



**United Nations
Conference
on Trade and
Development**

Distr.
LIMITED

TD/B/COM.1/EM.15/L.1
26 July 2001

Original : ENGLISH

TRADE AND DEVELOPMENT BOARD
Commission on Trade in Goods and Services,
and Commodities
Expert Meeting on Ways to Enhance the Production
and Export Capacities of Developing Countries
of Agriculture and Food Products, Including Niche Products,
Such as Environmentally Preferable Products
Geneva, 16-18 July 2001
Agenda item 3

**WAYS TO ENHANCE THE PRODUCTION AND EXPORT CAPACITIES OF
DEVELOPING COUNTRIES OF AGRICULTURE AND FOOD PRODUCTS,
INCLUDING NICHE PRODUCTS, SUCH AS ENVIRONMENTALLY
PREFERABLE PRODUCTS**

Recommendations

1. Individual experts put forward views and policy options for Governments, the international community and UNCTAD on ways to enhance developing countries' capacities for the production and export of agriculture and food products, including niche products, such as environmentally preferable products. The following text summarizes the experts' conclusions and recommendations and the related diversity of views.

Recommendations at the national level

2. Governments should support the development of the agriculture sector, in particular the production of high-value products, improvement of quality and better participation in global value chains, by:

- Taking fiscal and other measures to attract investment and technologies into new areas;

GE.01

- Taking into account the views of professional associations;
- Identifying appropriate policies to address the deterioration of terms of trade between agricultural and manufactured products;
- Providing WTO-acceptable support to the agriculture sector, in particular for research and development and quality assurance;
- Defending national and business interests strongly at the WTO;
- Assisting in the dissemination of market information;
- Facilitating the development of clusters that strengthen linkages in the economy;
- Putting in place legal and institutional structures for new forms of finance, such as warehouse receipts, and encouraging banks to provide finance to diversifying enterprises.

3. Recognizing that the share of organic products in agricultural markets is generally not over two per cent, national Governments, in cooperation with farmers' associations, non-governmental organizations and other stakeholders, should play a proactive role in promoting organic agriculture and trade, in particular by:

- Increasing awareness of the environmental, economic and other benefits (such as livelihoods and living conditions) of organic agriculture and non-wood forest products, as well as trading opportunities for developing countries. Local electronic media can be involved in this process;
- Identifying and recognizing civil society organizations of the local organic community and facilitating their participation in a national multi-stakeholder committee with the Government to develop organic policies and a national plan for the organic sector;
- Promoting research into and development of local organic production systems and locally adapted, high-quality disease-resistant seeds and planting materials, bio-control agents and fertilizers;

- Providing training and technical advice on organic farming practices through agricultural extension services and developing information networks among farmers;
- Designing, implementing and enforcing national and regional standards, based on international standards such as the Basic Standards of the International Federation of Organic Agriculture Movements (IFOAM);
- Promoting certification infrastructure, including local certification bodies, in particular where there is a potential for significant organic production and exports;
- Promoting suitable marketing strategies and partnerships;
- Supporting the development of a domestic market for organic agricultural products;
- Where possible, providing financial support to farmers, particularly during conversion periods;
- Introducing supportive government policies;
- Identifying and helping to develop the proper subsidies or incentives to support the development of strong organic production systems in developing countries, especially to assist farmers in converting to organic production.

4. The business sector should:

- Emphasize professional organizations and cooperation among producers and exporters;
- Strengthen cooperation between such organizations and the Governments by creating effective and credible pressure groups;
- Go beyond the provision of products and become providers of ideas and services;
- Combine efforts to have sufficiently large and regular shipments in order to meet importers' requirements and to improve access to finance;
- Pay due attention to local and regional markets;
- Participate in organizing and funding research and technological improvements, particularly for the post-harvest stage;
- Adopt "codes of conduct/practice" to ensure quality, and assure importers with regard to the latter;

- Consider using alternative trading channels such as fair trade organizations.

Recommendations to the international community

5. The international community should support the efforts of developing countries, particularly least developed countries (LDCs), to develop supply capacities and improve market access and market entry conditions by:

- Eliminating all protectionist barriers to trade;
- Simplifying and harmonizing standards, based on international standards;
- Assisting producers and processors in meeting standards and quality requirements;
- Providing financial and technical support to research and extension, as well as to the procurement of high-quality inputs;
- Supporting capacity building in all areas, from production to marketing and finance;
- Including stakeholders in designing assistance;
- Providing financing directly to the private sector, including for venture capital;
- Supporting participation in trade fairs;
- Increasing official development assistance to agriculture and strengthening the resources of the Common Fund for Commodities in order to increase its role in enhancing the productive capacities of developing countries.

6. In the follow-up to the Third United Nations Conference on the Least Developed Countries, full attention should be paid to working towards the objective of providing duty- and quota-free access for LDCs,¹ such as under the European Union's "Everything But Arms" initiative, and to "Supporting LDCs'

¹ Paragraph 68(h) of the Programme of Action for the Least Developed Countries for the Decade 2001-2010 reads as follows: "Improving preferential market access for LDCs by working towards the objective of duty-free and quota-free market access for all LDCs' products. This will apply in the markets of developed countries. Improvements in market access for LDCs should be granted on a secure and predictable basis. They should be combined with simplified rules of origin that provide transparency and predictability so as to help ensure that LDCs benefit from the market access granted, and multi-donor programmes, such as the Integrated Framework for Trade-related Technical

efforts to develop and take advantage of niche markets for goods such as...organic products and handicrafts, as well as cultural products” (paragraph 68(bb) of the Programme of Action).

7. The international community should support the efforts of developing countries, particularly LDCs, to derive economic, social and environmental benefits from organic agriculture and trade, in particular by:

- Assisting developing countries in designing national and regional organic standards, based on international standards such as the IFOAM Basic Standards and the Codex Alimentarius Guidelines for the Production, Processing, Labelling and Marketing of Organically Produced Foods;
- Promoting and facilitating a framework of harmonization, including the IFOAM Basic Standards and Accreditation Programme, which establish a framework for mutual recognition between IFOAM-accredited certifiers;
- Promoting market research on issues such as trends in supply and demand in international markets, marketing channels, certification and quality requirements to be met in importing countries;
- Reducing costs of certification of organic producers in developing countries by (i) setting up local certification systems, (ii) promoting smallholder certification, and (iii) reducing the costs of international accreditation for certifiers in developing countries;
- Ensuring transparent and simple rules and requirements governing imports of products for sale in their organic markets, including through the application of the concept of equivalence;
- Providing information on organic standards and regulations, market opportunities and other factors relevant to exporters from developing countries;
- Including non-wood forest products in existing labelling and certification systems for organic products;

- Facilitating technical assistance, including under the Agreement on Technical Barriers to Trade and the Agreement on the Application of Sanitary and Phytosanitary Measures, to help developing countries meet organic standards in international markets as well as to participate in international standard-setting bodies. Such schemes should include non-wood forest products;
- Extending benefits to organic agricultural products in preferential trade arrangements;
- Carefully examining the implications, if any, for developing countries of subsidies to assist farmers in converting to organic production and in post-conversion support programmes;
- Identifying and helping to develop the proper subsidies or incentives to support the development of strong organic production systems in developing countries, especially to assist farmers in converting to organic production.

Recommendations to UNCTAD

8. UNCTAD, in cooperation with the International Trade Centre (ITC), the Food and Agriculture Organization of the United Nations (FAO), IFOAM, the United Nations Environment Programme (UNEP) and other relevant institutions, should contribute to the development of the supply capacity of developing countries and assist them in deriving advantage from growing markets for organic products, non-wood forest products etc., in particular by:

- Providing market information and analysis;
- Organizing capacity-building workshops by product groups;
- Undertaking country surveys to identify production and export opportunities;
- Implementing pilot projects to assist in the design and execution of diversification programmes;
- Implementing pilot projects on innovative financing such as warehouse receipts;
- Carrying out analysis and promoting policy dialogues on trade and sustainable development aspects of organic agriculture;

- Examining ways to promote the practical application of the concept of equivalence and mutual recognition between governmental and private sector standards;
- Promoting national and regional capacity-building projects, in particular in the framework of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF), to support interested developing countries in promoting trading opportunities for environmentally preferable products;
- Further developing the TRAINFORTRADE 2000 Module on Trading Opportunities for environmentally friendly products;
- Examining market strategies, including through the use of electronic commerce;
- Promoting and facilitating the creation of local and regional certification bodies in developing countries, particularly LDCs.