



## PRESS RELEASE

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### NEW INTERNATIONAL COCOA AGREEMENT CONCLUDED

*Geneva, 25 June 2010* -- The United Nations Cocoa Conference successfully concluded negotiations for the **International Cocoa Agreement 2010** today, following consensus reached between exporting and importing countries. For the first time in the history of international cocoa agreements, the new pact will enter into force for a period of 10 years, a sign of clear recognition by all parties of the long-term value of the agreement, and of their commitment to it.

The Conference was held at the Palais des Nations in Geneva under the auspices of the United Nations Conference for Trade and Development. It was attended by 53 countries.

The agreement will take effect in 2012, succeeding the previous agreement, which went into force in 2003. That agreement, which was negotiated in 2001, lasted five initial years and has been continued through two two-year extensions. The new pact will last 10 initial years and may be extended for two additional four-year periods. Major innovations and changes to the **International Cocoa Agreement 2010** as compared to the agreement currently in force include:

- Implementation of a new organizational structure to enhance the efficiency of the International Cocoa Organization (ICCO), which administers the provisions and supervises the operation of the agreement; and creation of a broader-based composition of the Consultative Board on the World Cocoa Economy, with the role and functions of the Board clearly defined.
- Elaboration of clearly defined definitions and objectives for a sustainable cocoa economy;
- Enhancement of market transparency through the collecting, processing, and distribution of data from both private and public sources, and through increased cooperation between the ICCO and the private sector;
- Reinforcement of a mandate for the development of projects relating to the cocoa economy, recognizing their role in strengthening national cocoa economies and allowing them to better respond to evolving demand;
- Recognition of the need to strive towards fair cocoa prices leading to equitable returns for both producers and consumers;

- Promotion of the quality of cocoa and recognition of the need to develop appropriate food-safety procedures in the sector;
- Clearly defined procedures for the establishment of fine or "flavour" cocoa; and
- Codification of ICCO cooperation with non-governmental organizations.

The International Cocoa Agreement 2010 is expected to result in a major strengthening of cooperation between exporting and importing member countries and in an improvement of their cocoa economies through active and better focused project development and strategies for capacity-building. The new agreement will build on the success of the 2001 agreement, by implementing measures leading to an increase in the income of cocoa farmers and by supporting cocoa producers in improving the functioning of their cocoa economies. The new agreement also will deliver cocoa of better quality, take effective account of food-safety issues and help establish social, economic, and environmental sustainability, so that farmers are rewarded for producing cocoa that meets ethical and environmental considerations.

The agreement currently in force was ratified, approved, signed, or given notification of provisional application by the governments of 14 exporting countries and 29 importing countries, plus the European Union (see list below). Together, these signatories account for over 60% of world cocoa consumption and more than 80% of world cocoa production.

- **Exporting members:** Brazil, Cameroon, Côte d'Ivoire, the Dominican Republic, Ecuador, Gabon, Ghana, Malaysia, Nicaragua, Nigeria, Papua New Guinea, Togo, Trinidad and Tobago, and Venezuela.
- **Importing members:** The European Union (Austria, Belgium/Luxembourg, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom), the Russian Federation, and Switzerland.

In accordance with the International Cocoa Agreement 2001, currently in effect, the primary objective of the International Cocoa Organization is the development and strengthening of international cooperation between producers and consumers.

The 2010 agreement is the seventh International Cocoa Agreement.

The export value of world cocoa bean production during the current 2009/2010 cocoa year is estimated at some US\$10 billion.

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