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THE QUEBEC DECLARATION**Introductory note**

The Heads of State and Government of Bolivia, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama and Paraguay, meeting in the city of Quebec on the occasion of the Third Summit of Presidents of the Americas, have adopted the following Declaration, which has been designated as:

“The New Coffee Age: an Undertaking for the American Countries”

The Heads of State and Government of these countries have decided to present this document as a contribution to the Agenda for the Summit and will agree on a coordinated approach to the expression of the positions it contains at the various working sessions.

Quebec, April 2001

**Third Summit of Presidents of the Americas:
An undertaking on coffee**

1. We, the Heads of State of the coffee producing countries of the region, on behalf of our people, will fulfil the aim of creating awareness of the world coffee crisis and proposing and promoting solutions to overcome it, which will contribute to the development of our countries.
2. We are living through the worst coffee crisis of the last hundred years. Export prices in constant US dollars are the lowest ever recorded and price volatility has increased significantly. The increase in production and the slow growth in consumption have led to a structural imbalance between supply and demand.
3. The economic and social consequences of this process are of grave concern and may affect political stability in some countries. In the case of countries in Latin America and the Caribbean, the coffee sector continues to be of vital importance in terms of economic growth, job creation, the balance of payments, income distribution and regional development, as confirmed by a number of studies carried out by the World Bank and other bodies.
4. During the 1980s, when the economic clauses of the International Coffee Agreement were in force, the final consumer spent US\$30 billion a year on coffee. Of this total, producing countries received around US\$9-10 billion a year (30-33 percent). According to estimates of the International Coffee Organization, consumers currently spend around US\$55 billion and exporting countries receive less than US\$7 billion (15 percent).
5. We wish to appeal to the 65 countries which will be meeting in London for the World Coffee Conference from 17-19 May 2001, to consider ways of overcoming this crisis. Our Ministers of Finance, External Trade and Agriculture will be given specific instructions to develop, in coordination with the national ministries and coffee authorities concerned and in a manner consistent with our international commitments, the following actions, which will be evaluated at a follow-up meeting to be held in September 2001:

- a) To strengthen mechanisms for cooperation and consultation between producing countries in order to permit the application of measures designed to provide a concrete solution.
- b) To invite the United States of America and Canada to resume their membership of the International Coffee Organization in order to permit, within the framework of that forum and in dialogue with producing countries, consideration of possible solutions to the coffee crisis.
- c) To instruct Ministers to explore forms of consensus designed to cope with the problem, including regulation of supply and demand or measures such as the establishment of standards for export coffee.
- d) To seek assurances from multilateral, world and regional credit agencies that they will not grant loans or grants designed to increase world coffee production.
- e) To promote the creation of appropriate financial instruments for the regional multilateral banks which will permit the regulated management of world coffee supply, including price cover instruments and instruments for financing stocks in producing countries.

The carrying out of the initiatives and policies indicated above will enable producing countries to promote the establishment of a second-generation International Coffee Agreement.

6. This text will be forwarded to the Heads of State of the G7 countries, the President of the European Commission, the Secretary-General of the United Nations, the Presidents of the Inter-American Development Bank, the African Development Bank and the Asian Development Bank.

Signed by the Presidents of:

BOLIVIA
BRAZIL
COLOMBIA
COSTA RICA
DOMINICAN REPUBLIC
ECUADOR

EL SALVADOR
GUATEMALA
HONDURAS
MEXICO
PANAMA
PARAGUAY