apr-09				£34,233.84
May-09	3rd Quarter 2008/09	15-May-09	£8,558.50	£25,675.34
Jun-09		30-Jun-09	£8,558.50	£17,116.84
Jul-09				£17,116.84
Aug-09	4th Quarter 2008/09	15-Aug-09	£8,558.50	£8,558.34
Sep-09		30-Sep-09	£8,558.50	-£0.16

Note

1. The payment plan above targets to pay the arrears in 3 years.
2. The administrative budget for subsequent years shall be paid along side the above payment plan of arrears.



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

ICC Resolution No. 430

25 May 2007
Original: English

E

International Coffee Council
Ninety-seventh Session
24 and 25 May 2007
London, England

Resolution number 430

APPROVED AT THE SECOND PLENARY MEETING,
25 MAY 2007

**Waiver granted to the Democratic Republic of Congo in respect of
the payment of arrears in contributions
to the Administrative Budget**

WHEREAS:

Paragraph (2) of Article 25 of the International Coffee Agreement 2001 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, both its voting rights in the Council and its right to have its votes cast in the Executive Board shall be suspended until such contribution has been paid;

As at 12 January 2007 the Democratic Republic of Congo had outstanding contributions amounting to £77,200 for 2005/06 and previous years;

The Democratic Republic of Congo has submitted a proposal for the payment of its arrears as shown in document WP-Finance 40/07 (attached); and

In recognition of the commitment by the Democratic Republic of Congo to pay the arrears in accordance with the instalment scheme shown in document WP-Finance 40/07, it is deemed appropriate to restore its voting rights,

THE INTERNATIONAL COFFEE COUNCIL

RESOLVES:

1. To permit the Democratic Republic of Congo to pay its outstanding contributions to the Administrative Budget for 2005/06 and previous years in 8 quarterly instalments of £9,650 each, payable from March 2007.
2. To restore with immediate effect the voting rights of the Democratic Republic of Congo for as long as the above payment plan is maintained and future contributions are paid in accordance with the provisions of Article 25 of the 2001 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 25 of the 2001 Agreement.
4. To request the Executive Director to inform the Executive Board of the Democratic Republic of Congo's compliance with its obligation under paragraph 1 of this Resolution.



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

WP Finance 40/07

17 January 2007
Original: English/French

E

Contributions

Finance Committee
8th Meeting
25 January 2007
London, England

Democratic Republic of Congo

**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 EB-3895/05 Rev. 7), the Democratic Republic of Congo has outstanding contributions of £77,200 as at 12 January 2007 for 2005/06 and previous financial years. Its contribution for the current year, 2006/07, amounts to £8,855, making a total amount due of £86,055.
2. The Democratic Republic of Congo has informed the Executive Director that problems in paying the required contributions have arisen because of budgetary constraints in the last few years.
3. The Democratic Republic of Congo has submitted a letter dated 22 September 2006 requesting the ICO to consider ways of repaying its arrears (see attached Annex I). Following discussions with the representative of this country, a schedule for payment of the arrears by quarterly instalments over two years has been prepared (see attached Annex II). Its contribution for 2006/07 and subsequent years would be paid separately.
4. The Organization has also received a copy of a letter dated 16 December 2006 from the office of the President of the Democratic Republic of the Congo to the Minister of Finance acknowledging the debt and giving instructions for an initial payment of £18,505 to cover the first of the proposed rescheduled payments, as well as the amount representing the 2006/07 contribution. A copy of this letter is attached as Annex III.

Action

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



République Démocratique du Congo
 Ministère des Affaires Etrangères et
 de la Coopération Internationale

N° 130/131.10.4.2/3743 /2006

Le Ministère des Affaires Etrangères et de la Coopération Internationale de la République Démocratique du Congo présente ses compliments à l'Organisation Internationale du Café à Londres a l'honneur de solliciter un échéancier réaliste en vue de permettre au Gouvernement congolais d'être à mesure d'apurer tous les arriérés dus à l'Organisation au courant du premier trimestre de l'exercice 2007.

Le Ministère se fait le devoir de lui rappeler que compte tenu du contexte post-conflit de la République Démocratique du Congo, la situation financière reste pour le moment précaire en attendant son amélioration.

Le Ministère des Affaires Etrangères et de la Coopération Internationale de la République Démocratique du Congo remercie l'Organisation Internationale du Café à Londres de sa patience et saisit cette occasion pour lui renouveler les assurances de sa haute considération.



fait à Kinshasa, le 12 2 SEP 2006

A L'ORGANISATION INTERNATIONALE
 DU CAFE
 A LONDRES

DEMOCRATIC REPUBLIC OF CONGO
MINISTRY OF FOREIGN AFFAIRS AND INTERNATIONAL COOPERATION

Kinshasa, 22 September 2006

International Coffee Organization
London

The Ministry of Foreign Affairs and International Cooperation of the Democratic Republic of Congo presents its compliments to the International Coffee Organization and has the honour to request the Organization to prepare a realistic schedule of payments with a view to enabling the Congolese Government to be in a position to settle all outstanding payments due to the Organization in the course of the first quarter of the 2007 financial year.

The Ministry wishes to remind the Organization that, bearing in mind the post-conflict situation of the Democratic Republic of Congo, the country's financial situation continues to be precarious at present while improvement are awaited.

The Ministry of Foreign Affairs and International Cooperation of the Democratic Republic of Congo thanks the International Coffee Organization for its patience and takes this opportunity to renew the assurances of its highest consideration.

(Duly stamped and initialled by the Ministry)

DEMOCRATIC REPUBLIC OF CONGO**Schedule for repayment of arrears for 2005/06 and previous financial years
to the International Coffee Organization**

Date	£ Amount	£ Balance
		77,200
March 2007	9,650	
June 2007	9,650	
September 2007	9,650	
December 2007	9,650	
March 2008	9,650	
June 2008	9,650	
September 2008	9,650	
December 2008	9,650	
	<hr/>	(77,200)
		<hr/>
		Nil
		<hr/> <hr/>

RÉPUBLIQUE DÉMOCRATIQUE DU CONGO



CABINET DU PRÉSIDENT DE LA RÉPUBLIQUE

LE DIRECTEUR DE CABINET

Kinshasa, le 26 DEC 2006

N/Réf. : 933 /2006

Transmis copie pour information à :

- Son Excellence Monsieur le Président de la République
(Avec l'expression de mes hommages les plus déférents)
- Son Excellence Madame la Ministre des Affaires Etrangères et de la Coopération Internationale
- Son Excellence Monsieur le Ministre du Budget
- Monsieur le Directeur de Cabinet Adjoint du Chef de l'Etat chargé des Questions Gouvernementales et Judiciaires
- Monsieur le Conseiller principal du Chef de l'Etat au Collège Administratif et Juridique
(TOUS) à KINSHASA/GOMBE

A Son Excellence Monsieur le Ministre
des Finances
à KINSHASA/GOMBE

Objet : Cotisations de la RDC au budget de l'OIC

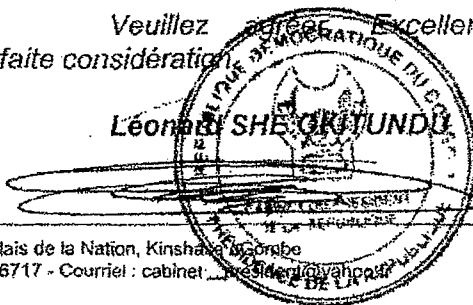
Excellence Monsieur le Ministre,

Le Cabinet du Président de la République a été saisi par le Représentant Permanent de la République Démocratique du Congo auprès de l'Organisation Internationale du Café (OIC), de la situation des arriérés des cotisations de notre pays au budget de cette organisation internationale. Ces arriérés se chiffrent à 77.199,60 £, auxquels il convient d'ajouter 8.855 £ de l'exercice en cours.

Sur instruction du Président de la République, il vous est demandé de payer, à titre dérogatoire par rapport aux récentes mesures conservatoires, avant la fin de ce mois de décembre 2006, un acompte de 18.505 £ et d'étudier un échéancier réaliste en vue de liquider le solde avant fin août 2006.

Veillez, Excellence Monsieur le Ministre, l'assurance de ma parfaite considération

Léonard SHEKUTUNDU



**DEMOCRATIC REPUBLIC OF CONGO
CABINET OF THE PRESIDENT OF THE REPUBLIC**

Kinshasa, 16 December 2006

H.E. The Minister of Finance
Kinshasa/Gombe

Your Excellency,

Subject: Contributions of the DRC to the ICO Budget

The Cabinet of the President of the Republic has been apprised by the Permanent Representative of the Democratic Republic of Congo to the International Coffee Organization (ICO) of the situation regarding the country's outstanding contributions to the Budget of that international organization. The outstanding payments total £77,199.60, to which should be added £8,855 with respect to the current financial year.

On the instructions of the President of the Republic, you are requested to pay, by special dispensation in relation to recent conservative measures, before the end of the month of December 2006, an instalment of £18,505 and to study a realistic schedule of payments with a view to settling payment of the outstanding balance before the end of August 2006.

Please accept, your Excellency, the assurances of my highest consideration.

(signed) Léonard She Okitundu



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

ICC 97-2

25 May 2007
Original: Spanish

E

International Coffee Council
Ninety-seventh Session
24 and 25 May 2007
London, England

**Statement by the Delegate of Ecuador
at the 97th Session of the International
Coffee Council**

Mr. Chairman,

My delegation wishes to take the floor on an extremely important subject. Ecuador participates in this International Organization and expects to continue to do so, in the full conviction that the international system is based on relations among States. To that effect, in keeping with its historical tradition of defending, promoting and strengthening the standards and principles of International Law, Ecuador gives priority in its international policy to the development of democratic mechanisms in multilateral bodies.

For these reasons, Ecuador wishes it to be placed on record that my country considers that in the case of the International Coffee Organization, we are dealing with an intergovernmental organization based on the standards and principles of International Law and that, as a consequence, it is incumbent on this Organization to safeguard standards relating to legal equality among States, non-discrimination among States and the inalienable principle of One Country One Vote.

My delegation therefore expressly rejects any view, declaration or intent designed to establish, in the ICO, mechanisms, policies or procedures opposed to the international juridical order. Furthermore, the Delegation of Ecuador wishes to request that this statement be included in the relevant report on this Council Session.