

No. 9262

MULTILATERAL

**International Coffee Agreement, 1968 (with annexes). Open
for signature at New York from 18 to 31 March 1968**

Official texts: English, French, Portuguese, Russian and Spanish.

Registered ex officio on 1 October 1968.

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**Accord international de 1968 sur le café (avec annexes).
Ouvert à la signature à New York du 18 au 31 mars 1968**

Textes officiels anglais, français, portugais, russe et espagnol.

Enregistré d'office le 1^{er} octobre 1968.

No. 9262. INTERNATIONAL COFFEE AGREEMENT, 1968^{1, 2}
OPENED FOR SIGNATURE AT NEW YORK FROM 18
TO 31 MARCH 1968

PREAMBLE

The Governments Parties 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 thus for the continuation of their development programmes in the social and economic fields;

Considering that close international co-operation on coffee marketing will stimulate the economic diversification and development of coffee-producing countries and thus contribute to a strengthening of the political and economic bonds between producers and consumers;

Finding reason to expect a tendency toward persistent disequilibrium between production and consumption, accumulation of burdensome stocks, and pronounced fluctuations in prices, which can be harmful both to producers and to consumers;

Believing that, in the absence of international measures, this situation cannot be corrected by normal market forces; and

Noting the renegotiation by the International Coffee Council of the International Coffee Agreement, 1962,³

¹ The Agreement was approved by the International Coffee Council in resolution number 164, adopted on 19 February 1968 at the twenty-third plenary meeting of its eleventh session (3rd part), held at London from 15 to 19 February 1968. In that resolution, referring to the fact that the International Coffee Agreement, 1962 (see footnote 3 below), was due to expire on 30 September 1968, and that under the provisions of paragraph (2) of article 7 it had been renegotiated to continue on the basis of an agreed text, the Council resolved, *inter alia*, "to approve for submission to the Contracting Parties for signature, the proposed International Coffee Agreement, 1968, as contained in documents ICC-11-26, Rev.1 and ICC-11-26, Rev.1, Add.1 and as amended and corrected by document ICC-11-32, the definitive text of which shall be authenticated by the Executive Director in consultation with a Drafting Group composed of Brazil, Colombia, OAMCAF and the United States".

On 6 March 1968, the Executive Director of the International Coffee Organization transmitted to the Secretary-General of the United Nations, the authenticated text of the Agreement in the English, French, Portuguese and Spanish languages, requesting him to establish the authentic text in the Russian language. The Agreement, in all five authentic languages, was opened for signature at the Headquarters of the United Nations, New York, on 18 March 1968.

² The Agreement came into force provisionally on 1 October 1968, in accordance with article 62, paragraphs (1) and (2), among the Governments representing at least twenty exporting Members and at least ten importing Members, each of the two categories holding at least 80 per cent of the votes as distributed in Annex C, that had by that date deposited with the Secretary-General their instruments of approval, ratification or acceptance or had notified him, pursuant to paragraph (2) of article 62, of an undertaking to apply the Agreement provisionally and to seek approval, ratification or acceptance thereof in accordance with their constitutional procedures, as rapidly as possible. For the list of the States concerned, see p. 250 of this volume.

³ United Nations, *Treaty Series*, Vol. 469, p. 169; for subsequent actions relating to this Agreement, see references in Cumulative Indexes Nos. 5 to 7, as well as Annex A in volumes 555, 583, 588, 595, 598, 607, 608, 620 and 635.

Have agreed as follows:

CHAPTER I

OBJECTIVES

Article 1

OBJECTIVES

The objectives of the Agreement are:

(1) to achieve a reasonable balance between supply and demand on a basis which will assure adequate supplies of coffee to consumers and markets for coffee to producers at equitable prices and which will bring about long-term equilibrium between production and consumption;

(2) to alleviate the serious hardship caused by burdensome surpluses and excessive fluctuations in the prices of coffee which are harmful both to producers and to consumers;

(3) to contribute to the development of productive resources and to the promotion and maintenance of employment and income in the Member countries, thereby helping to bring about fair wages, higher living standards, and better working conditions;

(4) to assist in increasing the purchasing power of coffee-exporting countries by keeping prices at equitable levels and by increasing consumption;

(5) to encourage the consumption of coffee by every possible means; and

(6) in general, in recognition of the relationship of the trade in coffee to the economic stability of markets for industrial products, to further international co-operation in connexion with world coffee problems.

CHAPTER II

DEFINITIONS

Article 2

DEFINITIONS

For the purposes of the Agreement:

(1) "Coffee" means the beans and berries of the coffee tree, whether parchment, green or roasted, and includes ground, decaffeinated, liquid and soluble coffee. These terms shall have the following meaning:

(a) "green coffee" means all coffee in the naked bean form before roasting;

- (b) "coffee berries" means the complete fruit of the coffee tree; to find the equivalent of coffee berries to green coffee, multiply the net weight of the dried coffee berries 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; to find the equivalent of roasted coffee to green coffee, multiply the net weight of roasted coffee by 1.19;
- (e) "decaffeinated coffee" means green, roasted or soluble coffee from which caffeine has been extracted; 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 3.00 respectively;
- (f) "liquid coffee" means the water-soluble solids derived from roasted coffee and put into liquid form; to find the equivalent of liquid to green coffee, multiply the net weight of the dried coffee solids contained in the liquid coffee by 3.00;
- (g) "soluble coffee" means the dried water-soluble solids derived from roasted coffee; to find the equivalent of soluble coffee to green coffee, multiply the net weight of the soluble coffee by 3.00.

(2) "Bag" means 60 kilogrammes or 132.276 pounds of green coffee; "ton" means a metric ton 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 through 30 September.

(4) "Export of Coffee" means, except as otherwise provided in Article 39, any shipment of coffee which leaves the territory of the country where the coffee was grown.

(5) "Organization", "Council" and "Board" mean, respectively, the International Coffee Organization, the International Coffee Council, and the Executive Board referred to in Article 7 of the Agreement.

(6) "Member" means a Contracting Party; a dependent territory or territories in respect of which separate Membership has been declared under Article 4; or two or more Contracting Parties or dependent territories, or both, which participate in the Organization as a Member group under Article 5 or 6.

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

(9) "Producing Member" or "producing country" means a Member or country, respectively, which grows coffee in commercially significant quantities.

(10) "Distributed simple majority vote" means a majority of the votes cast by exporting Members present and voting, and a majority of the votes cast by importing Members present and voting, counted separately.

(11) "Distributed two-thirds majority vote" means a two-thirds majority of the votes cast by exporting Members present and voting and a two-thirds majority of the votes cast by importing Members present and voting, counted separately.

(12) "Entry into force" means, except as otherwise provided, the date on which the Agreement enters into force, whether provisionally or definitively.

(13) "Exportable production" means the total production of coffee of an exporting country in a given coffee year less the amount destined for domestic consumption in the same year.

(14) "Availability for export" means the exportable production of an exporting country in a given coffee year plus accumulated stocks from previous years.

(15) "Export entitlement" means the total quantity of coffee which a Member is authorized to export under the various provisions of the Agreement, but excluding exports which under the provisions of Article 40 are not charged to quotas.

(16) "Authorized exports" means actual exports covered by the export entitlement.

(17) "Permitted exports" means the sum of authorized exports and exports which under the provisions of Article 40 are not charged to quotas.

CHAPTER III

MEMBERSHIP

Article 3

MEMBERSHIP IN THE ORGANIZATION

(1) Each Contracting Party, together with those of its dependent territories to which the Agreement is extended under paragraph (1) of Article 65, shall constitute a single Member of the Organization, except as otherwise provided under Articles 4, 5 and 6.

(2) A Member may change its category of Membership, previously declared on approval, ratification, acceptance or accession to the Agreement, on such conditions as the Council may agree.

(3) On application by two or more importing Members for a change in the form of their participation in the Agreement and/or their representation in the Organization, and notwithstanding other provisions of the Agreement, the Council may, after consultation with the Members concerned, determine the conditions which shall be applicable to such changed participation and/or representation.

Article 4

SEPARATE MEMBERSHIP IN RESPECT OF DEPENDENT TERRITORIES

Any Contracting Party which is a net importer of coffee may, at any time, by appropriate notification in accordance with paragraph (2) of Article 65, declare that it is participating in the Organization separately with respect to any of its dependent territories which are net exporters of coffee and which it designates. In such case, the metropolitan territory and its non-designated dependent territories will have a single Membership, and its designated dependent territories, either individually or collectively as the notification indicates, will have separate Membership.

Article 5

GROUP MEMBERSHIP UPON JOINING THE ORGANIZATION

(1) Two or more Contracting Parties which are net exporters of coffee may, by appropriate notification to the Secretary-General of the United Nations at the time of deposit of their respective instruments of approval, ratification, acceptance or accession and to the Council, declare that they are joining the Organization as a Member group. A dependent territory to which the Agreement has been extended under paragraph (1) of Article 65 may constitute part of such a Member group if the Government of the State responsible for its international relations has given appropriate notification thereof under paragraph (2) of Article 65. Such Contracting Parties and dependent territories must satisfy the following conditions:

- (a) they shall declare their willingness to accept responsibility for group obligations in an individual as well as a group capacity;
- (b) they shall subsequently provide sufficient evidence to the Council that the group has the organization necessary to implement a common coffee policy, and that they have the means of complying, together with the other parties to the group, with their obligations under the Agreement; and
- (c) they shall subsequently provide evidence to the Council either:

- (i) that they have been recognized as a group in a previous international coffee agreement; or
- (ii) that they have:
 - (a) a common or co-ordinated commercial and economic policy in relation to coffee; and
 - (b) a co-ordinated monetary and financial policy, as well as the organs necessary for implementing such a policy, so that the Council is satisfied that the Member group can comply with the spirit of group membership and the group obligations involved.

(2) The Member group shall constitute a single Member of the Organization, except that each party to the group shall be treated as if it were a single Member as regards all matters arising under the following provisions:

- (a) Chapters XII, XIII and XVI;
- (b) Articles 10, 11 and 19 of Chapter IV; and
- (c) Article 68 of Chapter XX.

(3) The Contracting Parties and dependent territories joining as a Member group shall specify the Government or organization which will represent them in the Council as regards all matters arising under the Agreement other than those specified in paragraph (2) of this Article.

(4) The Member group's voting rights shall be as follows:

- (a) The Member group shall have the same number of basic votes as a single Member country joining the Organization in an individual capacity. These basic votes shall be attributed to and exercised by the Government or organization representing the group;
- (b) in the event of a vote on any matters arising under provisions specified in paragraph (2) of this Article, the parties to the Member group may exercise separately the votes attributed to them by the provisions of paragraph (3) of Article 12 as if each were an individual Member of the Organization, except for the basic votes, which shall remain attributable only to the Government or organization representing the group.

(5) Any Contracting Party or dependent territory which is a party to a Member group may, by notification to the Council, withdraw from that group and become a separate Member. Such withdrawal shall take effect upon receipt of the notification by the Council. In case of such withdrawal from a group, or in case a party to a group ceases, by withdrawal from the Organization or otherwise, to be such a party, the remaining parties to the group may apply to the Council to maintain the group, and the group shall continue to exist unless the Council disapproves the application. If the Member group is dissolved, each former party to the group will become a separate Member. A Member which has ceased to be a party to a group may not, as long as the Agreement remains in force, again become a party to a group

Article 6

SUBSEQUENT GROUP MEMBERSHIP

Two or more exporting Members may, at any time after the Agreement has entered into force with respect to them, apply to the Council to form a Member group. The Council shall approve the application if it finds that the Members have made a declaration, and have provided evidence, satisfying the requirements of paragraph (1) of Article 5. Upon such approval, the Member group shall be subject to the provisions of paragraphs (2), (3), (4) and (5) of that Article.

CHAPTER IV

ORGANIZATION AND ADMINISTRATION

Article 7

SEAT AND STRUCTURE OF THE INTERNATIONAL COFFEE ORGANIZATION

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

(2) The seat of the Organization shall be in London unless the Council by a distributed two-thirds majority vote decides otherwise.

(3) The Organization shall function through the International Coffee Council, its Executive Board, its Executive Director and its staff.

Article 8

COMPOSITION OF THE INTERNATIONAL COFFEE COUNCIL

(1) The highest authority of the Organization shall be the International Coffee Council, which shall consist of all the Members of the Organization.

(2) Each Member shall be represented on the Council by a representative and one or more alternates. A Member may also designate one or more advisers to accompany its representative or alternates.

Article 9

POWERS AND FUNCTIONS OF THE COUNCIL

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

(2) The Council shall, by a distributed two-thirds majority vote, 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 the Agreement and are consistent therewith. The Council may, in its rules of procedure, provide a procedure whereby it may, without meeting, decide specific questions.

(3) The Council shall also keep such records as are required to perform its functions under the Agreement and such other records as it considers desirable. The Council shall publish an annual report.

Article 10

ELECTION OF THE CHAIRMAN AND VICE-CHAIRMEN OF THE COUNCIL

(1) The Council shall elect, for each coffee year, a Chairman and a first, a second and a third Vice-Chairman.

(2) As a general rule, the Chairman and the first Vice-Chairman shall both be elected either from among the representatives of exporting Members, or from among the representatives of importing Members, and the second and the third Vice-Chairmen, shall be elected from representatives of the other category of Members. These offices shall alternate each coffee year between the two categories of Members.

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

Article 11

SESSIONS OF THE COUNCIL

As a general rule, the Council shall hold regular sessions twice a year. It may hold special sessions if it so decides. Special sessions shall also be held when either the Executive Board, or any five Members, or a Member or Members having at least 200 votes so request. Notice of sessions shall be given at least thirty days in advance, except in cases of emergency. Sessions shall be held at the seat of the Organization, unless the Council decides otherwise.

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 Members—that is, exporting and importing Members, respectively—as provided in the following paragraphs of this Article.

(2) Each Member shall have five basic votes, provided that the total number of basic votes within each category of Members does not exceed 150. Should

there be more than thirty exporting Members or more than thirty importing Members, the number of basic votes for each Member within that category of Members shall be adjusted so as to keep the number of basic votes for each category of Members within the maximum of 150.

(3) The remaining votes of exporting Members shall be divided among those Members in proportion to their respective basic export quotas, except that in the event of a vote on any matter arising under the provisions specified in paragraph (2) of Article 5, the remaining votes of a Member group shall be divided among the parties to that group in proportion to their respective participation in the basic export quota of the Member group. Any exporting Member to which a basic quota has not been allotted shall receive no share of these remaining votes.

(4) The remaining votes of importing Members shall be divided among those Members in proportion to the average volume of their respective coffee imports in the preceding three-year period.

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

(6) The Council shall provide for the redistribution of votes in accordance with 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 Articles 25, 38, 45, 48, 54 or 59.

(7) No Member shall hold more than 400 votes.

(8) There shall be no fractional votes.

Article 13

VOTING PROCEDURE OF THE COUNCIL

(1) Each representative shall be entitled to cast the number of votes held by the Member represented by him, and cannot divide its votes. He may, however, cast differently any votes which he exercises pursuant to paragraph (2) of this Article.

(2) Any exporting Member may authorize any other exporting Member, and any importing Member may authorize any other importing Member, to represent its interests and to exercise its right to vote at any meeting or meetings of the Council. The limitation provided for in paragraph (7) of Article 12 shall not apply in this case.

Article 14

DECISIONS OF THE COUNCIL

(1) All decisions of the Council shall be taken, and all recommendations shall be made, by a distributed simple majority vote unless otherwise provided in the Agreement.

(2) The following procedure shall apply with respect to any action by the Council which under the Agreement requires a distributed two-thirds majority vote:

- (a) if a distributed two-thirds 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 and by a distributed simple majority vote, be put to a vote again within 48 hours;
- (b) if a distributed two-thirds majority vote is again not obtained because of the negative vote of two or less importing or two or less exporting Members, the proposal shall, if the Council so decides by a majority of the Members present and by a distributed simple majority vote, be put to a vote again within 24 hours;
- (c) if a distributed two-thirds majority vote is not obtained in the third vote because of the negative vote of one exporting Member or one importing Member, the proposal shall be considered adopted;
- (d) if the Council fails to put a proposal to a further vote, it shall be considered rejected.

(3) The Members undertake to accept as binding all decisions of the Council under the provisions of the Agreement.

Article 15

COMPOSITION OF THE BOARD

(1) The Executive Board shall consist of eight exporting Members and eight importing Members, elected for each coffee year in accordance with Article 16. Members may be re-elected.

(2) Each member of the Board shall appoint one representative and one or more alternates.

(3) The Chairman of the Board shall be appointed by the Council for each coffee year and may be re-appointed. He shall not have the right to vote. If a representative is appointed Chairman, his alternate will have the right to vote in his place.

(4) The Board shall normally meet at the seat of the Organization, but may meet elsewhere.

Article 16

ELECTION OF THE BOARD

(1) The exporting and the importing Members on the Board shall be elected in the Council by the exporting and the importing Members of the Organization respectively. The election within each category shall be held in accordance with the following paragraphs of this Article.

(2) Each Member shall cast all the votes to which it is entitled under Article 12 for a single candidate. A Member cast for another candidate any votes which it exercises pursuant to paragraph (2) of Article 13.

(3) The eight candidates receiving the largest number of votes shall be elected; however, no candidate shall be elected on the first ballot unless it receives at least 75 votes.

(4) If under the provisions of paragraph (3) of this Article less than eight candidates are elected on the first ballot, further ballots shall be held in which only Members which did not vote for any of the candidates elected shall have the right to vote. In each further ballot, the minimum number of votes required for election shall be successively diminished by five until eight candidates are elected.

(5) Any Member who did not vote for any of the Members elected shall assign its votes to one of them, subject to paragraphs (6) and (7) of this Article.

(6) A Member shall be deemed to have received the number of votes originally cast for it when it was elected and, in addition, the number of votes assigned to it, provided that the total number of votes shall not exceed 499 for any Member elected.

(7) If the votes deemed received by an elected Member would otherwise exceed 499, Members which voted for or assigned their votes to such elected Member shall arrange among themselves for one or more of them to withdraw their votes from that Member and assign or reassign them to another elected Member so that the votes received by each elected Member shall not exceed the limit of 499.

Article 17

COMPETENCE OF THE BOARD

(1) The Board shall be responsible to and work under the general direction of the Council.

(2) The Council by a distributed simple majority vote may delegate to the Board the exercise of any or all of its powers, other than the following:

- (a) approval of the administrative budget and assessment of contributions under Article 24;

- (b) determination of quotas under the Agreement with the exception of adjustments made under the provisions of Article 35 paragraph (3) and of Article 37;
 - (c) suspension of the voting rights of a Member under Articles 45 or 59;
 - (d) establishment or revision of individual country and world production goals under Article 48;
 - (e) establishment of a policy relative to stocks under Article 49;
 - (f) waiver of the obligations of a Member under Article 57;
 - (g) decision of disputes under Article 59;
 - (h) establishment of conditions for accession under Article 63;
 - (i) a decision to require the withdrawal of a Member under Article 67;
 - (j) extension or termination of the Agreement under Article 69; and
 - (k) recommendation of amendments to Members under Article 70.
- (3) The Council by a distributed simple majority vote may at any time revoke any delegation of powers to the Board.

Article 18

VOTING PROCEDURE OF THE BOARD

- (1) Each member of the Board shall be entitled to cast the number of votes received by it under the provisions of paragraphs (6) and (7) of Article 16. Voting by proxy shall not be allowed. A member may not split its votes.
- (2) Any action taken by the Board shall require the same majority as such action would require if taken by the Council.

Article 19

QUORUM FOR THE COUNCIL AND THE BOARD

- (1) The quorum for any meeting of the Council shall be the presence of a majority of the Members representing a distributed two-thirds majority of the total votes. If there is no quorum on the day appointed for the opening of any Council session, or if in the course of any Council session there is no quorum at three successive meetings, the Council shall be convened seven days later; at that time and throughout the remainder of that session the quorum shall be the presence of a majority of the Members representing a distributed simple majority of the votes. Representation in accordance with paragraph (2) of Article 13 shall be considered as presence.

(2) The quorum for any meeting of the Board shall be the presence of a majority of the members representing a distributed two-thirds majority of the total votes.

Article 20

THE EXECUTIVE DIRECTOR AND THE STAFF

(1) The Council shall appoint the Executive Director on the recommendation of the Board. 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 inter-governmental 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 the Agreement.

(3) The Executive Director shall appoint the staff 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, coffee trade, or coffee transportation.

(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.

Article 21

CO-OPERATION WITH OTHER ORGANIZATIONS

The Council may make whatever arrangements are desirable for consultation and co-operation with the United Nations and its specialized agencies and with other appropriate inter-governmental organizations. The Council may invite these organizations and any organizations concerned with coffee to send observers to its meetings.

CHAPTER V

PRIVILEGES AND IMMUNITIES

Article 22

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 Government of the country in which the headquarters of the Organization is situated (hereinafter referred to as "the host Government") shall conclude with the Organization as soon as possible an agreement to be approved by the Council relating to the status, privileges and immunities of the Organization, of its Executive Director and its staff and of representatives of Members while in the territory of the host Government for the purpose of exercising their functions.

(3) The agreement envisaged in paragraph (2) of this Article shall be independent of the present Agreement and shall prescribe the conditions for its termination.

(4) Unless any other taxation arrangements are implemented under the agreement envisaged in paragraph (2) of this Article the host Government:

- (a) shall grant exemption from taxation on the remuneration paid by the Organization to its employees, except that such exemption need not apply to nationals of that country; and
- (b) shall grant exemption from taxation on the assets, income and other property of the Organization.

(5) Following the approval of the agreement envisaged in paragraph (2) of this Article, 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 the International Coffee Agreement.

CHAPTER VI

FINANCE

Article 23

FINANCE

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

(2) The other expenses necessary for the administration of the Agreement shall be met by annual contributions from the Members assessed in accordance with Article 24. However, the Council may levy fees for specific services.

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

Article 24

DETERMINATION OF THE 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.

(2) The contribution of each Member to the budget for each financial year shall be in the proportion which the number of its votes at the time the 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 (5) 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 any Member's voting rights or any redistribution of votes resulting therefrom.

(3) The initial contribution of any Member joining the Organization after the entry into force of the Agreement 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 25

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, both its voting rights in the Council and its right to have its votes cast in the Board shall be suspended until such contribution has been paid. However, unless the Council by a distributed two-thirds majority vote so decides, such Member shall not be deprived of any of its other rights nor relieved of any of its obligations under the Agreement.

(3) Any Member whose voting rights have been suspended, either under paragraph (2) of this Article or under Articles 38, 45, 48, 54, or 59 shall nevertheless remain responsible for the payment of its contribution.

Article 26

AUDIT AND PUBLICATION OF ACCOUNTS

As soon as possible after the close of each financial year an independently audited statement of the Organization's receipts and expenditures during that financial year shall be presented to the Council for approval and publication.

CHAPTER VII

REGULATION OF EXPORTS

Article 27

GENERAL UNDERTAKINGS BY MEMBERS

(1) The Members undertake to conduct their trade policy so that the objectives set forth in Article 1, and in particular paragraph (4) of that Article, may be achieved. They agree on the desirability of operating the Agreement in a manner such that the real income derived from the export of coffee could be progressively increased so as to make it consonant with their needs for foreign exchange to support their programmes for social and economic progress.

(2) To attain these purposes through the fixing of quotas as provided for in this Chapter and in other ways carrying out the provisions of the Agreement, the Members agree on the necessity of assuring that the general level of coffee prices does not decline below the general level of such prices in 1962.

(3) The Members further agree on the desirability of assuring to consumers prices which are equitable and which will not hamper a desirable increase in consumption.

Article 28

BASIC EXPORT QUOTAS

Beginning on 1 October 1968 the exporting countries shall have the basic export quotas specified in Annex A.¹

Article 29

BASIC EXPORT QUOTA OF A MEMBER GROUP

Where two or more countries listed in Annex A form a Member group in accordance with Article 5, the basic export quotas specified for those countries in Annex A shall be added together and the combined total treated as a single basic quota for the purposes of this Chapter.

Article 30

FIXING OF ANNUAL EXPORT QUOTAS

(1) At least 30 days before the beginning of each coffee year the Council by a two-thirds majority vote shall adopt an estimate of total world imports and exports for the following coffee year and an estimate of probable exports from non-member countries.

¹ See p. 90 of this volume.

(2) In the light of these estimates the Council shall forthwith fix annual export quotas for all exporting Members. Such annual export quotas shall be the same percentage of the basic export quotas specified in Annex A, save for those exporting Members whose annual quotas are subject to the provisions of paragraph (2) of Article 31.

Article 31

ADDITIONAL PROVISIONS CONCERNING BASIC AND ANNUAL EXPORT QUOTAS

(1) A basic quota shall not be allotted to an exporting Member whose average annual authorized exports of coffee for the preceding three year period were less than 100,000 bags and its annual export quota shall be calculated in accordance with paragraph (2) of this Article. When the annual export quota of any such Member reaches 100,000 bags the Council shall establish a basic quota for the exporting Member concerned.

(2) Without prejudice to the provisions of footnote 2 of Annex A to the Agreement each exporting Member to which a basic quota has not been allotted shall have in the coffee year 1968-69 the quota indicated in footnote 1 of Annex A to the Agreement. In each of the subsequent years the quota, subject to the provisions of paragraph (3) of this Article, shall be increased by 10 percent of that initial quota until the maximum of 100,000 bags mentioned in paragraph (1) of this Article is reached.

(3) Not later than 31 July of each year, each Member concerned shall notify the Executive Director, for the information of the Council, of the amount of coffee likely to be available for export under quota during the next coffee year. The quota for the next coffee year shall be the amount thus indicated by the exporting Member provided that such amount is within the permissible limit defined in paragraph (2) of this Article.

(4) Exporting Members to which basic quotas have not been allotted shall be subject to the provisions of Articles 27, 29, 32, 34, 35, 38 and 40.

(5) Any Trust Territory, administered under a trusteeship agreement with the United Nations, whose annual exports to countries other than the Administering Authority do not exceed 100,000 bags shall not be subject to the quota provisions of the Agreement so long as its exports do not exceed that quantity.

Article 32

FIXING OF QUARTERLY EXPORT QUOTAS

(1) Immediately following the fixing of the annual export quotas the Council shall fix quarterly export quotas for each exporting Member for the purpose of keeping supply in reasonable balance with estimated demand throughout the coffee year.

(2) These quotas shall be, as nearly as possible, 25 percent of the annual export quota of each Member during the coffee year. No Member shall be allowed to export more than 30 percent in the first quarter, 60 percent in the first two quarters, and 80 percent in the first three quarters of the coffee year. If exports by any Member in one quarter are less than its quota for that quarter, the outstanding balance shall be added to its quota for the following quarter of that coffee year.

Article 33

ADJUSTMENT OF ANNUAL EXPORT QUOTAS

If market conditions so require, the Council may review the quota situation and may vary the percentage of basic export quotas fixed under paragraph (2) of Article 30. In so doing, the Council shall have regard to any likely shortfalls by Members.

Article 34

NOTIFICATION OF SHORTFALLS

(1) Exporting Members undertake to notify the Council as early in the coffee year as possible but not later than the end of the eighth month thereof, as well as at such later dates as the Council may require, whether they have sufficient coffee available to export the full amount of their quota for that year.

(2) The Council shall take into account these notifications in determining whether or not to adjust the level of export quotas in accordance with Article 33.

Article 35

ADJUSTMENT OF QUARTERLY EXPORT QUOTAS

(1) The Council shall in the circumstances set out in this Article vary the quarterly export quotas fixed for each Member under paragraph (1) of Article 32.

(2) If the Council varies the annual export quotas as provided in Article 33, then that change shall be reflected in the quotas for the current quarter, current and remaining quarters, or the remaining quarters of the coffee year.

(3) Apart from the adjustment provided for in the preceding paragraph, the Council may, if it finds the market situation so requires, make adjustments among the current and remaining quarterly export quotas for the same coffee year, without, however, altering the annual export quotas.

(4) If on account of exceptional circumstances an exporting Member considers that the limitations provided in paragraph (2) of Article 32 would be likely to cause serious harm to its economy, the Council may, at the request of that Member, take appropriate action under Article 57. The Member concerned must furnish evidence of harm and provide adequate guarantees concerning the maintenance of price stability. The Council shall not, however, in any event, authorize a Member to export more than 35 percent of its annual export quota in the first quarter, 65 percent in the first two quarters, and 85 percent in the first three quarters of the coffee year.

(5) All Members recognize that marked price rises or falls occurring within brief periods may unduly distort underlying trends in price, cause grave concern to both producers and consumers, and jeopardize the attainment of the objectives of the Agreement. Accordingly, if such movements in general price levels occur within brief periods, Members may request a meeting of the Council which, by a distributed simple majority vote, may revise the total level of the quarterly export quotas in effect.

(6) If the Council finds that a sharp and unusual increase or decrease in the general level of prices is due to artificial manipulation of the coffee market through agreements among importers or exporters or both, it shall then by a simple majority vote decide on what corrective measures should be applied to readjust the total level of the quarterly export quotas in effect.

Article 36

PROCEDURE FOR ADJUSTING EXPORT QUOTAS

(1) Except as provided for in Article 31 and 37 annual export quotas shall be fixed and adjusted by altering the basic export quota of each Member by the same percentage.

(2) General changes in all quarterly export quotas, made pursuant to paragraphs (2), (3), (5) and (6) of Article 35, shall be applied *pro rata* to individual quarterly export quotas in accordance with appropriate rules established by the Council. Such rules shall take account of the different percentages of annual export quotas which the different Members have exported or are entitled to export in each quarter of the coffee year.

(3) All decisions by the Council on the fixing and adjustment of annual and quarterly export quotas under Articles 30, 32, 33 and 35 shall be taken, unless otherwise provided, by a distributed two-thirds majority vote.

Article 37

ADDITIONAL PROVISIONS FOR ADJUSTING EXPORT QUOTAS

(1) In addition to fixing annual export quotas in accordance with estimated total world imports and exports as required by Article 30, the Council shall seek to ensure that:

- (a) supplies of the types of coffee that consumers require are available to them;
- (b) the prices for the different types of coffee are equitable; and
- (c) sharp price fluctuations within brief periods do not occur.

(2) To achieve these objectives the Council may, notwithstanding the provisions of Article 36, adopt a system for the adjustment of annual and quarterly quotas in relation to the movement of the prices of the principal types of coffee. The Council shall annually set a limit not exceeding five percent by which annual quotas may be reduced under any system so established. For the purposes of such a system the Council may establish price differentials and price brackets for the various types of coffee. In so doing the Council shall take into consideration, among other things, price trends.

(3) Decisions of the Council under the provisions of paragraph (2) of this Article shall be taken by a distributed two-thirds majority vote.

Article 38

COMPLIANCE WITH EXPORT QUOTAS

(1) Exporting Members subject to quotas shall adopt the measures required to ensure full compliance with all provisions of the Agreement relating to quotas. In addition to any measures it may itself take, the Council by a distributed two-thirds majority vote may require such Members to adopt additional measures for the effective implementation of the quota system provided for in the Agreement.

(2) Exporting Members shall not exceed the annual and quarterly export quotas allocated to them.

(3) If an exporting Member exceeds its quota for any quarter, the Council shall deduct from one or more of its subsequent quotas a quantity equal to 110 percent of that excess.

(4) If an exporting Member for the second time while the Agreement remains in force exceeds its quarterly quota, the Council shall deduct from one or more of its subsequent quotas a total amount equal to twice that excess.

(5) If an exporting Member for a third or subsequent time while the Agreement remains in force exceeds its quarterly quota, the Council shall make the same deduction as provided in paragraph (4) of this Article and the voting rights of the Member shall be suspended until such time as the Council decides whether to take action in accordance with Article 67 to require the withdrawal of such a Member from the Organization.

(6) In accordance with rules established by the Council the deductions in quotas provided for in paragraphs (3), (4) and (5) of this Article and the additional action required by paragraph (5) shall be effected by the Council as soon as the necessary information is received.

Article 39

SHIPMENTS OF COFFEE FROM DEPENDENT TERRITORIES

(1) Subject to paragraph (2) of this Article, the shipment of coffee from any of the dependent territories of a Member to its metropolitan territory or to another of its dependent territories for domestic consumption therein or in any other of its dependent territories shall not be considered as the export of coffee, and shall not be subject to any export quota limitations, provided that the Member concerned enters into arrangements satisfactory to the Council with respect to the control of re-exports and such other matters as the Council may determine to be related to the operation of the Agreement and which arise out of the special relationship between the metropolitan territory of the Member and its dependent territories.

(2) The trade in coffee between a Member and any of its dependent territories which, in accordance with Article 4 or 5, is a separate Member of the Organization or a party to a Member group, shall however be treated, for the purposes of the Agreement, as the export of coffee.

Article 40

EXPORTS NOT CHARGED TO QUOTAS

(1) To facilitate the increase of coffee consumption in certain areas of the world having a low *per capita* consumption and considerable potential for expansion, exports to countries listed in Annex B shall not, subject to the provisions of sub-paragraph 2 (f) of this Article, be charged to quotas. The Council shall review Annex B annually to determine whether any country or countries should be deleted or added, and may, if it so decides, take action accordingly.

(2) The provisions of the following sub-paragraphs shall be applicable to exports to the countries listed in Annex B:¹

¹ See p. 92 of this volume.

- (a) The Council shall prepare annually an estimate of imports for internal consumption by the countries listed in Annex B after reviewing the results obtained in the previous year with regard to the increase of coffee consumption in those countries and taking into account the probable effect of promotion campaigns and trade arrangements. The Council may revise this estimate in the course of the year. Exporting Members shall not in the aggregate export to the countries listed in Annex B more than the quantity set by the Council and for that purpose the Organization shall keep Members informed of current exports to such countries. Exporting Members shall inform the Organization not later than thirty days after the end of each month of all exports made to each of the countries listed in Annex B during that month.
- (b) Members shall supply such statistics and other information as the Organization may require to assist it in controlling the flow of coffee to countries listed in Annex B and to ensure that it is consumed in such countries.
- (c) Exporting Members shall endeavour to renegotiate existing trade agreements as soon as possible in order to include in them provisions designed to prevent re-exports of coffee from the countries listed in Annex B to traditional markets. Exporting Members shall also include such provisions in all new trade agreements and in all new sales contracts not covered by trade agreements, whether such contracts are negotiated with private traders or with government organizations.
- (d) To maintain control at all times of exports to countries listed in Annex B, exporting Members shall clearly mark all coffee bags destined to those countries with the words "New Market" and shall require adequate guarantees to prevent re-exportation or diversion to countries not listed in Annex B. The Council may establish appropriate rules for this purpose. All Members other than those listed in Annex B, shall prohibit, without exception, the entry of all shipments of coffee consigned directly from, or diverted from, any country listed in Annex B, or which bear evidence on the bags or the export documents of having been originally destined to a country listed in Annex B, or which are accompanied by a Certificate showing a destination in a country listed in Annex B or marked "New Market".
- (e) The Council shall annually prepare a comprehensive report on the results obtained in the development of coffee markets in the countries listed in Annex B.

(f) If coffee exported by a Member to a country listed in Annex B is re-exported, or diverted to any country not listed in Annex B, the Council shall charge the corresponding amount to the quota of that exporting Member and in addition may, in accordance with rules established by the Council, apply the provisions of paragraph (4) of Article 38. Should there again be a re-exportation from the same country listed in Annex B, the Council shall investigate the case and, if it deems necessary, may at any time delete that country from Annex B.

(3) Exports of coffee beans as raw material for industrial processing for any purposes other than human consumption as a beverage or foodstuff shall not be charged to quotas, provided that the Council is satisfied from information supplied by the exporting Member that the coffee beans are in fact used for such other purposes.

(4) The Council may, upon application by an exporting Member, decide that coffee exports made by that Member for humanitarian or other non-commercial purposes shall not be charged to its quota.

Article 41

REGIONAL AND INTER-REGIONAL PRICE ARRANGEMENTS

(1) Regional and inter-regional price arrangements among exporting Members shall be consistent with the general objectives of the Agreement and shall be registered with the Council. Such arrangements shall take into account the interests of both producers and consumers and the objectives of the Agreement. Any Member of the Organization which considers that any of these arrangements are likely to lead to results not in accordance with the objectives of the Agreement may request that the Council discuss them with the Members concerned at its next session.

(2) In consultation with Members and with any regional organization to which they belong, the Council may recommend a scale of price differentials for various grades and qualities of coffee which Members should strive to achieve through their pricing policies.

(3) Should sharp price fluctuations occur within brief periods in respect of those grades and qualities of coffee for which a scale of price differentials has been adopted as the result of recommendations made under paragraph (2) of this Article, the Council may recommend appropriate measures to correct the situation.

Article 42

SURVEY OF MARKET TRENDS

The Council shall keep under constant survey the trends of the coffee market with a view to recommending price policies, taking into consideration the results achieved through the quota mechanism of the Agreement.

CHAPTER VIII

CERTIFICATES OF ORIGIN AND RE-EXPORT

Article 43

CERTIFICATES OF ORIGIN AND RE-EXPORT

(1) Every export of coffee from any Member in whose territory that coffee has been grown shall be accompanied by a valid Certificate of Origin in accordance with rules established by the Council and issued by a qualified agency chosen by that Member and approved by the Organization. Each Member shall determine the number of copies of the Certificate it will require and each original Certificate and all copies thereof shall bear a serial number. Unless the Council decides otherwise the original of the Certificate shall accompany the documents of export and a copy shall be furnished immediately to the Organization by that Member, except that original Certificates issued to cover exports of coffee to non-member countries shall be despatched directly to the Organization by that Member.

(2) Every re-export of coffee from a Member shall be accompanied by a valid Certificate of Re-export, in accordance with the rules established by the Council, issued by a qualified agency chosen by that Member and approved by the Organization, certifying that the coffee in question was imported in accordance with the provisions of the Agreement. Each Member shall determine the number of copies of the Certificate it will require and each original Certificate and all copies thereof shall bear a serial number. Unless the Council decides otherwise, the original of the Certificate of Re-export shall accompany the documents of re-export and a copy shall be furnished immediately to the Organization by the re-exporting Member, except that original Certificates of Re-export issued to cover re-exports of coffee to a non-member country shall be despatched directly to the Organization.

(3) Each Member shall notify the Organization of the government or non-government agency which is to administer and perform the functions specified in paragraphs (1) and (2) of this Article. The Organization shall specifically approve any such non-government agency upon submission of satisfactory evidence by the Member country of the agency's ability and willingness to fulfil the Member's responsibilities in accordance with the rules and regulations established under the provisions of this Agreement. The Council may at any time, for cause, declare a particular non-government agency to be no longer acceptable to it. The Council shall, either directly or through an internationally recognized worldwide organization, take all necessary steps so that at any time it will be able to satisfy itself that Certificates of Origin and Certificates of Re-export are being issued and used correctly and to ascertain the quantities of coffee which have been exported by each Member.

(4) A non-government agency approved as a certifying agency under the provisions of paragraph (3) of this Article shall keep records of the Certificates issued and the basis for their issue, for a period of not less than two years. In order to obtain approval as a certifying agency under the provisions of paragraph (3) of this Article a non-government agency must previously agree to make the above records available for examination by the Organization.

(5) Members shall prohibit the entry of any shipment of coffee from any other Member, whether imported direct or via a non-member, which is not accompanied by a valid Certificate of Origin or of Re-export issued in accordance with the rules established by the Council.

(6) Small quantities of coffee in such forms as the Council may determine, or coffee for direct consumption on ships, aircraft and other international carriers, shall be exempt from the provisions of paragraphs (1) and (2) of this Article.

CHAPTER IX

PROCESSED COFFEE

Article 44

MEASURES RELATING TO PROCESSED COFFEE

(1) No Member shall apply governmental measures affecting its exports and re-exports of coffee to another Member which, when taken as a whole in relation to that other Member, amount to discriminatory treatment in favour of processed coffee as compared with green coffee. In the application of this provision, Members may have due regard to:

- (a) the special situation of markets listed in Annex B of the Agreement;
- (b) differential treatment in an importing Member as far as imports or re-exports of the various forms of coffee are concerned;

(2) (a) If a Member considers that the provisions of paragraph (1) of this Article are not being complied with, it may notify the Executive Director in writing of its complaint with a detailed report of the reasons for its opinion together with a description of the measures it considers should be taken. The Executive Director shall forthwith inform the Member against which the complaint has been made and seek its views. He shall encourage the Members to reach a mutually satisfactory solution and as soon as possible make a full report to the Council including the measures the complaining Member considers should be taken and the views of the other party.

(b) If a solution has not been found within 30 days after receipt of the notification by the Executive Director, he shall not later than 40 days after the receipt of the notification establish an arbitration panel. The panel shall consist of:

- (i) one person designated by the complaining Member;
- (ii) one person designated by the Member against which the complaint has been made; and
- (iii) a chairman mutually agreed upon by the Members involved or, failing such agreement, by the two persons designated under (i) and (ii).

(c) If the panel is not fully constituted within 45 days after the receipt of the notification by the Executive Director, the remaining arbitrators shall be appointed within 10 further days by the Chairman of the Council after consultation with the Members involved.

(d) None of the arbitrators shall be officials of any Government involved in the case or have any interest in its outcome.

(e) The Members concerned shall facilitate the work of the panel and make available all relevant information.

(f) The arbitration panel shall, on the basis of all the information at its disposal, determine, within three weeks after its establishment whether, and if so to what extent, there exists discriminatory treatment.

(g) Decisions of the panel on all questions, whether of substance or procedure, shall if necessary be by majority vote.

(h) The Executive Director shall forthwith notify the Members concerned and inform the Council of the panel's conclusions.

(i) The costs of the arbitration panel shall be charged to the administrative budget of the Organization.

(3) (a) If discriminatory treatment is found to exist the Member concerned will be given a period of 30 days after it has been notified of the conclusions of the arbitration panel, to correct the situation in accordance with the panel's conclusions. The Member shall inform the Council of the measures it intends to take.

(b) If after this period, the complaining Member considers that the situation has not been corrected it may, after informing the Council, take counter measures which shall not go beyond what is necessary to counteract the discriminatory treatment determined by the arbitration panel and shall last no longer than the discriminatory treatment exists.

(c) The Members concerned shall keep the Council informed of the measures being taken by them.

(4) In applying the counter measures Members undertake to have due regard to the need of developing countries to practice policies designed to broaden the base of their economies through, *inter alia*, industrialization and the export of manufactured products and to do what is necessary to ensure that the provisions of this Article are applied equitable to all Members in a like situation.

(5) None of the provisions of this Article shall be deemed to prevent a Member from raising in the Council an issue under this Article or having recourse to Article 58 or 59, provided that any such action shall not interrupt any procedure that has been started under this Article without the consent of the Members concerned, nor prevent such procedure from being initiated unless a procedure under Article 59 in regard to the same issue has been completed.

(6) Any time limit in this Article may be varied by agreement of the Members concerned.

CHAPTER X

REGULATION OF IMPORTS

Article 45

REGULATION OF IMPORTS

(1) To prevent non-member exporting countries from increasing their exports at the expense of Members, each Member shall limit its annual imports of coffee produced in non-member exporting countries to a quantity not in excess of its average annual imports of coffee from those countries during the calendar years 1960, 1961 and 1962.

(2) The Council by a distributed two-thirds majority may suspend or vary these quantitative limitations if it finds such action necessary to further the purposes of the Agreement.

(3) The Council shall prepare annual reports of the quantity of permissible imports of coffee of non-member origin and quarterly reports of imports by each importing Member under the provisions of paragraph (1) of this Article.

(4) The obligations of the preceding paragraphs of this Article shall not derogate from any conflicting bilateral or multilateral obligations which importing Members entered into with non-member countries before 1 August 1962 provided that any importing Member which has such conflicting obligations shall carry them out in such a way as to minimize the conflict with the obligations of the preceding paragraphs, take steps as soon as possible to bring its obligations into harmony

with those paragraphs, and inform the Council of the details of the conflicting obligations and of the steps taken to minimize or eliminate the conflict.

(5) If an importing Member fails to comply with the provisions of this Article the Council by a distributed two-thirds majority may suspend both its voting rights in the Council and its right to have its votes cast in the Board.

CHAPTER XI

INCREASE OF CONSUMPTION

Article 46

PROMOTION

(1) The Council shall sponsor the promotion of coffee consumption. To achieve this purpose it may maintain a separate committee with the objective of promoting consumption in importing countries by all appropriate means without regard to origin, type or brand of coffee and of striving to achieve and maintain the highest quality and purity of the beverage.

(2) The following provisions shall apply to such committee:

- (a) The cost of the promotion programme shall be met by contributions from exporting Members.
- (b) Importing Members may also contribute financially to the promotion programme.
- (c) Membership in the committee shall be limited to Members contributing to the promotion programme.
- (d) The size and cost of the promotion programme shall be reviewed by the Council.
- (e) The bye-laws of the committee shall be approved by the Council.
- (f) The committee shall obtain the approval of a Member before conducting a campaign in that Member's country.
- (g) The committee shall control all resources of promotion and approve all accounts related thereto.

(3) The ordinary administrative expenses relating to the permanent staff of the Organization employed directly on promotion activities, other than the costs of their travel for promotion purposes, shall be charged to the administrative budget of the Organization.

Article 47

REMOVAL OF OBSTACLES TO CONSUMPTION

(1) The Members recognize the utmost importance of achieving the greatest possible increase of coffee consumption as rapidly as possible, in particular through the progressive removal of any obstacles which may hinder such increase.

(2) The Members recognize that there are presently 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 import 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 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, the 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 and in the spirit of Annex A, II, 1 of the Final Act of the First United Nations Conference on Trade and Development, the Members undertake to seek ways and means by which the obstacles to increased trade and consumption referred to in paragraph (2) of this Article could be progressively reduced and eventually wherever possible eliminated, or by which their effects could be substantially diminished.

(5) Members shall inform the Council of all measures adopted with a view to implementing the provisions of this Article.

(6) The Council may, in order to further the purposes of this Article, make any recommendations to Members, and shall examine the results achieved at the first session of the coffee year 1969-70.

CHAPTER XII

PRODUCTION POLICY AND CONTROLS

Article 48

PRODUCTION POLICY AND CONTROLS

(1) Each producing Member undertakes to adjust its production of coffee to a level not exceeding that needed for domestic consumption, permitted exports and stocks as referred to in Article 49.

(2) Prior to 31 December 1968 each exporting Member shall submit to the Executive Board its proposed production goal for coffee year 1972-73, based on the elements set forth in paragraph (1) of this Article. Unless rejected by the Executive Board by a distributed simple majority vote prior to the first session of the Council after 31 December 1968 such goal shall be considered as approved. The Executive Board shall inform the Council of the production goals which have been approved in this manner. If the production goal proposed by an exporting Member is rejected by the Executive Board, the Board shall recommend a production goal for that exporting Member. At its first session after 31 December 1968, which shall be not later than 31 March 1969, the Council by a distributed two-thirds majority vote and in the light of the Board's recommendations shall establish individual production goals for exporting Members whose own proposed goals have been rejected by the Board or who have not submitted proposed production goals.

(3) Until its production goal has been approved by the Organization or established by the Council, in accordance with paragraph (2) of this Article, no exporting Member shall enjoy any increase in its annual export entitlement above the level of its annual export entitlement in effect on 1 April 1969.

(4) The Council shall establish production goals for exporting Members acceding to the Agreement and may establish production goals for producing Members which are not exporting Members.

(5) The Council shall keep the production goals, established or approved under the terms of this Article, under constant review and shall revise them to the extent necessary to ensure that the aggregate of the individual goals is consistent with estimated world requirements.

(6) Members undertake to conform with the individual production goals established or approved under the terms of this Article and each producing Member shall apply whatever policies and procedures it deems necessary for this purpose. Individual production goals established or approved under the terms of this Article are not binding minima nor do they confer any entitlement to specific levels of exports.

(7) Producing Members shall submit to the Organization, in such form and at such times as the Council shall determine, periodic reports on the measures taken to control production and to conform with their individual production goals established or approved under the terms of this Article. In the light of its appraisal of this and other relevant information the Council shall take such action, general or particular, as it deems necessary or appropriate.

(8) If the Council determines that any producing Member is not taking adequate steps to comply with the provisions of this Article such Member shall not enjoy any subsequent increase in its annual export entitlement and may have its voting rights suspended under the terms of paragraph (7) of Article 59 until the Council is satisfied that the Member is fulfilling its obligations in respect of this Article. If, however, after the elapse of such additional period as the Council shall determine it is established that the Member concerned has still not taken the steps necessary to implement a policy to conform with the objectives of this Article, the Council may require the withdrawal of such Member from the Organization under the terms of Article 67.

(9) The Organization shall, under such conditions as may be determined by the Council, extend to those Members so requesting it all possible assistance within its powers to further the purposes of this Article.

(10) Importing Members undertake to co-operate with exporting Members in their plans for adjusting the production of coffee in accordance with paragraph (1) above. In particular, Members shall refrain from offering directly financial or technical assistance or from supporting proposals for such assistance by any international body to which they belong, for the pursuit of production policies which are contrary to the objectives of this Article, whether the recipient country is a Member of the International Coffee Organization or not. The Organization shall maintain close contact with the international bodies concerned, with a view to securing their maximum co-operation in the implementation of this Article.

(11) Except as specified in paragraph (2) hereof, all decisions provided for in this Article shall be taken by a distributed two-thirds majority vote.

CHAPTER XIII

REGULATION OF STOCKS

Article 49

POLICY RELATIVE TO COFFEE STOCKS

(1) To complement the provisions of Article 48 the Council by a distributed two-thirds majority may establish a policy relating to coffee stocks in producing Member countries.

(2) The Council shall take measures to ascertain annually the volume of coffee stocks in the hands of individual exporting Members in accordance with procedures which it shall establish. Members concerned shall facilitate this annual survey.

(3) Producing Members shall ensure that adequate facilities exist in their respective countries for the proper storage of coffee stocks.

CHAPTER XIV

MISCELLANEOUS OBLIGATIONS OF MEMBERS

Article 50

CONSULTATION AND CO-OPERATION WITH THE TRADE

(1) The Organization shall maintain close liaison with appropriate non-governmental organizations concerned with international commerce in coffee and with experts in coffee matters.

(2) Members shall conduct their activities within the framework of the Agreement in a manner consonant with established trade channels. In carrying out these activities they shall endeavour to take due account of the legitimate interests of the coffee trade.

Article 51

BARTER

In order to avoid jeopardizing the general price structure, Members shall refrain from engaging in direct and individually linked barter transactions involving the sale of coffee in the traditional markets.

Article 52

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 90 percent green coffee as the basic raw material.

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

(3) The Council may recommend to any Member that it take the necessary steps to ensure observance of the provisions of this Article.

CHAPTER XV

SEASONAL FINANCING

Article 53

SEASONAL FINANCING

(1) The Council shall, upon the request of any Member who is also a party to any bilateral, multilateral, regional or inter-regional agreement in the field of seasonal financing, examine such agreement with a view to verifying its compatibility with the obligations of the Agreement.

(2) The Council may make recommendations to Members with a view to resolving any conflict of obligations which might arise.

(3) The Council may, on the basis of information obtained from the Members concerned, and if it deems appropriate and suitable, make general recommendations with a view to assisting Members which are in need of seasonal financing.

CHAPTER XVI

DIVERSIFICATION FUND

Article 54

DIVERSIFICATION FUND

(1) There is hereby established the Diversification Fund of the International Coffee Organization to further the objectives of limiting the production of coffee in order to bring supply into reasonable balance with world demand. The Fund shall be governed by Statutes to be approved by the Council not later than 31 December 1968.

(2) Participation in the Fund shall be compulsory for each Contracting Party that is not an importing Member and has an export entitlement of over 100,000 bags. Voluntary participation in the Fund by Contracting Parties to which this provision does not apply, and contributions from other sources, shall be under such conditions as may be agreed between the Fund and the Parties concerned.

(3) An exporting Participant liable to compulsory participation shall contribute to the Fund in quarterly instalments an amount equivalent to US\$0.60 times the number of bags it actually exports in excess of 100,000 bags each coffee year to quota markets. Contributions shall be made for five consecutive years commencing with coffee year 1968-69. The Fund by a two-thirds majority vote may increase the rate of contribution to a level not exceeding US\$1.00 par bag. The annual contribution of each exporting Participant shall be assessed initially on the basis of its export entitlement for the year of assessment as at 1 October. This initial assessment shall be revised on the basis of the actual quantity of coffee

exported to quota markets by the Participant during the year if assessment and any necessary adjustment in contribution shall be effected during the ensuing coffee year. The first quarterly instalment of the annual contribution for coffee year 1968-69 becomes due on 1 January 1969 and shall be paid not later than 28 February 1969.

(4) The contribution of each exporting Participant shall be utilized for programmes or projects approved by the Fund carried out inside its territory, but in any case twenty percent of the contribution shall be payable in freely convertible currency for use in any programmes or projects approved by the Fund. In addition a percentage of the contribution within limits to be established in the Statutes shall be payable in freely convertible currency for the administrative expenses of the Fund.

(5) The percentage of the contribution to be made in freely convertible currency in accordance with paragraph (4) may be increased by mutual agreement between the Fund and the exporting Participant concerned.

(6) At the commencement of the third year of operation of the Fund the Council shall review the results obtained in the first two years and may then revise the provisions of this Article with a view to improving them.

(7) The Statutes of the Fund shall provide for:

- (a) the suspension of contributions in relation to stipulated changes in the level of coffee prices;
- (b) the payment to the Fund in freely convertible currency of any part of the contribution which has not been utilized by the Participant concerned;
- (c) arrangements that would permit the delegation of appropriate functions and activities of the Fund to one or more international financial institutions.

(8) Unless the Council decides otherwise, an exporting Participant which fails to meet its obligations under this Article shall have its voting rights in the Council suspended and shall not enjoy any increase in its export entitlement. If the exporting Participant fails to meet the obligations for a continuous period of one year, it shall cease to be a Party to the Agreement ninety days thereafter, unless the Council decides otherwise.

(9) Decisions of the Council under the provisions of this Article shall be taken by a distributed two-thirds majority vote.

CHAPTER XVII

INFORMATION AND STUDIES

Article 55

INFORMATION

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

- (a) statistical information on world production, prices, exports and imports, distribution and consumption of 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, exports and imports, distribution, consumption, stocks and taxation, but no information shall be published which might serve to identify the operations of persons or companies producing, processing or marketing coffee. The Members shall furnish information requested in as detailed and accurate a manner as is practicable.

(3) 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. If it is found that technical assistance is needed in the matter, the Council may take any necessary measures.

Article 56

STUDIES

(1) The Council may promote studies in the fields of the economics of coffee production and distribution, the impact of governmental measures in producing and consuming countries on the production and consumption of coffee, the opportunities for expansion of coffee consumption for traditional and possible new uses, and the effects of the operation of the Agreement on producers and consumers of coffee, including their terms of trade.

(2) The Organization may study the practicability of establishing minimum standards for exports of coffee from producing Members. Recommendations in this regard may be discussed by the Council.

CHAPTER XVIII

WAIVER

Article 57

WAIVER

(1) The Council by a distributed two-thirds majority vote may relieve a Member of an obligation, on account of exceptional or emergency circumstances, *force majeure*, constitutional obligations, or international obligations under the United Nations Charter for territories administered under the trusteeship system.

(2) The Council, in granting a waiver to a Member, shall state explicitly the terms and conditions on which and the period for which the Member is relieved of such obligation.

(3) The Council shall not consider a request for a waiver of quota obligations on the basis of the existence in a Member country, in one or more years, of an exportable production in excess of its permitted exports, or which is the consequence of the Member having failed to comply with the provisions of Articles 48 and 49.

CHAPTER XIX

CONSULTATIONS, DISPUTES AND COMPLAINTS

Article 58

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 the 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 Article 59. 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 59

DISPUTES AND COMPLAINTS

(1) Any dispute concerning the interpretation or application of the 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) In any case where a dispute has been referred to the Council under paragraph (1) of this Article, a majority of Members, or Members holding not less than one-third of the total votes, may require the Council, after discussion, to seek the opinion of the advisory panel referred to in paragraph (3) of this Article on the issues in dispute before giving its decision.

(3) (a) Unless the Council unanimously agrees otherwise, the panel shall consist of:

(i) two persons, one having wide experience in matters of the kind in dispute and the other having legal standing and experience, nominated by the exporting Members;

(ii) two such persons nominated by the importing Members; and

(iii) a chairman selected unanimously by the four persons nominated under (i) and (ii) or, if they fail to agree, by the Chairman of the Council.

(b) Persons from countries whose Governments are Contracting Parties to this Agreement shall be eligible to serve on the advisory panel.

(c) Persons appointed to the advisory panel shall act in their personal capacities and without instructions from any Government.

(d) The expenses of the advisory panel shall be paid by the Organization.

(4) The opinion of the advisory panel and the reasons therefor shall be submitted to the Council which, after considering all the relevant information, shall decide the dispute.

(5) Any complaint that any Member has failed to fulfil its obligations under the Agreement shall, at the request of the Member making the complaint, be referred to the Council, which shall make a decision on the matter.

(6) No Member shall be found to have committed a breach of its obligations under the Agreement except by a distributed simple majority vote. Any finding that a Member is in breach of the Agreement shall specify the nature of the breach.

(7) If the Council finds that a Member has committed a breach of the Agreement, it may, without prejudice to other enforcement measures provided for in other Articles of the Agreement, by a distributed two-thirds majority vote, suspend that Member's voting rights in the Council and its right to have its votes cast in the Board until it fulfils its obligations, or the Council may take action requiring compulsory withdrawal under Article 67.

(8) A Member may seek the prior opinion of the Executive Board in a matter of dispute or complaint before the matter is discussed by the Council.

CHAPTER XX

FINAL PROVISIONS

Article 60

SIGNATURE

The Agreement shall be open for signature at the United Nations Headquarters until and including 31 March 1968 by any Government which is a Contracting Party to the International Coffee Agreement, 1962.

Article 61

RATIFICATION

The Agreement shall be subject to approval, ratification or acceptance by the signatory Governments or by any other Contracting Party to the International Coffee Agreement, 1962, in accordance with their respective constitutional procedures. Except as provided in paragraph (2) of Article 62 instruments of approval, ratification or acceptance shall be deposited with the Secretary-General of the United Nations not later than 30 September 1968.

Article 62

ENTRY INTO FORCE

(1) The Agreement shall enter into force definitively on 1 October 1968 among those Governments that have deposited instruments of approval, ratification or acceptance if, on that date, such Governments represent at least twenty exporting Members holding at least 80 percent of the votes of the exporting Members and at least ten importing Members holding at least 80 percent of the votes of the importing Members. The votes for this purpose shall be as distributed in Annex C.¹ Alternatively, it shall enter into force definitively at any time after it is provisionally in force and the aforesaid requirements of this paragraph are satisfied. The Agreement shall enter into force definitively for any Government that deposits an instrument of approval, ratification, acceptance or accession subsequent to the definitive entry into force of the Agreement for other Governments on the date of such deposit.

(2) The Agreement may enter into force provisionally on 1 October 1968. For this purpose a notification by a signatory Government or by any other Contracting Party to the International Coffee Agreement, 1962, containing an undertaking to apply the Agreement provisionally and to seek approval, ratification or acceptance in accordance with its constitutional procedures, as rapidly as possible, that is received by the Secretary-General of the United Nations

¹ See p. 94 of this volume.

not later than 30 September 1968, shall be regarded as equal in effect to an instrument of approval, ratification or acceptance. A Government that undertakes to apply the Agreement provisionally will be permitted to deposit an instrument of approval, ratification or acceptance and shall be provisionally regarded as a party thereto until either it deposits its instrument of approval, ratification or acceptance or up to and including 31 December 1968, whichever is the earlier.

(3) If the Agreement has not entered into force definitively or provisionally by 1 October 1968, those Governments that have deposited instruments of approval, ratification or acceptance or notifications containing an undertaking to apply the Agreement provisionally and to seek approval, ratification or acceptance may immediately after that date consult together to consider what action the situation requires and may, by mutual consent, decide that it shall enter into force among themselves. Likewise, if the Agreement has entered into force provisionally but has not entered into force definitively by 31 December 1968, those Governments that have deposited instruments of approval, ratification, acceptance or accession may consult together to consider what action the situation requires and may, by mutual consent, decide that it shall continue in force provisionally or enter into force definitively among themselves.

Article 63

ACCESSION

(1) The Government of any State Member of the United Nations or of any of its specialized agencies may accede to this Agreement upon conditions that shall be established by the Council. In establishing such conditions the Council shall, if such country is an exporting country and is not named in Annex A, establish quota provisions for it. If such exporting country is named in Annex A, the respective quota provisions specified therein shall be applied to that country unless the Council by a distributed two-thirds majority vote decides otherwise. Not later than 31 March 1969 or such other date as may be determined by the Council, any importing Member of the International Coffee Agreement, 1962, may accede to the Agreement on the same conditions under which it could have approved, ratified or accepted the Agreement and, if it applies the Agreement provisionally, it shall provisionally be regarded as a party thereto until either it deposits its instruments of accession or up to and including the above date, whichever is the earlier.

(2) Each Government depositing an instrument of accession shall, at the time of such deposit, indicate whether it is joining the Organization as an exporting Member or an importing Member, as defined in paragraphs (7) and (8) of Article 2.

Article 64

RESERVATIONS

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

Article 65

NOTIFICATIONS IN RESPECT OF DEPENDENT TERRITORIES

(1) Any Government may, at the time of signature or deposit of an instrument of approval, ratification, acceptance or accession, or at any time thereafter, by notification to the Secretary-General of the United Nations, declare that the Agreement shall extend to any of the territories for whose international relations it is responsible and the Agreement shall extend to the territories named therein from the date of such notification.

(2) Any Contracting Party which desires to exercise its rights under Article 4 in respect of any of its dependent territories, or which desires to authorise one of its dependent territories to become part of a Member group formed under Article 5 or 6, may do so by making a notification to that effect to the Secretary-General of the United Nations, either at the time of the deposit of its instrument of approval, ratification, acceptance or accession, or at any later time.

(3) Any Contracting Party which has made a declaration under paragraph (1) of this Article may at any time thereafter, by notification to the Secretary-General of the United Nations, declare that the Agreement shall cease to extend to the territory named in the notification and the Agreement shall cease to extend to such territory from the date of such notification.

(4) The Government of a territory to which the Agreement has been extended under paragraph (1) of this Article and which has subsequently become independent may, within 90 days after the attainment of independence, declare by notification to the Secretary-General of the United Nations that it has assumed the rights and obligations of a Contracting Party to the Agreement. It shall, as from the date of such notification, become a party to the Agreement.

Article 66

VOLUNTARY WITHDRAWAL

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

Article 67

COMPULSORY WITHDRAWAL

If the Council determines that any Member has failed to carry out its obligations under the Agreement and that such failure significantly impairs the operations of the Agreement, it may by a distributed two-thirds majority vote require the withdrawal of such Member from the Organization. The Council shall immediately notify the Secretary-General of the United Nations of any such decision. Ninety days after the date of the Council's decision that Member shall cease to be a Member of the Organization and, if such Member is a Contracting Party, a party to the Agreement.

Article 68

SETTLEMENT OF ACCOUNTS WITH WITHDRAWING MEMBERS

(1) The Council shall determine any settlement of accounts with a withdrawing Member. The Organization shall retain any amounts already paid by a withdrawing Member and such Member shall remain bound to pay any amounts due from it to the Organization at the time the withdrawal becomes effective; provided, however, that in the case of a Contracting Party which is unable to accept an amendment and consequently either withdraws or ceases to participate in the Agreement under the provisions of paragraph (2) of Article 70, the Council may determine any settlement of accounts which it finds equitable.

(2) A Member which has withdrawn or which has ceased to participate in the Agreement shall not be entitled to any share of the proceeds of liquidation or the other assets of the Organization upon termination of the Agreement under Article 69.

Article 69

DURATION AND TERMINATION

(1) The Agreement shall remain in force until 30 September 1973 unless extended under paragraph (2) of this Article, or terminated earlier under paragraph (3).

(2) The Council after 30 September 1972 may, by a vote of a majority of the Members having not less than a distributed two-thirds majority of the total votes, either renegotiate the Agreement or extend it, with or without modification, for such period as the Council shall determine. Any Contracting Party, or any dependent territory which is either a Member or a party to a Member group, on behalf of which notification of acceptance of such a renegotiated or extended Agreement has not been made by the date on which such renegotiated or extended Agreement becomes effective, shall as of that date cease to participate in the Agreement.

(3) The Council may at any time, by vote of a majority of the Members having not less than a distributed two-thirds majority of the total votes, decide to terminate the Agreement. Such termination shall take effect on such date as the Council shall decide.

(4) Notwithstanding termination of the Agreement, the Council shall remain in being for as long as necessary to carry out the liquidation of the Organization, settlement of its accounts and disposal of its assets, and shall have during that period such powers and functions as may be necessary for those purposes.

Article 70

AMENDMENT

(1) The Council by a distributed two-thirds majority vote may recommend an amendment of the Agreement to the Contracting Parties. The amendment shall become effective 100 days after the Secretary-General of the United Nations has received notifications of acceptance from Contracting Parties representing at least 75 percent of the exporting countries holding at least 85 percent of the votes of the exporting Members, and from Contracting Parties representing at least 75 percent of the importing countries holding at least 80 percent of the votes of the importing Members. The Council may fix a time within which each Contracting Party shall notify the Secretary-General of the United Nations of its acceptance of the amendment and if the amendment has not become effective by such time, it shall be considered withdrawn. The Council shall provide the Secretary-General with the information necessary to determine whether the amendment has become effective.

(2) Any Contracting Party, or any dependent territory which is either a Member or a party to a Member group, on behalf of which notification of acceptance of an amendment has not been made by the date on which such amendment becomes effective, shall as of that date cease to participate in the Agreement.

Article 71

NOTIFICATIONS BY THE SECRETARY-GENERAL

The Secretary-General of the United Nations shall notify all Contracting Parties to the International Coffee Agreement, 1962, and all other Governments of States Members of the United Nations or of any of its specialized agencies, of each deposit of an instrument of approval, ratification, acceptance or accession and of the dates on which the Agreement comes provisionally and definitively into force. The Secretary-General of the United Nations shall also notify all Contracting Parties of each notification under Articles 5, 62 paragraph (2), 65, 66 or 67; of the date to which the Agreement is extended or on which it is terminated under Article 69; and of the date on which an amendment becomes effective under Article 70.

Article 72

SUPPLEMENTARY AND TRANSITIONAL PROVISIONS

(1) The present Agreement shall be considered as a continuation of the International Coffee Agreement 1962.

(2) In order to facilitate the uninterrupted continuation of the 1962 Agreement:

- (a) All acts by or on behalf of the Organization or any of its organs under the 1962 Agreement, in effect on 30 September 1968 and whose terms do not provide for expiry on that date, shall remain in effect unless changed under the provisions of the present Agreement.
- (b) All decisions required to be taken by the Council during coffee year 1967-68 for application in coffee year 1968-69 shall be taken during the last regular session of the Council in coffee year 1967-68 and applied on a provisional basis as if the present Agreement had already entered into force.

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.

The texts of this Agreement in the English, French, Portuguese, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited in the archives of the United Nations and the Secretary-General of the United Nations shall transmit certified copies thereof to each signatory and acceding Government.

ANNEX A

BASIC EXPORT QUOTAS¹
(thousands of 60-kilo bags)

Brazil	20,926	India	423
Burundi ²	233	Indonesia	1,357
Cameroon	1,000	Ivory Coast	3,073
Central African Republic	200	Kenya	860
Colombia	7,000	Malagasy Republic	910
Congo (Democratic Republic) ²	1,000	Mexico	1,760
Costa Rica	1,100	Nicaragua	550
Dominican Republic	520	Peru	740
Ecuador	750	Portugal	2,776
El Salvador	1,900	Rwanda ²	150
Ethiopia	1,494	Tanzania	700
Guatemala	1,800	Togo	200
Guinea (basic export quota to be established by the Council)		Uganda	2,379
Haiti	490	Venezuela ²	325
Honduras	425		
		GRAND TOTAL	55,041

¹ According to the provisions of Article 31 (1), the following exporting countries do not have a basic export quota and shall receive in coffee year 1968-69 export quotas of: Bolivia 50,000 bags; Congo (Brazzaville) 25,000 bags; Cuba 50,000 bags; Dahomey 33,000 bags; Gabon 25,000 bags; Ghana 51,000 bags; Jamaica 25,000 bags; Liberia 60,000 bags; Nigeria 52,000 bags; Panama 25,000 bags; Paraguay 70,000 bags; Sierra Leone 82,000 bags; Trinidad and Tobago 69,000 bags.

² Burundi, Congo (Democratic Republic), Cuba, Rwanda and Venezuela, after presentation to the Executive Board of acceptable evidence of an exportable production larger than 233,000; 1,000,000; 50,000; 150,000 and 325,000 bags respectively shall each be granted an annual export entitlement not exceeding the annual export entitlement it would receive with a basic quota of 350,000; 1,300,000; 200,000; 260,000 and 475,000 bags respectively. In no event, however, shall the increases allowed to these countries be taken into account for the purpose of calculating the distribution of votes.

ANNEX B

NON-QUOTA COUNTRIES OF DESTINATION REFERRED
TO IN ARTICLE 40, CHAPTER VII

The geographical areas which are non-quota countries for the purposes of this Agreement are:

Bahrain	Poland
Botswana	Qatar
Ceylon	Romania
China (Taiwan)	Saudi Arabia
China (mainland)	Somalia
Hungary	South-Africa, Republic of
Iran	Southern Rhodesia
Iraq	South-West Africa
Japan	Sudan
Korea, Republic of	Swaziland
Kuwait	Thailand
Lesotho	Trucial Oman
Malawi	Union of Soviet Socialist Republics
Muscat and Oman	Zambia
North Korea	

NOTE:

The abbreviated names above are intended to be of purely geographical significance and to convey no political implications whatsoever.

For Argentina:
Pour l'Argentine:
За Аргентину:
Por la Argentina:
Pela Argentina:

J. M. RUDA

For Australia:
Pour l'Australie:
За Австралию:
Por Australia:
Pela Austrália:

For Austria:
Pour l'Autriche:
За Австрию:
Por Austria:
Pela Austria:

For Belgium:
Pour la Belgique:
За Бельгию:
Por Bélgica:
Pela Bélgica:

For Bolivia:
Pour la Bolivie:
За Боливию:
Por Bolivia:
Pela Bolívia:

F. ORTIZ S.

For Brazil:
Pour le Brésil:
За Бразилию:
Por el Brasil:
Pelo Brasil:

José SETTE CAMARA
March 28th, 1968

For Burundi:
Pour le Burundi:
За Бурунди:
Por Burundi:
Por Burúndi:

J. BAHIMANGA
30 March 1968

For Cameroun:
Pour le Cameroun:
За Камерун:
Por el Camerún:
Pelos Camarões:

M. NJINE
29 mars 1968

For Canada:
Pour le Canada:
За Канаду:
Por el Canadá:
Pelo Canadá:

George IGNATIEFF
29 March 1968

For the Central African Republic:
Pour la République centrafricaine:
За Центральноафриканскую Республику:
Por la República Centroafricana:
Pela República Centro-Africana:

M. G.-DOUATHE
20 mars 1968

For Colombia:
Pour la Colombie:
За Колумбию:
Por Colombia:
Pela Colômbia:

Julio Cesar TURBAY

For the Congo (Brazzaville):
Pour le Congo (Brazzaville):
За Конго (Браззавиль):
Por el Congo (Brazzaville):
Pelo Congo (Brazzaville):

A. ONGAGOU
28 mars 1968

For the Congo (Democratic Republic of):
Pour le Congo (République démocratique du):
За Демократическую Республику Конго:
Por el Congo (República Democrática de):
Pelo Congo (República Democrática do):

For Costa Rica:
Pour le Costa Rica:
За Коста-Рику:
Por Costa Rica:
Pela Costa Rica:

Luis D. TINOCO
March 30th, 1968

For Cuba:
Pour Cuba:
За Кубу:
Por Cuba:
Por Cuba:

For Cyprus:
Pour Chypre:
За Кипр:
Por Chipre:
Por Chipre:

D. HADJIMILTIS
March 28, 1968

For Czechoslovakia:
Pour la Tchécoslovaquie:
За Чехословакию:
Por Checoeslovaquia:
Pela Tcheco-Eslováquia:

Dr. Milan KLUSÁK
March 29, 1968

For Dahomey:
Pour le Dahomey:
За Дагомею:
Por el Dahomey:
Pelo Daomé:

For Denmark:
Pour le Danemark:
За Данию:
Por Dinamarca:
Pela Dinamarca:

Otto Rose BORCH
March 29, 1968

For the Dominican Republic:
Pour la République Dominicaine:
За Доминиканскую Республику:
Por la República Dominicana:
Pela República Dominicana:

J. R. MOLINA-UREÑA
marzo 26, 1968

For Ecuador :
Pour l'Équateur :
За Эквадор :
Por el Ecuador :
Pelo Equador :

Marcos USCOCOVICH
28 March 1968

For El Salvador :
Pour le Salvador :
За Сальвадор :
Por El Salvador :
Por El Salvador :

Reynaldo GALINDO POHL
28 de marzo de 1968

For Ethiopia :
Pour l'Éthiopie :
За Эфиопию :
Por Etiópia :
Pela Etiópia :

Lij Endalkachew MAKONNEN
28 March 1968

For the Federal Republic of Germany :
Pour la République fédérale d'Allemagne :
За Федеративную Республику Германии :
Por la República Federal de Alemania :
Pela República Federal da Alemanha :

Edgar VON SCHMIDT-PAULI
28 March 1968

For Finland :
Pour la Finlande :
За Финляндию :
Por Finlandia :
Pela Finlândia :

Max JAKOBSON
29 March 1968

For France:
Pour la France:
За Францию:
Por Francia:
Pela França:

Armand BÉRARD
28 mars 1968

For Gabon:
Pour le Gabon:
За Габон:
Por el Gabón:
Pelo Gabão:

M. SANDOUNGOUT

For Ghana:
Pour le Ghana:
За Гану:
Por Ghana:
Por Gana:

For Guatemala:
Pour le Guatemala:
За Гватемалу:
Por Guatemala:
Pela Guatemala:

R. MONTES CÓBAR
March 28, 1968

For Guinea:
Pour la Guinée:
За Гвинею:
Por Guinea:
Pela Guiné:

Marof ACHKAR
28 mars 1968

For Haiti:
Pour Haïti:
За Гаити:
Por Haïti:
Pelo Haiti:

M. Ch. ANTOINE

For Honduras:
Pour le Honduras:
За Гондурас:
Por Honduras:
Por Honduras:

H. LÓPEZ VILLAMIL

For India:
Pour l'Inde:
За Индию:
Por la India:
Pela India:

G. PARTHASARATHI
30th March, 1968

For Indonesia:
Pour l'Indonésie:
За Индонезию:
Por Indonesia:
Pela Indonésia:

Roeslan ABDULGANI
28 March 1968

For Israel:
Pour Israël:
За Израиль:
Por Israel:
Por Israel:

S. ROSENNE
31 March 1968

For Italy:
Pour l'Italie:
За Италию:
Por Italia:
Pela Itália:

Piero VINCI
28 March 1968

For the Ivory Coast:
Pour la Côte-d'Ivoire:
За Берег Слоновой Кости:
Por la Costa de Marfil:
Pela Costa do Marfim:

S. AKE
26 mars 1968

For Jamaica:
Pour la Jamaïque:
За Ямайку:
Por Jamaica:
Pela Jamaica:

Keith JOHNSON
28th March 1968

For Japan:
Pour le Japon:
За Японию:
Por el Japón:
Pelo Japão:

T. UOMOTO
26 March, 1968

For Kenya:
Pour le Kenya:
За Кению:
Por Kenia:
Pelo Quênia:

Burudi NABWERA
March 22, 1968

For Liberia :
Pour le Libéria :
За Либерию :
Por Liberia :
Pela Libéria :

For Luxembourg :
Pour le Luxembourg :
За Люксембург :
Por Luxemburgo :
Pelo Luxemburgo :

For Madagascar :
Pour Madagascar :
За Мадагаскар :
Por Madagascar :
Por Madagascar :

L. RAKOTOMALALA
25 March 1968

For Mexico :
Pour le Mexique :
За Мексику :
Por México :
Pelo México :

M. A. CORDERA, Jr.
20 March 1968

For the Netherlands :
Pour les Pays-Bas :
За Нидерланды :
Por los Países Bajos :
Pelos Países-Baixos :

Duco MIDDELBURG
Subject to ratification¹
28 March 1968

¹ Sous réserve de ratification.

For New Zealand:
Pour la Nouvelle-Zélande:
За Новую Зеландию:
Por Nueva Zelandia:
Pela Nova Zelândia:

N. V. FARRELL
27 March, 1968

For Nicaragua:
Pour le Nicaragua:
За Никарагуа:
Por Nicaragua:
Por Nicarágua:

G. LANG
29 March, 1968

For Nigeria:
Pour la Nigéria:
За Нигерию:
Por Nigeria:
Pela Nigéria:

B. Akporode CLARK

For Norway:
Pour la Norvège:
За Норвегию:
Por Noruega:
Pela Noruega:

E. HAMBRO
3-29-68

For Panama:
Pour le Panama:
За Панаму:
Por Panamá:
Pelo Panamá:

For Peru:
Pour le Pérou:
За Перу:
Por el Perú:
Pelo Peru:

Carlos MACKEHENIE
30 March 1968

For Portugal:
Pour le Portugal:
За Португалию:
Por Portugal:
Por Portugal:

Duarte VAZ PINTO

For Rwanda:
Pour le Rwanda:
За Руанду:
Por Kwanda:
Por Ruanda:

KABANDA
Le 21 mars 1968

For Sierra Leone:
Pour le Sierra Leone:
За Сьерра-Леоне:
Por Sierra Leona:
Por Serra Leoa:

For Spain:
Pour l'Espagne:
За Испанию:
Por España:
Pela Espanha:

For Sweden:
Pour la Suède:
За Швецию:
Por Suecia:
Pela Suécia:

B. F. BILLNER
March 29th, 1968

For Switzerland:
Pour la Suisse:
За Швейцарию:
Por Suiza:
Pela Suíça:

B. TURRETTINI
March 29th 1968

For Togo:
Pour le Togo:
За Того:
Por el Togo:
Pelo Togo:

A. J. OHIN
27 mars 1968

For Trinidad and Tobago:
Pour la Trinité et Tobago:
За Тринидад и Тобаго:
Por Trinidad y Tobago:
Por Trinidad e Tobago:

P. V. J. SOLOMON
29th March 1968

For Tunisia:
Pour la Tunisie:
За Тунис:
Por Túnez:
Pela Tunísia:

Mahmoud MESTIRI
29 mars 1968

For Uganda:
Pour l'Ouganda:
За Уганду:
Por Uganda:
Por Uganda:

E. OTEMA ALLIMADI
28th March 1968

For the Union of Soviet Socialist Republics:
Pour l'Union des Républiques socialistes soviétiques:
За Союз Советских Социалистических Республик:
Por la Unión de Repúblicas Socialistas Soviéticas:
Pelo União das Repúblicas Socialistas Soviéticas:

For the United Kingdom of Great Britain and Northern Ireland:
Pour le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord:
За Соединённое Королевство Великобритании и Северной Ирландии:
Por el Reino Unido de Gran Bretaña e Irlanda del Norte:
Pelo Reino Unido da Grã-Bretanha e Irlanda do Norte:

CARADON
29th March 1968

For the United Republic of Tanzania:
Pour la République-Unie de Tanzanie:
За Объединённую Республику Танзания:
Por la República Unida de Tanzania:
Pela República Unida da Tanzânia:

A. B. C. DANIELI
28th March, 1968

For the United States of America:
Pour les États-Unis d'Amérique:
За Соединённые Штаты Америки:
Por los Estados Unidos de América:
Pelos Estados Unidos da América:

William B. BUFFUM
March 21, 1968

For Venezuela :
Pour le Venezuela :
За Венесуэлу :
Por Venezuela :
Pela Venezuela :

Pedro ZULOAGA
28 de marzo, 1968

LIST OF STATES WHICH BY 1 OCTOBER 1968 HAD DEPOSITED INSTRUMENTS OF RATIFICATION, APPROVAL OR ACCEPTANCE, OR NOTIFICATIONS UNDER ARTICLE 62 (2), INDICATING IN RESPECT OF EACH STATE THE DATE OF DEPOSIT OF THE INSTRUMENT OR THE RECEIPT OF NOTIFICATION, AND THE NUMBER OF VOTES AS DISTRIBUTED IN ANNEX C OF THE AGREEMENT

EXPORTING STATES

<i>State</i>	<i>Ratification, approval (a) acceptance (A), notification under article 62 (2) (n)</i>	<i>Number of votes</i>
BOLIVIA	27 September 1968 (n)	4
BRAZIL	24 September 1968 (n)	332
BURUNDI	17 September 1968	8
CAMEROON ¹	30 September 1968 (n)	15
CENTRAL AFRICAN REPUBLIC ¹	30 September 1968 (n)	3
COLOMBIA	26 September 1968	114
CONGO (REPUBLIC OF) ¹	23 September 1968 (n)	1
CONGO (DEMOCRATIC REPUBLIC OF)	30 September 1968 (n)	20
COSTA RICA	27 September 1968 (n)	21
DAHOMEY ¹	12 September 1968 (a)	1
DOMINICAN REPUBLIC	30 September 1968	12
ECUADOR	11 September 1968 (n)	16
EL SALVADOR	27 September 1968 (n)	34
ETHIOPIA	24 September 1968	27
GABON ¹	30 September 1968	1
GHANA	30 September 1968 (n)	4
GUATEMALA	{ 27 September 1968 (n) 30 September 1968	32
GUINEA	30 September 1968 (n)	4
HAITI	25 September 1968	12
HONDURAS	27 September 1968 (n)	11
INDIA	27 September 1968 (n)	11
INDONESIA	26 September 1968 (A)	25
IVORY COAST ¹	27 September 1968	47
JAMAICA	17 September 1968	4
KENYA	6 September 1968 (n)	17
LIBERIA	18 June 1968	4
MADAGASCAR ¹	8 August 1968	13

¹ The Governments of Cameroon, the Central African Republic, the Republic of Congo, Dahomey, Gabon, Ivory Coast, Madagascar and Togo have informed the Secretary-General, in accordance with article 5, paragraph (1), of the Agreement that they are joining the International Coffee Organization as members of the group of African and Malagasy Coffee Organization (OAMCAF).

<i>State</i>	<i>Ratification, approval (a) acceptance (A), notification under article 62 (2) (n)</i>	<i>Number of votes</i>
MEXICO	21 August 1968 (n)	32
NICARAGUA	30 September 1968	13
NIGERIA	18 June 1968	4
PARAGUAY	13 September 1968 (n)	
PERU	30 September 1968 (n)	16
PORTUGAL	23 August 1968 (n)	48
RWANDA	30 September 1968 (n)	6
SIERRA LEONE	17 September 1968 (n)	4
TOGO ¹	30 September 1968 (n)	3
TRINIDAD & TOBAGO	10 July 1968	4
UGANDA	30 September 1968 (n)	41
UNITED REPUBLIC OF TANZANIA	{ 30 September 1968 (n)	
	{ 1 October 1968	15
VENEZUELA	30 September 1968 (n)	9
	TOTAL	988

(99.19 percent of the votes of the exporting Members
as distributed in Annex C)

¹ The Governments of Cameroon, the Central African Republic, the Republic of Congo, Dahomey, Gabon, Ivory Coast, Madagascar and Togo have informed the Secretary-General, in accordance with article 5, paragraph (1), of the Agreement that they are joining the International Coffee Organization as members of the group of African and Malagasy Coffee Organization (OAMCAF).

IMPORTING STATES

<i>State</i>	<i>Ratification, approval (a) acceptance (A), notification under article 62 (2) (n)</i>	<i>Number of votes</i>
AUSTRALIA ¹	26 September 1968	9
BELGIUM	26 September 1968 (n)	28*
CANADA	21 August 1968	32
CYPRUS	26 September 1968	5
CZECHOSLOVAKIA	4 September 1968 (a)	9
DENMARK ²	29 March 1968 (n)	
	27 September 1968	23
FEDERAL REPUBLIC OF GERMANY ³	11 September 1968	101
FINLAND ²	30 September 1968 (n)	21
FRANCE	19 August 1968 (a)	84
ISRAEL	26 September 1968	7
ITALY	22 August 1968 (n)	47
JAPAN	6 September 1968 (n)	18
LUXEMBOURG	26 September 1968 (n)	--
NETHERLANDS	16 September 1968 (n)	35
NEW ZEALAND ⁴	7 August 1968	6
NORWAY ²	26 September 1968 (n)	16
SPAIN ⁵	15 August 1968 (n)	21
SWEDEN ²	30 September 1968	38
SWITZERLAND ²	30 September 1968	19
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND ⁶	27 September 1968	32
UNITED STATES OF AMERICA	30 September 1968 (n)	400
	TOTAL	951

(95.10 percent of the votes of the importing Members
as distributed in Annex C)

* Includes Luxembourg.

¹ The instrument of ratification by the Government of Australia contains a declaration that the Agreement, in accordance with paragraph 1 of article 65, shall extend to the Territory of Papua and the Trust Territory of New Guinea.

² The instruments of ratification or the notifications under article 62 (1) of the Agreement by the Governments of Denmark, Finland, Norway, Sweden and Switzerland were accompanied by the following identical statements:

"At the 11th Meeting of the Council of the International Coffee Organization the Group of Importing countries jointly expressed the view that Member Countries take the greatest possible care not to interfere with freedom of choice in the carriage of coffee while respecting their obligations under the International Coffee Agreement.

"The declared shipping [the word 'shipping' is omitted in the statement of the Swedish Government] policy of the Danish [Finnish] [Norwegian] [Swedish] [Swiss] Government is based on the

principle of free circulation of shipping in international trade in free and fair competition. In accordance with this principle international transport of coffee should not be made more costly and hampered by discriminatory shipping provisions giving preferences to national shipping. Rather the aim should be that normal commercial considerations should alone determine the method and flag of shipment.

"The Government of Denmark [Finland] [Norway] [Sweden] [Switzerland] trusts that the principle of freedom of choice in shipping will be supported and adhered to by countries that are signatories to the International Coffee Agreement."

² A note accompanying the instrument of ratification by the Government of the Federal Republic of Germany contains a statement that the Agreement "shall also apply to Land Berlin as from the date on which the Agreement enters into force for the Federal Republic of Germany."

Subsequently, the Government of the Federal Republic of Germany, in a note received by the Secretary-General on 12 December 1968, stated that it shared the position outlined by the Government of the United Kingdom of Great Britain and Northern Ireland in the note accompanying the latter's instrument of ratification: see footnote 6.

⁴ The instrument of ratification by the Government of New Zealand contains a declaration that the Agreement, in accordance with paragraph 1 of article 65, shall extend to the Cook Islands, Niue Island and the Tokelau Island, being respectively territories for whose international relations the Government of New Zealand is responsible.

⁵ The notification by the Government of Spain contains a declaration that the Agreement, in accordance with paragraph 1 of article 65, shall extend to those territories for whose international relations the Spanish Government is responsible.

⁶ In the note accompanying its instrument of ratification, the Government of the United Kingdom declared that the Agreement, in accordance with the provisions of paragraph (1) of article 65, shall extend to the territory of Hong Kong, for the international relations of which the Government of the United Kingdom is responsible. The same note also contains the following statement:

"At the 11th meeting of the Council of the International Coffee Organization, Consumer Countries jointly expressed the view that members should take the greatest care not to interfere with freedom of choice in the carriage of coffee while respecting their obligations under the International Coffee Agreement.

"The Government of the United Kingdom consider that the application of discriminatory shipping practices, including the reservation of cargoes to national lines, will serve to increase costs and reduce efficiency in the international transport of coffee. The shipping policy of the United Kingdom is based on the principle of free and fair competition and in accordance with this policy it is the opinion of the Government of the United Kingdom that in the international carriage of coffee normal commercial considerations alone should determine the method and flag of shipment.

"The Government of the United Kingdom hope that signatories to the International Coffee Agreement will support this view and will refrain from taking any action which might limit the freedom of vessels of all flags to participate in this trade without restriction."