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Promoting and strengthening synergies among the three pillars

Progress report on the implementation of the provisions of the Accra Accord related to commodities

Note by the UNCTAD secretariat*

Executive summary

This progress report provides information on the implementation to date of the Accra Accord provisions specifically related to commodities as contained in paragraphs 91–93, 98, 183 and 208. Whilst ensuring greater synergies among the three pillars of UNCTAD's work (research and analysis, consensus-building and technical cooperation), the secretariat continues to assist commodity-dependent developing countries to improve their capacities to harness development gains from commodities trade, and to promote intergovernmental cooperation to address trade and development problems associated with the commodity economy, including the food crisis and poverty reduction.

* This document was submitted on the above-mentioned date as a result of processing delays.

1. The twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII) adopted the Accra Accord, which forms the basis for UNCTAD's work for the next four years. The agreed work programme on commodities, including institutional arrangements, marks both a continuation and a new departure – or revival – of work on commodities in UNCTAD.
2. The Accra Accord reconfirmed that UNCTAD should continue to play a key role – with appropriate coordination with other international and regional actors, including with relevant international commodity bodies – to address the trade and development problems associated with the commodity economy, giving due attention to all commodity sectors such as agriculture, forestry, fisheries, metals and minerals and oil and gas.
3. It also mandated UNCTAD to promote intergovernmental cooperation and consensus-building on:
 - (a) Ways of integrating commodity policies into national, regional and international development and poverty reduction strategies;
 - (b) Trade-related policies and instruments for resolving commodity problems; and
 - (c) Investment and financial policies for accessing financial resources for commodity-based development.
4. It provided for a Multi-year Expert Meeting on Commodities and Development to be instituted in UNCTAD for the next four years. This meeting, which marks the first time in more than a decade that UNCTAD has had an intergovernmental machinery devoted specifically to commodities, is mandated to produce “practical options and actionable outcomes” for addressing the opportunities and challenges relating to long-standing commodity trade and development issues and to assuring development gains from commodity trade.
5. With regard to institutional arrangements concerning the UNCTAD secretariat, the Accra Accord urged the Secretary-General of the United Nations to transform the existing Commodities Branch into an autonomous unit reporting directly to the Secretary-General of UNCTAD. It also indicated that, through the guidance and leadership of the Secretary-General of UNCTAD, this unit should contribute more effectively to developing countries' efforts to formulate strategies and policies to respond to the challenges and opportunities of commodity markets.
6. This report reviews developments in the implementation of the Accra Accord provisions relating specifically to commodities as contained in paragraphs 91–93, 98, 183 and 208.
7. Paragraph 91 of the Accra Accord states: “UNCTAD should continue to play a key role, with appropriate coordination with other international and regional actors, including with relevant international commodity bodies, to address the trade and development problems associated with the commodity economy, giving due attention to all commodity sectors such as agriculture, forestry, fisheries, metals and minerals and oil and gas. In this context, it should monitor developments and challenges in commodity markets and address links between international commodity trade and national development, particularly with regard to poverty reduction.”
8. The production and trade of commodities continue to constitute the key economic activity in most developing countries in terms of foreign exchange earnings, fiscal revenues, income growth, employment creation and livelihood sustenance for over 2 billion people dependent on the agricultural sector.

9. The commodity problematique continues to be of major concern in the twenty-first century, despite unprecedented levels of trade liberalization and globalization, which has created both phenomenal wealth and opportunities over the past two decades. The recent commodity price boom had generated substantial windfall revenues (especially in extractive industries), increased gross domestic product (GDP) growth and inflows of foreign capital investments,¹ and lifted millions out of abject poverty. However, since the second half of 2008, commodity prices have collapsed in the wake of the global financial crisis and economic downturn. And commodity-dependent are once again facing falling and volatile commodity prices.

10. Immediately following UNCTAD XII, UNCTAD contributed to analyses of the food crisis caused by soaring food commodity prices, and participated in the High-Level Conference on Food Security held in Rome in June 2008, under the auspices of the United Nations Secretary-General. Through an interdivisional task force, the secretariat had prepared a report for that conference entitled “Addressing the global food crisis: key trade, investment and commodity policies in ensuring sustainable food security and alleviating poverty” (UNCTAD/OSG/2008/1). In addition to presenting an analysis of the causes of the crisis, the report also recommended a number of policy measures and concrete actions – in respect of trade, investment and agriculture development at the national, regional and international levels – to deal with the crisis.²

11. UNCTAD has continued to be active in addressing the global food crisis caused by soaring food prices and is a member of the High-Level Task Force (HLTF) on the Global Food Security Crisis³. Building on the Rome High-Level Conference on Food Security, the task force produced, with a contribution from UNCTAD, a Comprehensive Framework of Action (CFA)⁴ in July 2008 for addressing the global food crisis in a coherent and coordinated way.

12. The CFA presents two sets of immediate actions to promote a comprehensive response to the global food crisis. The first set focuses on meeting the immediate needs of vulnerable populations through (a) the enhanced and increased accessibility of emergency food assistance, nutrition interventions and safety nets; (b) support for boosting smallholder farmer food production; (c) appropriate adjustments in trade and tax policies; and (d) management of macroeconomic implications. The second set focuses on building resilience and contributing to global food and nutrition security in the longer-term through (a) expanded social protection systems; (b) sustained growth in smallholder farmer-led food availability; (c) improved international food markets; and (d) development of an international consensus on biofuel.

13. UNCTAD also played a key role in the Madrid High-Level Conference on Food Security for All (26–27 January 2009) held under the context of the Comprehensive Framework of Action. The key goals of the conference were to (a) reaffirm the conclusions of the Rome conference and the CFA; (b) indicate policies and actions to address both

¹ Foreign direct investment and loans to sub-Saharan Africa rose from \$11 billion in 2000 to \$53 billion in 2007. Much of this has stemmed from the commodities boom. Africa’s oil-producing countries – such as Angola, Nigeria and Sudan – have enjoyed soaring growth figures due to substantial investments in the extractive industries.

² The report is available online at http://www.unctad.org/sections/edm_dir/docs/osg_2008_1_en.pdf.

³ The United Nations Secretary-General’s High-Level Task Force on the Global Food Security Crisis is composed of the Heads of the United Nations specialized agencies, funds and programmes, Bretton Woods Institutions and relevant parts of the United Nations Secretariat. The task force is chaired by the United Nations Secretary-General.

⁴ The CFA is available online at <http://www.un.org/issues/food/taskforce/Documentation/CFA%20Web.pdf>.

immediate and longer-term challenges to food security; (c) describe the process through which stakeholders will work out a broader partnership on agriculture and food security; and (d) identify the potential for increasing and improving the effectiveness of financial contributions. UNCTAD is currently engaged with other members of the high-level task force in the follow-up activities to the Madrid conference, including identification of options for coordinated financing and resource mobilization for in-country action.

14. As requested by the General Assembly in its resolution 61/190, UNCTAD prepared a report in August 2008 on “World commodity trends and prospects” (A/63/267) for the General Assembly’s deliberation at its sixty-third session under item 50 (d) of the provisional agenda (macroeconomic policy questions: commodities). The report reviewed recent developments in commodity markets, analysed the causes of price trends and the impact on developing countries, including the adverse impact of soaring fuel and food prices on importing developing countries, and drew attention to the continuing realities of commodity dependence.

15. For the first session of the Multi-year Expert Meeting On Commodities and Development – scheduled for 6–7 April 2009 – the secretariat prepared a background report on “Recent commodity market developments: trends and challenges” (TD/B/C.I/MEM.2/2). This background note reviewed recent developments in commodity markets highlighting short- and medium-term price trends, factors affecting demand and supply, and the evolving pattern of trade in such sectors as agriculture, forestry, fisheries, energy, and minerals and metals. It noted that primary commodity prices have tended to move in cycles that are highly correlated with fluctuations in global aggregate demand. After a period of steady declines from 1995 to 2002, international commodity prices reversed course and after 2002 experienced sustained increases, rising to unprecedented levels in the first half of 2008. However, since mid-2008, commodity prices have fallen sharply in a reversal of recent trends. The report also identified some of the key challenges facing commodity-dependent developing countries in the context of falling commodity prices.

16. UNCTAD continues to address commodity issues with appropriate coordination with other international and regional actors, including with relevant international commodity bodies. The United Nations, through UNCTAD, continues to be the depository for international commodity agreements (ICAs). UNCTAD maintains contacts and participates in meetings and conferences organized by ICAs. In 2008, UNCTAD participated in four meetings of the International Cocoa Organization Working Group for a Future International Cocoa Agreement: (a) 17 January (London, United Kingdom); (b) 29–30 May (Berlin, Germany); (c) 16–17 September (London, United Kingdom); and (d) 8–10 December (London, United Kingdom). UNCTAD will also facilitate the negotiation of a new international cocoa agreement and will host in the United Nations Cocoa Conference, to be held in Geneva 12–16 October 2009. UNCTAD also participated in the International Grains Council Conference in the United Kingdom in June 2008, which focused on the soaring costs of food, fuel and factor inputs, e.g. agrochemicals.

17. Pursuant to article 39 (3) of the International Tropical Timber Agreement 2006 (ITTA), the United Nations Secretary-General is required to convene a meeting for ITTA member States, to decide whether to put the agreement into force provisionally or definitively, in whole or in part.⁵ UNCTAD provided input for the International Tropical Timber Organization secretariat to convene this meeting, held Yokohama, Japan, 3–8 November 2008.

⁵ Article 39(3) was invoked because the ITTA had not entered into force as of 1 September 2008.

18. Paragraph 92 of the Accra Accord states: “UNCTAD should enhance its efforts, under the three pillars of its work, to help commodity-dependent developing countries to harness development gains from the current boom in commodity prices, as well as to deal with trade and development problems related to commodity dependence.”

19. Paragraph 93 (a) of the Accra Accord states: “[In this context, it should:] Assist commodity-dependent developing countries, particularly small commodity producers, in their efforts to: develop national commodity strategies, including mainstream commodity policies into their national and regional development strategies; build supply-side capacity and attain competitiveness; move up value chains and diversify commodity sectors; comply with public and private international trade standards; access commodity information and databases; take advantage of export opportunities for commodities in emerging markets; assist developing countries, upon request, in building human and institutional capacities; assist developing countries, on request, in promoting and improving transparency and accountability in the public, private and corporate sectors in order to enable the countries concerned to maximize the benefits that accrue to them from the extractive industries, taking into account, where appropriate, the implementation of relevant initiatives on extractive industries; establish effective marketing systems and support frameworks for small commodity producers, including economically viable safety-net programmes; and develop commodity financing and risk management schemes (including commodity exchanges). In carrying out this work, UNCTAD should avoid duplication and therefore work in coordination with other relevant actors already active in this area.”

20. Pursuant to paragraph 92 of the Accra Accord, which calls for strengthening the capacity of commodity-dependent developing countries so that they are able to integrate into international trade and gain from such engagement, UNCTAD produced the following selected analytical studies:⁶

(a) “Cocoa study: industry structures and competition” (UNCTAD/DITC/COM/2008/1). The study analyzed the vertical integration and horizontal concentration in the cocoa marketing and supply chain (22 December 2008).

(b) “Development Impacts of Commodity Futures Exchanges in Emerging Markets by UNCTAD”. The report is a product of UNCTAD’s Study Group on Emerging Commodity Exchanges which conducted an empirical investigation into the development impacts arising from commodity exchanges in developing countries, focusing on the agricultural sector 15 December 2008.⁷

(c) “Iron ore – half-year statistical update” (10 November 2008) provides key information, including trends in the minerals and metals sector. Furthermore, UNCTAD published the “Iron Ore Market 2007–2009” report (14 June 2008), which provides up-to-date, accurate and comprehensive information on developments in the world markets for iron ore and steel in 2007, country information, major companies engaged in iron ore industry, and the outlook for 2008–09.

21. Regarding assistance to commodity-dependent developing countries, UNCTAD implements jointly with four other international organizations the European Union-funded, €45 million project All ACP (African, Caribbean and Pacific Group of States) Agricultural Commodities Programme (AAACP). The programme’s main objectives are to (a) support the participatory formulation and implementation of commodity strategies; (b) promote

⁶ Details of additional analytical studies and documents are available online at www.unctad.org.

⁷ The study group comprises leading commodity exchanges in five key emerging economies, namely, Brazil, China, India, Malaysia and South Africa. This study is available online at http://www.unctad.org/sections/wcmu/docs/c1em33p04_en.PDF.

efforts to develop regional markets, policies and services in support of the commodity sector; (c) support consolidation and diversification initiatives; and (d) extend access to market-based commodity risk management instruments.⁸

22. UNCTAD makes four interventions – under the AAACP – in selected beneficiary countries, namely, (a) market information systems, including information on prices, technology, marketing chains and economic policies; (b) commodity finance, (including warehouse receipt systems and review of regulatory frameworks); (c) commodity exchanges (including support to development of physical commodity exchanges, facilitation and enhancement of human capital); and (d) sustainability claims portal (including information on sustainable agriculture labels and agrifood standards, enhanced accountability, food laws and technical regulations).

23. UNCTAD held numerous consultations between February and June 2008 under phase I of the AAACP, with strategic partners including partnering international organizations, and established work plans with regional stakeholders in West Africa, Southern Africa, the Pacific and the Caribbean in one or more of the four areas of intervention by UNCTAD under the auspices of the programme.

24. UNCTAD's web-based commodities information and database portal, InfoComm, continues to provide key market information (prices, trends and commodity profiles) which helps to strengthen the analytical, statistical and information bases and tools for trade and trade-related decision-making at the all levels in commodity-dependent developing countries. In 2008, with extrabudgetary resources from the EU-funded AAACP, the following activities were implemented: (a) the updating of some of the commodity profiles in the InfoComm Portal; (b) a brainstorming meeting on strategies for providing market information services to developing countries; and (c) identification of market information services projects' in selected ACP countries.⁹ UNCTAD also made significant progress implementing a pilot market information system project, involving the use of its InfoShare software, in Cameroon.

25. Also, under the auspices of EU-funded AAACP, UNCTAD initiated in 2008 the creation of a Web-based Sustainability Claims Portal. The portal provides information on claims (e.g. fair trade, organic, environmental and geographical indications), certifier requirements, contact details for sustainability label providers, general information on sustainability issues and useful documents for users.¹⁰

26. UNCTAD continues to strengthen its work on market-access problems facing developing countries, focusing on sanitary and phytosanitary (SPS) measures and on compliance with food safety standards and quality requirements. Currently, UNCTAD implements trade-related capacity-building projects in Africa (Guinea and Mozambique) which aim to help small- and medium-scale agrifood producers and exporters improve their capacities and build supply-side infrastructure and services (e.g. quarantine facilities and laboratories), which in turn enhance their export competitiveness, raise per capita incomes and reduce poverty.

⁸ The five partnering international organizations are the Common Fund for Commodities, the Food and Agriculture Organization of the United Nations, International Trade Centre UNCTAD/WTO, UNCTAD and the World Bank. UNCTAD's share of the programme funding – €2.5 million – is being disbursed in four instalments starting in September 2007 and ending in 2010. More details on the AAACP programme are available online at www.euacpcommodities.eu.

⁹ More detail on InfoComm and InfoShare are available online at www.unctad.org/infoshare.

¹⁰ See the temporary wiki-site www.unctad.org/scp.

27. UNCTAD completed the implementation of “A model for the development of a private–public safety control system for horticultural exports in Guinea”, which helped key stakeholders in the horticulture supply chain comply with GlobalGAP and quality assurance systems, enhanced facilitates export trade, and increased incomes and reduced abject poverty. The project also established a Safety Management Expert Force to (a) assist stakeholder attain GlobalGAP certification; (b) set up a Public Inspection Force; and (c) develop a national certification body of trained private–public auditors, in cooperation with the Swiss certifier body IMO.

28. UNCTAD continues to lend support to the Mozambique horticultural sector to improve its ability to understand and comply with GlobalGAP and organic regulations, which is expected to increase the market participation of almost 10,000 small farmers producing grapefruits, mangoes, and honey. UNCTAD delivered a trade-related national training workshop on GlobalGAP in Maputo, Mozambique (15–17 July 2008). Key stakeholders engaged SPS issues, agrifood standards and quality requirements. UNCTAD delivered training modules and materials in collaboration with strategic partners in the region, and will conduct a second trade-related workshop on organic standards and certification in mid-March 2009. UNCTAD released the study “Linking African small producers to large distribution networks: enhancing capacity of Mozambican producers to supply the South African Market” (February 2008).¹¹

29. UNCTAD released (in March 2008) the study “SPS compliance and agrifood safety and quality standards in Pacific LDCs – Samoa, Solomon Islands and Vanuatu” which examined the problems faced by agrifood producers and exporters in Samoa, the Solomon Islands and Vanuatu. The study recommended concerted international and regional development assistance – finance and technical – to support efforts to overcome complex and dynamic non-tariff barriers to trade. Its content adds value to the ongoing debates on the proliferation of non-tariff measures and their potential impact and benefits, and helps developing countries make sound and informed policy choices and implement sustainable programs.

30. UNCTAD organized a trade-related National Capacity-building Workshop on Commodities Trade and Development, Poverty Reduction, Food Safety Standards and Quality Requirements, and Food Laws and Technical Regulations”, in Vanuatu (19–21 November 2008). The workshop aimed to increase the competence of public and private sector agencies, and improve the regulatory oversights needed to assure the safety of agrifood exported products. UNCTAD funded – with financial support from the Government of Finland – the participation of 50 people – 12 of them women – and distributed awareness and extension material related to food safety standards and food laws. UNCTAD commissioned eight substantive papers for the workshop, eight of them prepared and delivered by national experts.

31. UNCTAD initiated the Fruit Flies Project in West Africa in response to requests from several countries, namely, Benin, Burkina Faso, Mali and Senegal. Funded by the World Trade Organization’s (WTO’s) Standards and Trade Development Facility, this project aims to improve the capacity of exporters in these countries to comply with SPS requirements and meet private and public standards imposed in markets of export interest to them. UNCTAD plans to host a subregional workshop in West Africa in mid-2009.

32. UNCTAD forges alliances with key development partners and organizations to conduct inter-country projects that help commodity-dependent countries establish institutional frameworks for diversification, and enhance transparency and accountability in

¹¹ This study is available online at http://www.unctad.org/en/docs/ditccom200617_en.pdf.

public, private and corporate sectors in extractive industries. In 2008, UNCTAD collaborated with the African Development Bank, United Nations International Organizations (UNIO) and the United Nations Economic Commission for Europe (UNECE) to assist the African Union to articulate a strategic vision (African Mining Vision 2050) for the management and use of Africa's natural resources to accelerate the socioeconomic growth and development of the continent.

33. Paragraph 93 (b) of the Accra Accord states: "Promote intergovernmental cooperation in the field of commodities and consensus-building on ways of integrating commodity policies into national, regional and international development and poverty reduction strategies; trade-related policies and instruments for resolving commodity problems; and investment and financial policies for accessing financial resources for commodity-based development, including with respect to ODA [official development assistance], Aid for Trade and other possibilities."

34. UNCTAD's work on commodities trade and development focuses on commodity-dependent developing countries, in particular least developed countries. The programme aims to enhance the commodity sector's contribution to the sustainable economic growth and development process, and the achievement of internationally-agreed development goals, including the Millennium Development Goals. In the wake of the global food, energy and financial crises that erupted in 2008, UNCTAD has been active with the international community in addressing these crises, in particular, the global food crisis caused by soaring food prices.

35. UNCTAD is cognizant of important global efforts such as General Assembly resolution 61/190, which calls for "the successful and timely completion of the Doha round of trade negotiations with the full realization of the development dimensions". In this context, UNCTAD participates in the WTO Director-General's Consultative Framework Mechanism on Cotton, which discusses the development assistance aspects as well as calls for an ambitious, expeditious and specific treatment of the cotton issues in the Doha agricultural negotiations.¹²

36. UNCTAD is also mindful of the fact that despite progress being made in narrowing differences in the Doha round of trade negotiations, stalemate in reaching agreement to move the agricultural reform agenda forward by members of WTO is of great concern, particularly for poor, commodity-dependent developing countries. UNCTAD's efforts to help these countries attain sustained levels of economic growth through commodity-based trade and development – including enhancement of supply-side capacities, diversification strategies, market-based instruments and information – remain undermined so long as the much-needed agricultural reforms are bottlenecked and agricultural market distortions remain unchanged.

37. Given the importance of this issue, particularly for the cotton-producing countries of West and Central Africa, UNCTAD organized the UNCTAD Secretary-General's Multi-stakeholder Meeting on Cotton, in Geneva (2 December 2008). Although cotton prices have improved recently, distortions in the cotton market need to be addressed and reduced. Generally, across agricultural markets, the current high level of agricultural prices undercuts the rationale for instituting large farm subsidies and protectionist trade policies.

38. UNCTAD hosted the Fourth Intergovernmental Forum on Mining, Minerals, Metals, and Sustainable Development in Geneva (24–26 November 2008), which focused on fiscal and legislative frameworks related to investments, revenue sharing, mine closure and

¹² Doha Work Programme decision adopted by the General Council on 1 August 2004 (WT/L/579: para. 1. b. and Annex A, 4 and 5).

abandoned mines. The forum is the institutional framework for the Global Dialogue on Mining/Metals and Sustainable Development, which was one of a number of partnership initiatives launched at the World Summit on Sustainable Development (Johannesburg, South Africa, 2002). The major goals of the forum are to: (a) enhance and promote the contribution of the mining, minerals and metals sector to sustainable development; and (b) provide Governments with a framework in which to discuss the opportunities and challenges of the sector.¹³

39. Paragraph 93 (c) of the Accra Accord states: “Contribute to building effective multi-stakeholder partnerships with a view to identifying innovative approaches to resolving commodity-related problems.”

40. In the preparations for UNCTAD XII in Accra, the UNCTAD Secretary-General’s High-Level Multi-stakeholder Dialogue on Commodities in the context of UNCTAD XII, held in Geneva (28–29 January 2009), provided a forum to promote and exchange views, build consensus on the main development challenges facing commodity-dependent developing countries, and identify ways ahead. Key stakeholders representing a wide range of interests, including civil society, industry, academia and international organizations attended.

41. UNCTAD continues to provide policy advice and support in collaboration with strategic partners and initiatives – e.g. WTO’s establishment of the special Subcommittee on Cotton within the Doha agricultural negotiations – to address the plight of African cotton farmers, particularly the C4 countries: Benin, Burkina Faso, Chad and Mali. The declining farm-gate prices, income and production experienced in Central and West Africa,¹⁴ not only threatens livelihoods, but food security is being eroded by the current low commodity prices and the cascading effects of the global economic and financial crisis.

42. In accordance with the Accra Accord’s mandate “...to contribute more effectively to developing countries’ efforts to formulate strategies and policies to respond to the challenges and opportunities of commodity markets...,” the UNCTAD Secretary-General convened a Multi-stakeholder Meeting on Cotton in Geneva on 2 December 2008.¹⁵ Participants – including ministers from six cotton-producing developing countries in Africa and representatives from industry and nongovernmental organizations – reviewed the opportunities and challenges for cotton production and trade, and how to address them.

43. Similar multi-stakeholder consultations are programmed in 2009 on other commodities that are closely linked to the livelihood of the poor, and to poverty reduction in many low-income countries – such as coffee, cocoa and food crops.

44. Following requests from member States, UNCTAD will organize a follow-up multi-stakeholder meeting on cotton in Benin, West Africa, in the first week of May 2009. The meeting will seek, through a multi-stakeholder round table, to encourage investments in activities and projects to increase productivity in the cotton sector in low-income countries, and enhance their participation in the global supply chain and gain from international commodities trade.

45. Paragraph 98 of the Accra Accord states: “UNCTAD’s work on energy-related issues should be addressed from the trade and development perspective, where relevant in

¹³ Further details on intergovernmental forum on mining, minerals, metals and sustainable development are available online at http://www.globaldialogue.info/wn_e.htm.

¹⁴ Cotton accounts for 5 to 8 per cent of GDP across West Africa, according to the World Bank.

¹⁵ Details on the UNCTAD Secretary-General’s Multi-stakeholder Meeting on Cotton are available online at <http://www.unctad.org/Templates/Page.asp?intItemID=4679&lang=1>.

the context of UNCTAD's work on commodities, trade and environment, new and dynamic sectors, and services.”

46. Pursuant to paragraph 98 of the Accra Accord, UNCTAD continues to provide advisory services and trade-related capacity-building activities in natural resources-rich developing countries. The secretariat forges strategic partnerships with relevant organizations such as International Council of Mining and Metals (ICMM) and the World Bank to address issues related to energy and natural resources extraction, rent use and investment, and sustainable development. UNCTAD's initiative, the Mineral Resources Forum provides (online) information and resources including publications on issues related to mining, minerals, metals and sustainable development.¹⁶

47. In 2008, the secretariat organized in collaboration with other partners UNCTAD's twelfth annual Oil and Gas Conference for Africa, in Malabo, Equatorial Guinea, 4–7 November 2008. The objectives of this conference were to (a) provide a forum for high-level policy dialogue between producers and consumers, investors and host countries and other stakeholders; and (b) help identify and assess investment opportunities and challenges in Africa's extractive industries, as well as appropriate policies and legal frameworks to promote the continued development of the energy and mining sectors on the continent and to enhance their contributions to African development. The conference brought together over 400 participants from Governments, international and regional agencies, academia, multinational corporations and civil society organizations.

48. Paragraph 183 of the Accra Accord states: “In view of the current challenges in commodities markets, the Secretary-General of the United Nations is urged to transform the existing Commodities Branch into an autonomous unit reporting directly to the Secretary-General of UNCTAD, within existing resources of the Commodities Branch of the Division of International Trade in Goods and Services, and Commodities, while retaining the Branch mandate and taking into account, without duplicating, the work of other relevant organizations. Through the guidance and leadership of the Secretary-General of UNCTAD, this unit should contribute more effectively to developing countries' efforts to formulate strategies and policies to respond to the challenges and opportunities of commodity markets.”

49. Pursuant to paragraph 183 of the Accra Accord, UNCTAD transformed the former Commodities Branch into the Special Unit on Commodities, in July 2008, reporting directly to the Secretary-General of UNCTAD. And in accordance with the decision of the Working Party on the Medium-term Plan and Programming Budget, a sub-account on commodities was created and made operational 1 January 2009. In line with paragraph 183 of the Accra Accord, the Secretary-General of UNCTAD has taken initiatives through a consultative process to ensure that the secretariat, through the Special Unit on Commodities, “contributes more effectively to developing countries' efforts to formulate strategy and policies to respond to the challenges and opportunities of commodity markets”.

50. In this context, the secretariat organized the UNCTAD Secretary-General's Multi-stakeholder Meeting on Cotton, in Geneva (2 December 2008). Similar multi-stakeholder consultations on selected commodities are being programmed for 2009. These include (a) the Secretary-General's High-level Multi-stakeholder Consultations on Coffee, programmed to coincide with the Multi-year Expert Meeting on Commodities and Development; (b) the follow-up meeting on cotton, in Mali (first week of May 2009); (c) a regional seminar on common market organization and competitiveness of horticultural

¹⁶ The Mineral Resources Forum provides information on mining and metals through its webpage www.natural-resources.org/minerals.

value chains in the West African Economic and Monetary Union countries; (d) the issuing of agricultural standards and export credits in Senegal (due in May 2009); and (e) diversification strategies for increasing productivity and ensuring food security and competitiveness of agricultural exports of Congo and other Economic and Monetary Community of Central African States (CEMAC), in Congo (due in September 2009).

51. Paragraph 208 of the Accra Accord states: “The topics and the terms of reference for multi-year expert meetings will be determined by the Trade and Development Board at its fifty-fifth session. The multi-year expert meetings will report annually to the commissions. Multi-year expert meetings will last for up to four years, though not beyond the session of the Conference following their establishment. In this regard, the Trade and Development Board will establish a multi-year expert meeting on commodities.”

52. Pursuant to paragraph 208 of the Accra Accord and the adoption by the fifty-fifth session of the Trade and Development Board (15–26 September 2008), the Multi-Year Expert Meeting on Commodities has been established. The establishment of this multi-year expert meeting marks the first time in more than a decade that UNCTAD has had intergovernmental machinery focusing exclusively on commodities. Until the next conference (UNCTAD XIII), this multi-year expert meeting will cover the full range of commodity issues contained in its terms of reference, as established by the Trade and Development Board in September 2008.¹⁷ In addition to the pre-agreed topics that the meeting will address at each session, it will review the current market situation and outlook, including emerging developments and challenges, in all commodity sectors. The first session of the Multi-Year Expert Meeting on Commodities and Development will place 6–7 April 2009.

53. It is important to note that the situation in world commodity markets has changed significantly since UNCTAD XII. At that time, producing countries were celebrating a rebound of commodity prices dating back to 2002, following 20 years of stagnation and decline. There was much optimism that suggested a structural shift in demand for commodities. The shift was seen as driven by a long-term cycle of growth and industrialization in developing countries, particularly in Asia. The commodity boom was also viewed as marking the beginning of a changed commodity economy in the twenty-first century, characterized by a long-term resurgence in the demand for, and value of, primary commodities in world trade.

54. However, since the second half of 2008, there has been a major reversal of price trends for almost all commodities. The loss of confidence in the financial institutions of major economies has not only had a negative ripple effect throughout the global financial system, but has also plunged those economies into a deepening recession. Negative effects have been filtering through to their trade demand, particularly for the exports of emerging economies that had provided additional demand for commodities in recent years. It is not certain how deep the current recession will be, how long it will last, or what structural changes it may bring about. But it seems likely that if growth resumes, commodity markets may return at least in part to their previous buoyancy. Therefore, the key issue for commodity-producing countries at this point is how to ride out the storm. The April session of the Multi-year Expert Meeting on Commodities and Development addressed these issues and attempted to provide answers to this and other related questions.

55. The secretariat prepared three background reports for the Multi-year Expert on Commodities and Development: (a) “Recent commodity market developments: trends and

¹⁷ See “Terms of reference for multi-year and single-year expert meetings” (TD/B/55/9) http://www.unctad.org/en/docs/tdb55d9_en.pdf.

challenges” (TD/B/C.I/MEM.2/2); (b) “Integrating commodity policies into development and poverty reduction strategies: success stories, transparency and accountability” (TD/B/C.I/MEM.2/3); and (c) “Coping with changing commodity prices: Facilitation of efforts by developing countries to address challenges and take advantage of opportunities” (TD/B/C.I/MEM.2/4).¹⁸

56. Pursuant to paragraph 221 of the Accra Accord, the Special Unit on Commodities, along with the Divisions of the secretariat, participated and provided substantive support to the Working Party on the Medium-term Plan and Programme Budget (1–5 September 2008) in its deliberations on item 3 of its agenda on the four-year work plan of UNCTAD, including the work plan on commodities in document “Draft work plan for 2008–2011 for the implementation of the Accra Accord” (TD/B/WP/L.203),¹⁹ and agenda item 4 on the review of the UNCTAD’s technical assistance activities related to commodities trade and development.

¹⁸ These reports are available online at:
http://www.unctad.org/en/docs/cimem2d4_en.pdf;
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¹⁹ This document is available online at http://www.unctad.org/en/docs/wpd203rev1_en.pdf.