COFFEE

Agreement Between the
UNITED STATES OF AMERICA
and OTHER GOVERNMENTS

Done at London September 28, 2007

with

Annex

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89—497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . .the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

MULTILATERAL

Coffee

Agreement done at London September 28, 2007;
Entered into force February 2, 2011.
With annex.

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

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Copy of authenticated text

INTERNATIONAL COFFEE AGREEMENT 2007

September 2007
London, England

By Resolution 431, the International Coffee Council approved on 28 September 2007 the text of the International Coffee Agreement 2007, contained in document ICC-98-6. By the same Resolution, the Council requested the Executive Director to prepare the definitive text of the Agreement, and to authenticate this text for transmission to the Depositary. On 25 January 2008, the Council approved Resolution 436, designating the International Coffee Organization as the Depositary for the 2007 Agreement.

This document contains a copy of the text of the International Coffee Agreement 2007 which has been deposited with the International Coffee Organization for signature under the provisions of Article 40 thereof.

INTERNATIONAL COFFEE ORGANIZATION

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London W1T 3DD, England

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INTERNATIONAL COFFEE AGREEMENT 2007

PREAMBLE

The Governments Party to this Agreement,

Recognizing the exceptional importance of coffee to the economies of many countries which are largely dependent upon this commodity for their export earnings and for the achievement of their social and economic development goals;

Recognizing the importance of the coffee sector to the livelihoods of millions of people, particularly in developing countries, and bearing in mind that in many of these countries production is on small-scale family farms;

Recognizing the contribution of a sustainable coffee sector to the achievement of internationally agreed development goals, including the Millennium Development Goals (MDGs), in particular with respect to poverty eradication;

Recognizing the need to foster the sustainable development of the coffee sector, leading to enhanced employment and income, and better living standards and working conditions in Member countries;

Considering that close international cooperation on coffee matters, including international trade, can foster an economically diversified global coffee sector, the economic and social development of producing countries, the development of coffee production and consumption, and improved relations between coffee exporting and importing countries;

Considering that collaboration between Members, international organizations, the private sector and all other stakeholders can contribute to the development of the coffee sector;

Recognizing that increased access to coffee-related information and market-based risk management strategies can help avoid imbalances in the production and consumption of coffee that may give rise to pronounced market volatility which can be harmful to both producers and consumers; and

Noting the advantages derived from the international cooperation which resulted from the operation of the International Coffee Agreements 1962, 1968, 1976, 1983, 1994 and 2001,

Have agreed as follows:

CHAPTER I – OBJECTIVES

ARTICLE 1
Objectives

The objective of this Agreement is to strengthen the global coffee sector and promote its sustainable expansion in a market-based environment for the betterment of all participants in the sector, by:

(1) promoting international cooperation on coffee matters;

(2) providing a forum for consultations on coffee matters among governments, and with the private sector;

(3) encouraging Members to develop a sustainable coffee sector in economic, social and environmental terms;

(4) providing a forum for consultations seeking understanding with regard to the structural conditions in international markets and long-term trends in production and consumption that balance supply and demand, and result in prices fair both to consumers and to producers;

(5) facilitating the expansion and transparency of international trade in all types and forms of coffee, and promoting the elimination of trade barriers;

(6) collecting, disseminating and publishing economic, technical and scientific information, statistics and studies, as well as the results of research and development in coffee matters;

(7) promoting the development of consumption and markets for all types and forms of coffee, including in coffee producing countries;

(8) developing, evaluating and seeking finance for projects that benefit Members and the world coffee economy;

(9) promoting coffee quality with a view to enhancing consumer satisfaction and benefits to producers;

(10) encouraging Members to develop appropriate food safety procedures in the coffee sector;

(11) promoting training and information programmes designed to assist the transfer to Members of technology relevant to coffee;

(12) encouraging Members to develop and implement strategies to enhance the capacity of local communities and small-scale farmers to benefit from coffee production, which can contribute to poverty alleviation; and

(13) facilitating the availability of information on financial tools and services that can assist coffee producers, including access to credit and approaches to managing risk.

CHAPTER II – DEFINITIONS

ARTICLE 2
Definitions

For the purposes of this Agreement:

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

(a) *green coffee* means all coffee in the naked bean form before roasting;
(b) *dried coffee cherry* means the dried fruit of the coffee tree; to find the equivalent of dried coffee cherry to green coffee, multiply the net weight of the dried coffee cherry by 0.50;
(c) *parchment coffee* means the green coffee bean contained in the parchment skin; to find the equivalent of parchment coffee to green coffee, multiply the net weight of the parchment coffee by 0.80;
(d) *roasted coffee* means green coffee roasted to any degree and includes ground coffee;
(e) *decaffeinated coffee* means green, roasted or soluble coffee from which caffeine has been extracted;
(f) *liquid coffee* means the water-soluble solids derived from roasted coffee and put into liquid form; and
(g) *soluble coffee* means the dried water-soluble solids derived from roasted coffee.

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

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

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

(5) *Contracting Party* means a Government, the European Community or any intergovernmental organization referred to in paragraph (3) of Article 4 which has deposited an instrument of ratification, acceptance, approval or notification of provisional application of this Agreement in accordance with the provisions of Articles 40, 41 and 42 or has acceded thereto in accordance with the provisions of Article 43.

(6) *Member* means a Contracting Party.

(7) *Exporting Member* or *exporting country* means a Member or country, respectively, which is a net exporter of coffee; that is, a Member or country whose exports exceed its imports.

(8) *Importing Member* or *importing country* means a Member or country, respectively, which is a net importer of coffee; that is, a Member or country whose imports exceed its exports.

(9) *Distributed majority vote* means a vote requiring 70% or more of the votes of exporting Members present and voting and 70% or more of the votes of importing Members present and voting, counted separately.

(10) *Depositary* means the intergovernmental organization or Contracting Party to the International Coffee Agreement 2001 designated by decision of the Council under the International Coffee Agreement 2001, to be taken by consensus before 31 January 2008. Such decision shall form an integral part of this Agreement.

CHAPTER III – GENERAL UNDERTAKINGS BY MEMBERS

ARTICLE 3
General undertakings by Members

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

(2) Members recognize that Certificates of Origin are important sources of information on the trade in coffee. Exporting Members, therefore, assume responsibility for ensuring the proper issuing and use of Certificates of Origin according to the rules established by the Council.

(3) Members recognize further that information on re-exports is also important for the proper analysis of the world coffee economy. Importing Members, therefore, undertake to supply regular and accurate information on re-exports, in the form and manner determined by the Council.

CHAPTER IV – MEMBERSHIP

ARTICLE 4
Membership of the Organization

(1) Each Contracting Party shall constitute a single Member of the Organization.

(2) A Member may change its category of membership on such conditions as the Council may agree.

(3) Any reference in this Agreement to a Government shall be construed as including the European Community and any intergovernmental organization having exclusive competence in respect of the negotiation, conclusion and application of this Agreement.

ARTICLE 5
Group membership

Two or more Contracting Parties may, by appropriate notification to the Council and to the Depositary, which will take effect on a date to be specified by the Contracting Parties concerned and on conditions agreed by the Council, declare that they are participating in the Organization as a Member group.

CHAPTER V – THE INTERNATIONAL COFFEE ORGANIZATION

ARTICLE 6
Seat and structure of the International Coffee Organization

(1) The International Coffee Organization established under the International Coffee Agreement 1962 shall continue in being to administer the provisions and supervise the operation of this Agreement.

(2) The seat of the Organization shall be in London unless the Council decides otherwise.

(3) The highest authority of the Organization shall be the International Coffee Council. The Council shall be assisted as appropriate by the Finance and Administration Committee, the Promotion and Market Development Committee and the Projects Committee. The Council shall also be advised by the Private Sector Consultative Board, the World Coffee Conference and the Consultative Forum on Coffee Sector Finance.

ARTICLE 7
Privileges and immunities

(1) The Organization shall have legal personality. It shall in particular have the capacity to contract, acquire and dispose of movable and immovable property and to institute legal proceedings.

(2) The status, privileges and immunities of the Organization, of its Executive Director, its staff and experts, and of representatives of Members while in the territory of the host country for the purpose of exercising their functions, shall be governed by a Headquarters Agreement concluded between the host Government and the Organization.

(3) The Headquarters Agreement referred to in paragraph (2) of this Article shall be independent of this Agreement. It shall however terminate:

(a) by agreement between the host Government and the Organization;
(b) in the event of the headquarters of the Organization being moved from the territory of the host Government; or
(c) in the event of the Organization ceasing to exist.

(4) The Organization may conclude with one or more other Members agreements to be approved by the Council relating to such privileges and immunities as may be necessary for the proper functioning of this Agreement.

(5) The Governments of Member countries other than the host Government shall grant the Organization the same facilities in respect of currency or exchange restrictions, maintenance of bank accounts and transfer of monies, as are accorded to the specialized agencies of the United Nations.

CHAPTER VI – THE INTERNATIONAL COFFEE COUNCIL

ARTICLE 8
Composition of the International Coffee Council

(1) The International Coffee Council shall consist of all the Members of the Organization.

(2) Each Member shall appoint one representative on the Council and, if it so desires, one or more alternates. A Member may also designate one or more advisers to its representative or alternates.

ARTICLE 9
Powers and functions of the Council

(1) All powers specifically conferred by this Agreement shall be vested in the Council, which shall perform the functions necessary to carry out the provisions of this Agreement.

(2) The Council may establish and dissolve Committees and subsidiary bodies, as appropriate, other than those provided for in paragraph (3) of Article 6.

(3) The Council shall establish such rules and regulations, including its own rules of procedure and the financial and staff regulations of the Organization, as are necessary to carry out the provisions of this Agreement and are consistent therewith. The Council may, in its rules of procedure, provide the means whereby it may, without meeting, decide specific questions.

(4) The Council shall establish on a regular basis a strategic action plan to guide its work and identify priorities, including priorities for project activities undertaken pursuant to Article 28 and studies, surveys and reports undertaken pursuant to Article 34. Priorities identified in the action plan shall be reflected in the annual work programmes approved by the Council.

(5) The Council shall also keep such records as are required to perform its functions under this Agreement and such other records as it considers desirable.

ARTICLE 10
Chairman and Vice-Chairman of the Council

(1) The Council shall elect, for each coffee year, a Chairman and a Vice-Chairman who shall not be paid by the Organization.

(2) The Chairman shall be elected either from among the representatives of exporting Members or from among the representatives of importing Members and the Vice-Chairman shall be elected from among representatives of the other category of Member. These offices shall alternate each coffee year between the two categories of Member.

(3) Neither the Chairman nor the Vice-Chairman acting as Chairman shall have the right to vote. His or her alternate will in such case exercise the voting rights of the Member.

ARTICLE 11
Sessions of the Council

(1) The Council shall hold two regular sessions a year and special sessions should it so decide. It may hold special sessions at the request of any ten Members. Notice of sessions shall be given at least 30 days in advance except in cases of emergency when such notice shall be given at least 10 days in advance.

(2) Sessions shall be held at the seat of the Organization, unless the Council decides otherwise. If a Member invites the Council to meet in its territory, and the Council agrees, the additional costs to the Organization involved above those incurred when the session is held at the seat shall be borne by that Member.

(3) The Council may invite any non-member country or any of the organizations referred to in Articles 15 and 16 to attend any of its sessions as an observer. At each session, the Council shall decide on the admission of observers.

(4) The quorum required for a Council session to take decisions shall be the presence of more than half of the number of exporting and importing Members representing respectively at least two-thirds of the votes for each category. If on the opening of a Council session or of any plenary meeting there is no quorum, the Chairman shall postpone the opening of the session or plenary meeting for at least two hours. If there is still no quorum at the new time set, the Chairman may again postpone the opening of the session or plenary meeting for at least a further two hours. If at the end of this new postponement there is still no quorum, the matter on which decisions are required shall be deferred to the next session of the Council.

ARTICLE 12
Votes

(1) The exporting Members shall together hold 1,000 votes and the importing Members shall together hold 1,000 votes, distributed within each category of Member – that is, exporting and importing Members, respectively – as provided for in the following paragraphs of this Article.

(2) Each Member shall have five basic votes.

(3) The remaining votes of exporting Members shall be divided among such Members in proportion to the average volume of their respective exports of coffee to all destinations in the preceding four calendar years.

(4) The remaining votes of importing Members shall be divided among such Members in proportion to the average volume of their respective imports of coffee in the preceding four calendar years.

(5) The European Community or any intergovernmental organization as defined in paragraph (3) of Article 4 shall hold votes as a single Member; it shall have five basic votes and additional votes in proportion to the average volume of its imports or exports of coffee, in the preceding four calendar years.

(6) The distribution of votes shall be determined by the Council in accordance with the provisions of this Article at the beginning of each coffee year and shall remain in effect during that year, except as provided for in paragraph (7) of this Article.

(7) The Council shall provide for the redistribution of votes in accordance with the provisions of this Article whenever there is a change in the membership of the Organization or if the voting rights of a Member are suspended or regained under the provisions of Article 21.

(8) No Member shall hold two-thirds or more of the votes in its category.

(9) There shall be no fractional votes.

ARTICLE 13
Voting procedure of the Council

(1) Each Member shall be entitled to cast the number of votes it holds and shall not be entitled to divide its votes. However, a Member may cast differently any votes which it holds under the provisions of paragraph (2) of this Article.

(2) Any exporting Member may authorize in writing any other exporting Member, and any importing Member may authorize in writing any other importing Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Council.

ARTICLE 14
Decisions of the Council

(1) The Council shall endeavour to take all decisions and to make all recommendations by consensus. If consensus cannot be reached, the Council shall take decisions and make recommendations by a distributed majority vote of 70% or more of exporting Members, present and voting, and 70% or more of importing Members, present and voting, counted separately.

(2) The following procedure shall apply with respect to any decision by the Council taken by a distributed majority vote:

(a) if a distributed majority vote is not obtained because of the negative vote of three or less exporting or three or less importing Members, the proposal shall, if the Council so decides by a majority of the Members present, be put to a vote again within 48 hours; and

(b) if a distributed majority vote is again not obtained, the proposal shall be considered not approved.

(3) Members are committed to accept as binding all decisions of the Council under the provisions of this Agreement.

ARTICLE 15
Cooperation with other organizations

(1) The Council may make arrangements for consultation and cooperation with the United Nations and its specialized agencies; other appropriate intergovernmental organizations; and relevant international and regional organizations. It shall take full advantage of the facilities of the Common Fund for Commodities and other sources of funding. Such arrangements may include financial arrangements which the Council considers appropriate for achieving the objectives of this Agreement. However, in respect of the implementation of any project under such arrangements the Organization shall not incur any financial obligations for guarantees given by individual Members or other entities. No Member shall be responsible by reason of its membership of the Organization for any liability arising from borrowing or lending by any other Member or entity in connection with such projects.

(2) Where possible, the Organization may also collect from Members, non-members, and from donor and other agencies, information on development projects and programmes focussing on the coffee sector. Where appropriate, and with the agreement of the parties concerned, the Organization may make this information available to such other organizations as well as to Members.

ARTICLE 16
Cooperation with non-governmental organizations

In pursuing the objectives of this Agreement, the Organization may, without prejudice to the provisions of Articles 15, 29, 30 and 31, establish and strengthen cooperative activities with appropriate non-governmental organizations having expertise in relevant aspects of the coffee sector and with other experts in coffee matters.

CHAPTER VII – THE EXECUTIVE DIRECTOR AND THE STAFF

ARTICLE 17
The Executive Director and the staff

(1) The Council shall appoint the Executive Director. The terms of appointment of the Executive Director shall be established by the Council and shall be comparable to those applying to corresponding officials of similar intergovernmental organizations.

(2) The Executive Director shall be the chief administrative officer of the Organization and shall be responsible for the performance of any duties devolving upon him in the administration of this Agreement.

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

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

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

CHAPTER VIII – FINANCE AND ADMINISTRATION

ARTICLE 18
Finance and Administration Committee

A Committee on Finance and Administration shall be established. The Council shall determine its composition and mandate. This Committee shall be responsible for supervising the preparation of the Administrative Budget to be presented to the Council for approval, and carrying out any other tasks which the Council assigns to it which shall include monitoring income and expenditure and matters related to the administration of the Organization. The Finance and Administration Committee shall report on its proceedings to the Council.

ARTICLE 19
Finance

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

(2) The other expenses necessary for the administration of this Agreement shall be met by annual contributions from Members assessed in accordance with the provisions of Article 20, together with revenues from sales of specific services to Members and the sale of information and studies generated under the provisions of Articles 32 and 34.

(3) The financial year of the Organization shall be the same as the coffee year.

ARTICLE 20
Determination of the Administrative Budget and assessment of contributions

(1) During the second half of each financial year, the Council shall approve the Administrative Budget of the Organization for the following financial year and shall assess the contribution of each Member to that Budget. A draft Administrative Budget shall be prepared by the Executive Director under the supervision of the Finance and Administration Committee in accordance with the provisions of Article 18.

(2) The contribution of each Member to the Administrative Budget for each financial year shall be in the proportion which the number of its votes at the time the Administrative Budget for that financial year is approved bears to the total votes of all the Members. However, if there is any change in the distribution of votes among Members in accordance with the provisions of paragraph (6) of Article 12 at the beginning of the financial year for which contributions are assessed, such contributions shall be correspondingly adjusted for that year. In determining contributions, the votes of each Member shall be calculated without regard to the suspension of the voting rights of any Member or any redistribution of votes resulting therefrom.

(3) The initial contribution of any Member joining the Organization after the entry into force of this Agreement as provided for in Article 42 shall be assessed by the Council on the basis of the number of votes to be held by it and the period remaining in the current financial year, but the assessments made upon other Members for the current financial year shall not be altered.

ARTICLE 21
Payment of contributions

(1) Contributions to the Administrative Budget for each financial year shall be payable in freely convertible currency and shall become due on the first day of that financial year.

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

(3) Any Member whose voting rights have been suspended under the provisions of paragraph (2) of this Article shall nevertheless remain responsible for the payment of its contribution.

ARTICLE 22
Liabilities

(1) The Organization, functioning as specified in paragraph (3) of Article 6, shall not have power to incur any obligation outside the scope of this Agreement, and shall not be taken to have been authorized by the Members to do so; in particular, it shall not have the capacity to borrow money. In exercising its capacity to contract, the Organization shall incorporate in its contracts the terms of this Article in such a way as to bring them to the notice of the other parties entering into contracts with the Organization, but any failure to incorporate such terms shall not invalidate such a contract or render it *ultra vires*.

(2) A Member's liability is limited to the extent of its obligations regarding contributions specifically provided for in this Agreement. Third parties dealing with the Organization shall be deemed to have notice of the provisions of this Agreement regarding the liabilities of Members.

ARTICLE 23
Audit and publication of accounts

As soon as possible and not later than six months after the close of each financial year, an independently audited statement of the Organization's assets, liabilities, income and expenditure during that financial year shall be prepared. This statement shall be presented to the Council for approval at its earliest forthcoming session.

CHAPTER IX – PROMOTION AND MARKET DEVELOPMENT

ARTICLE 24
Removal of obstacles to trade and consumption

(1) Members recognize the importance of the sustainable development of the coffee sector and of the removal of current obstacles and avoidance of new obstacles which may hinder trade and consumption, while recognizing at the same time the right of Members to regulate, and to introduce new regulations, in order to meet national health and environmental policy objectives, consistent with their commitments and obligations under international agreements, including those related to international trade.

(2) Members recognize that there are at present in effect measures which may to a greater or lesser extent hinder the increase in consumption of coffee, in particular:

(a) import arrangements applicable to coffee, including preferential and other tariffs, quotas, operations of government monopolies and official purchasing agencies, and other administrative rules and commercial practices;
(b) export arrangements as regards direct or indirect subsidies and other administrative rules and commercial practices; and
(c) internal trade conditions and domestic and regional legal and administrative provisions which may affect consumption.

(3) Having regard to the objectives stated above and to the provisions of paragraph (4) of this Article, Members shall endeavour to pursue tariff reductions on coffee or to take other action to remove obstacles to increased consumption.

(4) Taking into account their mutual interest, Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article may be progressively reduced and eventually, wherever possible, eliminated, or by which the effects of such obstacles may be substantially diminished.

(5) Taking into account any commitments undertaken under the provisions of paragraph (4) of this Article, Members shall inform the Council annually of all measures adopted with a view to implementing the provisions of this Article.

(6) The Executive Director shall prepare periodically a survey of the obstacles to consumption to be reviewed by the Council.

(7) The Council may, in order to further the purposes of this Article, make recommendations to Members, which shall report as soon as possible to the Council on the measures adopted with a view to implementing such recommendations.

ARTICLE 25
Promotion and market development

(1) Members recognize the benefits, both to exporting and importing Members, from efforts to promote consumption, improve the quality of the product, and develop markets for coffee, including in exporting Members.

(2) Promotion and market development activities may include information campaigns, research, capacity-building and studies related to coffee production and consumption.

(3) Such activities may be included in the Council's annual work programme or among the project activities of the Organization referred to in Article 28 and may be financed by voluntary contributions from Members, non-members, other organizations and the private sector.

(4) A Committee on Promotion and Market Development shall be established. The Council shall determine its composition and mandate.

ARTICLE 26
Measures related to processed coffee

Members recognize the need of developing countries to broaden the base of their economies through, *inter alia,* industrialization and the export of manufactured products, including the processing of coffee and the export of processed coffee, as referred to in sub-paragraphs (d), (e), (f) and (g) of paragraph (1) of Article 2. In this connection, Members should avoid the adoption of governmental measures which could cause disruption to the coffee sector of other Members.

ARTICLE 27
Mixtures and substitutes

(1) Members shall not maintain any regulations requiring the mixing, processing or using of other products with coffee for commercial resale as coffee. Members shall endeavour to prohibit the sale and advertisement of products under the name of coffee if such products contain less than the equivalent of 95% green coffee as the basic raw material.

(2) The Executive Director shall submit to the Council a periodic report on compliance with the provisions of this Article.

CHAPTER X – PROJECT ACTIVITIES OF THE ORGANIZATION

ARTICLE 28
Development and funding of projects

(1) Members and the Executive Director may submit project proposals which contribute to the achievement of the objectives of this Agreement and one or more of the priority areas for work identified in the strategic action plan approved by the Council pursuant to Article 9.

(2) The Council shall establish procedures and mechanisms for submitting, appraising, approving, prioritizing and funding projects, as well as for their implementation, monitoring and evaluation, and wide dissemination of results.

(3) At each session of the Council the Executive Director shall report on the status of all projects approved by the Council, including those awaiting financing, under implementation, or completed since the previous Council session.

(4) A Committee on Projects shall be established. The Council shall determine its composition and mandate.

CHAPTER XI – THE PRIVATE COFFEE SECTOR

ARTICLE 29
The Private Sector Consultative Board

(1) The Private Sector Consultative Board (hereinafter referred to as the PSCB) shall be a consultative body which may make recommendations on any consultations made by the Council and may invite the Council to give consideration to matters related to this Agreement.

(2) The PSCB shall consist of eight representatives of the private sector in exporting countries and eight representatives of the private sector in importing countries.

(3) The PSCB members shall be representatives of associations or bodies designated by the Council every two coffee years, and may be re-appointed. The Council in so doing shall endeavour to designate:

(a) two private sector coffee associations or bodies from exporting countries or regions representing each of the four groups of coffee, preferably representing both growers and exporters, together with one or more alternates for each representative; and

(b) eight private sector coffee associations or bodies from importing countries, whether Members or non-members, preferably representing both importers and roasters, together with one or more alternates for each representative.

(4) Each member of the PSCB may designate one or more advisers.

(5) The PSCB shall have a Chairman and a Vice-Chairman elected from among its members, for a period of one year. These officers may be re-elected. The Chairman and the Vice-Chairman shall not be paid by the Organization. The Chairman shall be invited to participate in meetings of the Council as an observer.

(6) The PSCB shall normally meet at the seat of the Organization, during regular sessions of the Council. In case of acceptance by the Council of an invitation by a Member to hold a meeting in its territory, the PSCB shall also meet in that territory, in which case the additional costs to the Organization involved above those incurred when the meeting is held at the seat of the Organization shall be borne by the country or private sector organization hosting the meeting.

(7) The PSCB may hold special meetings subject to approval by the Council.

(8) The PSCB shall submit regular reports to the Council.

(9) The PSCB shall establish its own rules of procedure, consistent with the provisions of this Agreement.

ARTICLE 30
The World Coffee Conference

(1) The Council shall make arrangements to hold, at appropriate intervals, a World Coffee Conference (hereinafter referred to as the Conference), which shall be composed of exporting and importing Members, private sector representatives, and other interested participants, including participants from non-member countries. The Council, in coordination with the Chairman of the Conference, shall ensure that the Conference contributes to furthering the objectives of this Agreement.

(2) The Conference shall have a Chairman who shall not be paid by the Organization. The Chairman shall be appointed by the Council for an appropriate period, and shall be invited to participate in meetings of the Council as an observer.

(3) The Council shall decide on the form, title, subject matter and timing of the Conference, in consultation with the Private Sector Consultative Board. The Conference shall be held normally at the seat of the Organization, during a session of the Council. If the Council decides to accept an invitation by a Member to hold a session in its territory, the Conference may also be held in that territory, in which case the additional costs to the Organization involved above those incurred when the session is held at the seat of the Organization shall be borne by the country hosting the session.

(4) Unless the Council decides otherwise, the Conference shall be self-financing.

(5) The Chairman shall report to the Council on the conclusions of the Conference.

ARTICLE 31
The Consultative Forum on Coffee Sector Finance

(1) The Council shall convene, at appropriate intervals and in cooperation with other relevant organizations, a Consultative Forum on Coffee Sector Finance (hereinafter referred to as the Forum) to facilitate consultations on topics related to finance and risk management in the coffee sector, with a particular emphasis on the needs of small- and medium-scale producers and local communities in coffee producing areas.

(2) The Forum shall include representatives of Members, intergovernmental organizations, financial institutions, the private sector, non-governmental organizations, interested non-member countries and others with relevant expertise. Unless the Council decides otherwise, the Forum shall be self-financing.

(3) The Council shall establish rules of procedure for the functioning of the Forum, the designation of the Chairman and the wide dissemination of its results, using where appropriate mechanisms established in accordance with the provisions of Article 34. The Chairman shall report to the Council on the results of the Forum.

CHAPTER XII – STATISTICAL INFORMATION, STUDIES AND SURVEYS

ARTICLE 32
Statistical information

(1) The Organization shall act as a centre for the collection, exchange and publication of:

(a) statistical information on world production, prices, exports, imports and re-exports, distribution and consumption of coffee, including information on production, consumption, trade and prices for coffees in different market categories and products containing coffee; and

(b) in so far as is considered appropriate, technical information on the cultivation, processing and utilization of coffee.

(2) The Council may require Members to furnish such information as it considers necessary for its operations, including regular statistical reports on coffee production, production trends, exports, imports and re-exports, distribution, consumption, stocks, prices and taxation, but no information shall be published which might serve to identify the operations of persons or companies producing, processing or marketing coffee. Members, in so far as is possible, shall furnish information requested in as detailed, timely and accurate a manner as is practicable.

(3) The Council shall establish a system of indicator prices and shall provide for the publication of a daily composite indicator price which should reflect actual market conditions.

(4) If a Member fails to supply or finds difficulty in supplying within a reasonable time statistical and other information required by the Council for the proper functioning of the Organization, the Council may require the Member concerned to explain the reasons for non-compliance. The Member may also inform the Council of its difficulty and request technical assistance.

(5) If it is found that technical assistance is needed in the matter, or if a Member has not furnished, for two consecutive years, the statistical information required under paragraph (2) of this Article and has not sought the assistance of the Council or has not explained the reasons for non-compliance, the Council may take initiatives likely to lead such a Member to furnish the required information.

ARTICLE 33
Certificates of Origin

(1) In order to facilitate the collection of statistics on the international coffee trade and to ascertain the quantities of coffee which have been exported by each exporting Member, the Organization shall establish a system of Certificates of Origin, governed by rules approved by the Council.

(2) Every export of coffee by an exporting Member shall be covered by a valid Certificate of Origin. Certificates of Origin shall be issued, in accordance with the rules established by the Council, by a qualified agency chosen by the Member and approved by the Organization.

(3) Each exporting Member shall notify the Organization of the government or non-governmental agency which is to perform the functions specified in paragraph (2) of this Article. The Organization shall specifically approve a non-governmental agency in accordance with the rules approved by the Council.

(4) An exporting Member, on an exceptional basis and with proper justification, may submit, for approval by the Council, a request to allow data conveyed in Certificates of Origin concerning its exports of coffee to be transmitted to the Organization using an alternative method.

ARTICLE 34
Studies, surveys and reports

(1) In order to assist Members, the Organization shall promote the preparation of studies, surveys, technical reports and other documents concerning relevant aspects of the coffee sector.

(2) This may include work on the economics of coffee production and distribution, analysis of the coffee value chain, approaches to managing financial and other risks, the impact of governmental measures on the production and consumption of coffee, sustainability aspects of the coffee sector, links between coffee and health and the opportunities for expansion of coffee markets for traditional and possible new uses.

(3) Information collected, compiled, analysed and disseminated may also include, where technically feasible:

(a) quantities and prices of coffees relating to factors such as different geographic areas and quality-related conditions of production; and

(b) information on market structures, niche markets and emerging trends in production and consumption.

(4) In order to carry out the provisions of paragraph (1) of this Article, the Council shall adopt an annual work programme of studies, surveys and reports, with estimated resource requirements. These activities shall be financed either from provisions within the Administrative Budget or from extrabudgetary sources.

(5) The Organization shall place particular emphasis on facilitating access to information by small coffee producers to assist them in improving their financial performance, including managing credit and risk.

CHAPTER XIII – GENERAL PROVISIONS

ARTICLE 35
Preparations for a new Agreement

(1) The Council may examine the possibility of negotiating a new International Coffee Agreement.

(2) In order to carry out this provision, the Council shall examine the progress made by the Organization in achieving the objectives of this Agreement as specified in Article 1.

ARTICLE 36
Sustainable coffee sector

Members shall give due consideration to the sustainable management of coffee resources and processing, bearing in mind the principles and objectives on sustainable development contained in Agenda 21 adopted by the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992 and those adopted at the World Summit on Sustainable Development held in Johannesburg in 2002.

ARTICLE 37
Standard of living and working conditions

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

CHAPTER XIV – CONSULTATIONS, DISPUTES AND COMPLAINTS

ARTICLE 38
Consultations

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

ARTICLE 39
Disputes and complaints

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

(2) The Council shall establish a disputes and complaints settlement procedure.

CHAPTER XV – FINAL PROVISIONS

ARTICLE 40
Signature and ratification, acceptance or approval

(1) Except as otherwise provided, this Agreement shall be open for signature at the Depositary headquarters from 1 February 2008 until and including 31 August 2008 by Contracting Parties to the International Coffee Agreement 2001 and Governments invited to the session of the Council at which this Agreement was adopted.

(2) This Agreement shall be subject to ratification, acceptance or approval by the signatory Governments in accordance with their respective legal procedures.

(3) Except as provided for in Article 42, instruments of ratification, acceptance or approval shall be deposited with the Depositary not later than 30 September 2008. However, the Council may decide to grant extensions of time to signatory Governments which are unable to deposit their instruments by that date. Such decisions shall be transmitted by the Council to the Depositary.

(4) Upon signature and ratification, acceptance or approval, or notification of provisional application, the European Community shall deposit a declaration with the Depositary confirming its exclusive competence over matters governed by this Agreement. The member States of the European Community shall not be eligible to become Contracting Parties to the Agreement.

ARTICLE 41
Provisional application

A signatory Government which intends to ratify, accept or approve this Agreement may, at any time, notify the Depositary that it will apply this Agreement provisionally in accordance with its legal procedures.

ARTICLE 42
Entry into force

(1) This Agreement shall enter into force definitively when signatory Governments holding at least two-thirds of the votes of the exporting Members and signatory Governments holding at least two-thirds of the votes of the importing Members, calculated as at 28 September 2007, without reference to possible suspension under the terms of Article 21,

have deposited instruments of ratification, acceptance or approval. Alternatively, it shall enter into force definitively at any time if it is provisionally in force in accordance with the provisions of paragraph (2) of this Article and these percentage requirements are satisfied by the deposit of instruments of ratification, acceptance or approval.

(2) If this Agreement has not entered into force definitively by 25 September 2008, it shall enter into force provisionally on that date, or on any date within twelve months thereafter, if signatory Governments holding votes as described in paragraph (1) of this Article, have deposited instruments of ratification, acceptance or approval, or have notified the Depositary in accordance with the provisions of Article 41.

(3) If this Agreement has entered into force provisionally but has not entered into force definitively by 25 September 2009, it shall cease to be in force provisionally unless those signatory Governments which have deposited instruments of ratification, acceptance or approval, or have notified the Depositary in accordance with the provisions of Article 41, decide, by mutual consent, that it shall continue in force provisionally for a specific period of time. Such signatory Governments may also decide, by mutual consent, that this Agreement shall enter into force definitively among themselves.

(4) If this Agreement has not entered into force definitively or provisionally by 25 September 2009 under the provisions of paragraph (1) or (2) of this Article, those signatory Governments which have deposited instruments of ratification, acceptance or approval, in accordance with their laws and regulations, may, by mutual consent, decide that it shall enter into force definitively among themselves.

ARTICLE 43
Accession

(1) Except as otherwise provided for in this Agreement, the Government of any State member of the United Nations or of any of its specialized agencies or any intergovernmental organization described in paragraph (3) of Article 4 may accede to this Agreement in accordance with procedures which shall be established by the Council.

(2) Instruments of accession shall be deposited with the Depositary. The accession shall take effect upon deposit of the instrument.

(3) Upon deposit of an instrument of accession, any intergovernmental organization referred to in paragraph (3) of Article 4 shall deposit a declaration confirming its exclusive competence over matters governed by this Agreement. The member States of such organization shall not be eligible to become Contracting Parties to this Agreement.

ARTICLE 44
Reservations

Reservations may not be made with respect to any of the provisions of this Agreement.

ARTICLE 45
Voluntary withdrawal

Any Contracting Party may withdraw from this Agreement at any time by giving a written notice of withdrawal to the Depositary. Withdrawal shall become effective 90 days after the notice is received.

ARTICLE 46
Exclusion

If the Council decides that any Member is in breach of its obligations under this Agreement and decides further that such breach significantly impairs the operation of this Agreement, it may exclude such Member from the Organization. The Council shall immediately notify the Depositary of any such decision. Ninety days after the date of the Council's decision, such Member shall cease to be a Member of the Organization and a Party to this Agreement.

ARTICLE 47
Settlement of accounts with withdrawing or excluded Members

(1) The Council shall determine any settlement of accounts with a withdrawing or excluded Member. The Organization shall retain any amounts already paid by a withdrawing or excluded Member and such Member shall remain bound to pay any amounts due from it to the Organization at the time the withdrawal or the exclusion becomes effective; provided, however, that in the case of a Contracting Party which is unable to accept an amendment and consequently ceases to participate in this Agreement under the provisions of paragraph (2) of Article 49, the Council may determine any settlement of accounts which it finds equitable.

(2) A Member which has ceased to participate in this Agreement shall not be entitled to any share of the proceeds of liquidation or the other assets of the Organization; nor shall it be liable for payment of any part of the deficit, if any, of the Organization upon termination of this Agreement.

ARTICLE 48
Duration, extension and termination

(1) This Agreement shall remain in force for a period of ten years after it enters into force provisionally or definitively unless extended under the provisions of paragraph (3) of this Article or terminated under the provisions of paragraph (4) of this Article.

(2) The Council shall review this Agreement five years after its entry into force and shall take decisions as appropriate.

(3) The Council may decide to extend this Agreement beyond its expiry date for one or more successive periods not to exceed eight years in total. Any Member which does not accept any such extension of this Agreement shall so inform the Council and the Depositary in writing before the commencement of the period of extension and shall cease to be a Party to this Agreement from the beginning of the period of extension.

(4) The Council may at any time decide to terminate this Agreement. Termination shall take effect on such date as the Council shall decide.

(5) Notwithstanding the termination of this Agreement, the Council shall remain in being for as long as necessary to take such decisions as are needed during the period of time required for the liquidation of the Organization, settlement of its accounts and disposal of its assets.

(6) Any decision taken with respect to the duration and/or termination of this Agreement and any notification received by the Council pursuant to this Article shall be duly transmitted by the Council to the Depositary.

ARTICLE 49
Amendment

(1) The Council may propose an amendment of the Agreement and shall communicate such proposal to all Contracting Parties. The amendment shall enter into force for all Members of the Organization 100 days after the Depositary has received notifications of acceptance from Contracting Parties holding at least two-thirds of the votes of the exporting Members, and from Contracting Parties holding at least two-thirds of the votes of the importing Members. The two-thirds percentage referred to herein shall be calculated based upon the number of Contracting Parties to the Agreement at the time that the proposal of the amendment was circulated to the Contracting Parties concerned for acceptance. The Council shall fix a time within which Contracting Parties shall notify the Depositary of their acceptance of the amendment, which shall be communicated by the Council to all

Contracting Parties and the Depositary. If, on expiry of such time limit, the percentage requirements for the entry into effect of the amendment have not been met, the amendment shall be considered withdrawn.

(2) Unless the Council decides otherwise, any Contracting Party which has not notified acceptance of an amendment within the period fixed by the Council shall cease to be a Contracting Party to this Agreement from the date on which such amendment becomes effective.

(3) The Council shall notify the Depositary of any amendments distributed to the Contracting Parties under this Article.

ARTICLE 50
Supplementary and transitional provision

All acts by or on behalf of the Organization or any of its organs under the International Coffee Agreement 2001 shall remain in effect until the entry into force of this Agreement.

ARTICLE 51
Authentic texts of the Agreement

The texts of this Agreement in the English, French, Portuguese and Spanish languages shall all be equally authentic. The originals shall be deposited with the Depositary.

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

NOTE: English language will be printed in this publication.

ANNEX

CONVERSION FACTORS FOR ROASTED, DECAFFEINATED, LIQUID AND SOLUBLE COFFEE AS DEFINED IN THE INTERNATIONAL COFFEE AGREEMENT 2001

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

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

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

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

I hereby certify that the foregoing is a true copy of the International Coffee Agreement 2007, adopted by Resolution 431 of the International Coffee Council on 28 September 2007 at its 98th Session, the original of which is deposited with the International Coffee Organization.

Néstor Osorio
Executive Director
International Coffee Organization

London, 25 January 2008