



Organización Internacional del Café
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International Coffee Council

Ninetieth Session
18 – 21 May 2004
London, England

Cartagena Declaration

SUBMITTED BY THE EXECUTIVE BOARD

Background

1. At its meeting on 29 and 30 January 2004, the Executive Board considered a draft Declaration (document WP-Board No. 946/03) submitted by producing Members to the International Coffee Council at its 89th Session held in Cartagena, Colombia.
2. Following consideration by Members a revised text was agreed, a copy of which is attached to this document. The Executive Board decided to recommend that the Council should formally adopt the Declaration at its next session in May 2004.

Action

The Council is requested to adopt the Cartagena Declaration.

CARTAGENA DECLARATION
19 SEPTEMBER 2003

SUBMITTED BY THE EXECUTIVE BOARD

The representatives of the Member countries of the International Coffee Organization meeting in Cartagena on the occasion of the commemorative Council celebrating the 40th anniversary of the Organization consider it opportune and necessary to formulate the following declaration:

1. The current coffee crisis is the most serious in world history. The real prices of coffee in the international markets are the lowest recorded in many decades. More than 100 million people in some 50 producing countries depend on the farming, processing, marketing and distribution of coffee worldwide. The effects of the crisis have proved devastating for producing countries, with growing levels of poverty accompanied by social instability. Savings, investments, growth and income distribution have also been affected. In recent years producing countries lost around 20 billion dollars with a fall in the international price of more than 65% below its long-term historical average.
2. Although the present situation is mainly due to a continuing over-capacity in coffee production, it must be noted that the world coffee market is characterised by a high degree of volatility, marked imperfections and asymmetries, as has been confirmed in recent studies by the World Bank. The value chain is perceived as progressively evolving to the detriment of producing countries, as not functioning in a balanced way and as resulting in a sharp decline in the share of earnings received by those countries.
3. World coffee consumption is stable and in some traditional importing markets it is falling, contributing to an aggravation of the crisis. Moreover, lack of promotion in new markets makes it difficult to reach potential consumers in those markets. Poor quality and a switch to other beverages are having a negative effect on coffee consumption and exacerbating the imbalance between world supply and demand. For this reason, Member countries, in cooperation with the private sector, support the need to implement the ICO Action Plan to increase coffee consumption and for the ICO to develop a sustainable strategy for international trade in coffee in accordance with the principles set out in the Plan of implementation for the World Summit on Sustainable Development.
4. The international community is now more aware of the gravity of the crisis. In fact, the European Parliament and the European Commission, the United States Congress, the Summit of G-8 countries in Evian, the Heads of State and the Ministers of Agriculture of the countries of Latin America and Africa, multilateral organisations, and various organisations in producing and consuming countries have expressed their concern at the effects of the crisis and have recommended the adoption of a global strategy to address these enormous difficulties.

5. The presence in Cartagena of three Heads of State, the President of Brazil Luiz Inácio Lula da Silva; the President of Colombia Álvaro Uribe Vélez and the President of Honduras Ricardo Maduro, confirmed this concern with a crisis that must be resolved through active cooperation between producing and consuming countries.
6. The Member countries of the ICO took note of the constructive proposals put forward by the Heads of State of Brazil, Honduras and Colombia and undertook to study them on the understanding that these proposals may possibly provide a way to strengthen international cooperation between Producers and Consumers.
7. The strategy for resolving the world coffee crisis should aim at structural issues in the world coffee chain and market, including concrete actions to permit the long-term survival of world coffee production through improvement of quality and the promotion of consumption in particular; increased competitiveness; investment in human capital; and diversification. Such actions aim to increase added value, economic, environmental and social sustainability, risk management capacity and investment in the physical and social infrastructure.
8. ICO Member countries support this Agenda and express their intention to implement it in full cooperation, as well as to support and develop plans and strategies to achieve its objectives.
9. ICO Member countries agree that the working programme to be carried out by the Organization should be complemented by the application of international trade conditions that facilitate access to the markets for agricultural and industrial products.
10. The International Coffee Council reiterates that the International Coffee Organization is the most suitable forum for the discussion of international coffee policy and for cooperation and coordination between coffee importing and exporting countries. In this regard the appeal to non-member countries to consider their accession or re-accession to the International Coffee Agreement 2001 is renewed. Support for the ICO and its interaction and coordination with other international organisations is fundamental to the implementation of a global strategy that will contribute to improving incomes and living conditions in coffee producing countries.
11. The International Coffee Council welcomes the offer by Brazil to host the next Council Session and the World Coffee Conference to be held in 2004 and expresses the hope that these events would add to the success of the Council session in Cartagena by producing solutions that benefit the world coffee industry.