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Multi-year Expert Meeting on Commodities and Development

Third session

Geneva, 23–25 March 2011

Item 2 of the provisional agenda

Provisional agenda and annotations

I. Provisional agenda

1. Election of officers
2. Adoption of the agenda and organization of work
3. Developments and challenges in commodity markets: current situation and outlook
4. Review and identification of policy actions to mitigate the impact of highly volatile prices and incomes on commodity-dependent countries, and to facilitate value addition and greater participation in commodity value chains by commodity-producing countries
5. Identification of innovative approaches to resolving commodity-related problems based on effective multi-stakeholder partnerships
6. Adoption of the report of the meeting

II. Annotations to the provisional agenda

Item 1. Election of officers

1. It is recommended that the expert meeting elect a Chair and a Vice-Chair-cum-Rapporteur.

Item 2. Adoption of the agenda and organization of work

2. The provisional agenda for the third expert meeting is reproduced in chapter I above. The expert meeting will have three days to complete its work (23–25 March 2011). The provisional schedule of meetings for the two days is attached in the annex to this document. Detailed programmes will be available at the latest one week before the start of the meeting.

Documentation

TD/B/C.I/MEM.2/12 Provisional agenda and annotations

Item 3. Developments and challenges in commodity markets: current situation and outlook

3. The Accra Accord, in paragraph 91, 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.” Accordingly, the expert meeting will monitor developments and challenges in commodity markets, giving due attention to key commodity sectors and consider their development implications as well as emerging issues such as the green economy, climate change and technology.

Expected outcome

4. The discussion on this topic, which will include presentations by experts and representatives of relevant international organizations and commodity bodies, will serve to put into focus – and inform UNCTAD member States about – the salient developments in key commodity sectors and markets from a development perspective. The discussions will provide a context for appraising the opportunities and challenges arising from the current developments in the commodity markets and provide outlook on possible future developments and challenges facing commodity-dependent developing countries.

Documentation

TD/B/C.I/MEM.2/13 Recent developments in key commodity markets: trends and challenges

5. To facilitate the discussion, the UNCTAD secretariat will prepare a background note entitled “Recent developments in key commodity markets: trends and challenges”. The document will review recent market developments in key commodity markets, including agriculture, energy, and metals and minerals. It will highlight short- and medium-term price trends, factors affecting supply and demand, and trade. It will also identify some of the main challenges facing commodity dependent developing countries in these sectors.

Item 4. Review and identification of policy actions to mitigate the impact of highly volatile prices and incomes on commodity-dependent countries, and to facilitate value addition and greater participation in commodity value chains by commodity-producing countries

6. The Accra Accord, in paragraph 92, states, “UNCTAD should enhance its efforts, ... to help commodity-dependent developing countries ... to deal with trade and development problems related to commodity dependence”. 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; ... and develop commodity financing and risk management schemes (including commodity exchanges)” (para. 93(a)). In this respect, UNCTAD should “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, Aid for Trade and other possibilities” (para. 93(b)).

Expected outcome

7. The discussion on this topic, which will include presentations by experts and representatives of relevant international organizations and commodity bodies, will serve to put into focus – and inform UNCTAD member States about – the impacts of price volatility and policy options that can be used to mitigate the exposure to price risks caused by volatility. The discussions will also identify policy actions to facilitate value addition and greater participation in commodity value chains. This should assist developing countries’ efforts to formulate strategies and policies to respond to the challenges and opportunities of commodity markets.

Documentation

TD/B/C.I/MEM.2/14

Policy actions to mitigate the impact of highly volatile prices and incomes on commodity-dependent countries, and to facilitate value addition and greater participation in commodity value chains by commodity-producing countries

8. To facilitate the discussion, the UNCTAD secretariat will prepare a background note entitled “Policy actions to mitigate the impact of highly volatile prices and incomes on commodity-dependent countries, and to facilitate value addition and greater participation in commodity value chains by commodity-producing countries”. The document will review policies to mitigate exposure to price risks as a result of commodity price swings and facilitate value addition and greater participation in commodity value chains. It will also identify some of the main challenges facing commodity-dependent developing countries in value addition.

Item 5. Identification of innovative approaches to resolving commodity-related problems based on effective multi-stakeholder partnerships

9. Pursuant to the mandate contained in paragraph 93(c) of the Accra Accord, UNCTAD should “Contribute to building effective multi-stakeholder partnerships with a view to identifying innovative approaches to resolving commodity-related problems”. Accordingly, based on an examination of successful initiatives, the expert meeting will identify and discuss multi-stakeholder partnerships that can be replicated in commodity-

dependent developing countries for enhancing the contribution of the commodities sector to development and poverty reduction.

Expected outcome

10. The discussion on this topic, which will include presentations by experts, international and regional actors – as well as representatives of the private sector and civil society – will identify ongoing multi-stakeholder partnerships and alternative proposals for dealing with commodity and development problems.

Documentation

TD/B/C.I/MEM.2/15 Innovative approaches to resolving commodity-related problems based on effective multi-stakeholder partnerships

11. To facilitate the discussion on this topic, the UNCTAD secretariat will prepare a background note summarizing multi-stakeholder partnerships that have been deployed to assist commodity-exporting developing countries. The aim is to explore different approaches towards resolving commodity-related problems as well as initiate a process of sustained economic growth towards the goal of poverty eradication.

Item 6. Adoption of the report of the meeting

12. The report of the expert meeting will be submitted to the Trade and Development Commission at its next session. The expert meeting may wish to authorize the Rapporteur, under the authority of the Chair, to prepare the final report after the conclusion of the meeting.

Input from experts: trade and development implications of developments in commodity markets

Experts nominated by member States are encouraged to submit brief papers (approximately five pages) as contributions to the work of the meeting. The papers should be submitted to the UNCTAD secretariat in advance of the meeting and will be made available at the meeting in the form and language in which they are received. Papers, which should draw on the expert's experience, may address one or more of the following issues:

- What have been the drivers of price trends in recent years in commodity markets and what are the opportunities and challenges faced by commodity-dependent developing countries stemming from these trends?
- What instruments can be used or what mechanisms can be set up to assist commodity-dependent developing countries in mitigating exposure to price risk in commodity markets? How can such mechanisms be quickly deployed, be effectively countercyclical, operate on the basis *ex ante*, automate eligibility requirements and restrict conditionality?
- What are the policy measures through which commodity-dependent developing countries could enhance their participation in commodity value chains, including value addition in the medium-to-long term?
- What are the relevant partnerships that can strengthen the contribution of commodities to development in commodity-dependent developing countries? How can such partnerships relate to national initiatives?

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Annex

Provisional meeting schedule

Wednesday 23 March 2011	Thursday 24 March 2011	Friday 25 March 2011
<p>(10 a.m.–1 p.m.)</p> <p>Plenary</p> <p>Opening statement</p> <p>Item 1: Election of officers</p> <p>Item 2: Adoption of the agenda and organization of work</p> <p>Item 3: Developments and challenges in commodity markets: current situation and outlook</p> <ul style="list-style-type: none"> - Agricultural commodities 	<p>(10 a.m.–1 p.m.)</p> <p>Item 4: Review and identification of policy actions to mitigate the impact of highly volatile prices and incomes on commodity-dependent countries, and to facilitate value addition and greater participation in commodity value chains by commodity-producing countries</p> <ul style="list-style-type: none"> - Agricultural commodities - Oil and Gas & Minerals & Metals sectors 	<p>(10 a.m.–1 p.m.)</p> <p>Item 5 Cont.: Identification of innovative approaches to resolving commodity-related problems based on effective multi-stakeholder partnerships</p> <p>Item 6: Adoption of the report of the meeting</p>
<p>(3 p.m. – 6 p.m.)</p> <p>Item 3 Cont.: Developments and challenges in commodity markets: current situation and outlook</p> <ul style="list-style-type: none"> - Oil and Gas & Minerals & Metals sectors 	<p>(3 p.m. – 6 p.m.)</p> <p>Item 4 Cont.: Review and identification of policy actions to mitigate the impact of highly volatile prices and incomes on commodity-dependent countries, and to facilitate value addition and greater participation in commodity value chains by commodity-producing countries</p> <ul style="list-style-type: none"> - Oil and Gas & Minerals & Metals sectors <p>Item 5: Identification of innovative approaches to resolving commodity-related problems based on effective multi-stakeholder partnerships</p>	