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TRADE AND DEVELOPMENT BOARD
Commission on Trade in Goods and Services,
and Commodities
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Agenda item 3

**THE SUSTAINABLE USE OF BIOLOGICAL RESOURCES: WAYS TO ENHANCE
THE PRODUCTION AND EXPORT CAPACITIES OF DEVELOPING COUNTRIES
OF AGRICULTURE AND FOOD PRODUCTS, INCLUDING NICHE PRODUCTS,
SUCH AS ENVIRONMENTALLY PREFERABLE PRODUCTS (EPPs)**

Draft recommendations

1. The Commission takes note of the outcome of the expert meeting, as contained in document TD/B/COM.1/41 - TD/B/COM.1/EM.15/3 and makes the following agreed recommendations.

Recommendations at the national level

2. Governments and the business sector should support the development of the agriculture sector in developing countries, in particular the production and export of high-value products, the improvement of quality, the strengthening of local linkages and the enhancement of developing countries' participation in global value chains. In this context:

- Taking into account their international obligations, Governments should provide support to the agricultural sector for research and development, as well as fiscal and other measures to attract investment and technologies into agriculture and processing industries and to promote partnerships; participate actively in the dissemination of market information; and put in place legal and institutional

structures for new forms of finance such as warehouse receipts and encourage banks to provide finance to diversifying enterprises;

- The business sector and professional associations should adopt “codes of conduct/practice” and establish improved cooperative arrangements to secure sufficiently large and regular shipments of required qualities as well as to improve access to finance; participate in organizing and funding research and technological improvements; and consider alternative trading channels such as fair trade organizations.

3. Governments, farmers’ associations, civil society and other stakeholders should play a proactive role in promoting organic agriculture and trading opportunities for developing countries, in particular by:

- Increasing awareness of potential economic, environmental and other benefits of organic agriculture, as well as trading opportunities for developing countries; developing well-defined policies in respect of organic agriculture, and promoting research and development concerning local organic production systems; providing training; promoting consumption, including of products from developing countries, for example by promoting consumer information; and introducing supportive government policies that give rise to least or minimum distortions in international trade; and
- Designing, implementing and enforcing national and regional standards, where appropriate based on international standards; promoting certification infrastructure; and promoting marketing strategies and national and international partnerships.

Recommendations to the international community

4. The international community should support the efforts by developing countries, particularly LDCs in keeping with the Brussels Programme of Action, to enhance supply capacities and participate effectively in international supply chains by:

- Improving market access for developing countries;
- Providing financial and technical support to developing countries for research and extension, social and physical infrastructure, the procurement of high-quality inputs and fostering technology transfer for processing industries;
- Considering home-country measures to promote foreign investment in the agricultural and food processing sectors of developing countries;
- Simplifying and harmonizing standards, based on international norms where appropriate, and assisting producers and processors in meeting standards and quality requirements, including those applied by individual importers and distribution channels.

5. The international community should support the efforts of developing countries 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;
- Promoting an appropriate framework for international harmonization and mutual recognition of organic standards;
- Assisting developing countries in developing appropriate certification systems for smallholders and in reducing costs of certification;
- Ensuring transparent and simple rules governing imports of organic products, including through the application of the concept of equivalence;

- Taking into account the implications, if any, for developing countries of subsidies for organic agriculture, in particular in developed countries;
- Considering the extension of benefits to organic agricultural products in preferential trade arrangements;
- Seeking improved market access for organic agricultural products.

Recommendations to UNCTAD

6. UNCTAD, in cooperation with WTO, ITC, FAO, the Common Fund for Commodities, UNEP, IFOAM and other relevant institutions, should play a key role in ensuring the implementation of the recommendations of the Commission, in particular by:

- Providing assistance to commodity-dependent developing countries in identifying and analysing critical issues in the post-Doha negotiating process, as well as for improved participation in global supply chains;
- Providing market information and analysis as well as organizing capacity-building workshops by product groups;
- Undertaking country surveys to identify production and export opportunities and implementing pilot projects in interested developing countries to assist in the design and execution of diversification and commodity-based development programmes;
- Carrying out analysis and promoting policy dialogues on trade and sustainable development aspects of organic agriculture, including in the context of the World Summit for Sustainable Development;
- Examining ways to promote the practical application of the concept of international equivalence and mutual recognition, including between

governmental and private sector standards in countries where private sector standards are recognized;

- Supporting interested developing countries in promoting trading opportunities for organic products, in particular in the framework of the UNEP-UNCTAD Capacity Building Task Force on Trade, Environment and Development (CBTF);
- Undertaking a study on factors that affect market access opportunities and export performance of the products of export interest to the developing countries, in particular to LDCs;
- Assisting developing countries to build capacities for the development of national and regional standards for organic agricultural products;
- Studying ways to reduce certifications costs, especially for smallholders;
- Carrying out market studies and assisting in the formulation of market strategies for niche agricultural products, including through the use of electronic commerce.

7. UNCTAD should examine new trading opportunities for developing countries that may arise from the reduction or elimination of tariff and non-tariff barriers to environmental goods and services and assist developing countries in participating effectively in corresponding negotiations in the WTO.