

Distr.
GENERAL

TD/B/CN.1/28
3 August 1995

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD
Standing Committee on Commodities
Fourth session
Geneva, 30 October 1995
Item 2 of the provisional agenda

ADOPTION OF THE AGENDA AND ORGANIZATION OF WORK

Provisional agenda and annotations to the provisional agenda

Note by the UNCTAD secretariat

I. PROVISIONAL AGENDA

1. Election of officers
2. Adoption of the agenda and organization of work
3. Examination of the manner in which prices of natural commodities and their synthetic competitors could reflect environmental costs, taking into account policies relating to the use and management of natural resources and sustainable development
4. Analysis of the evolution of prices and trade of commodities to be expected in the light of the results of the Uruguay Round, with particular emphasis on their implications for developing countries, including their diversification prospects
5. Reports of the subsidiary organs of the Standing Committee
6. Review of the work programme of the Standing Committee with special emphasis on the preparations for UNCTAD IX
7. Other business
8. Adoption of the report of the Standing Committee to the Trade and Development Board.

GE.95/....

II. ANNOTATIONS TO THE PROVISIONAL AGENDA

Item 1: Election of officers

Rule 18 of the rules of procedure of the main Committees of the Trade and Development Board states that: "At the commencement of the first meeting of each regular session, the Committee shall elect a Chairman, five Vice-Chairmen and a Rapporteur from among the representatives of its members. These officers shall constitute the Bureau of the Committee. In electing the officers, due account shall be taken of the need to ensure an equitable geographical distribution." Moreover, rule 19 indicates that "the Bureau of the Committee shall consist of seven members, including four members from groups A and C combined, two members from Group B and one member from Group D, referred to in the annex to General Assembly resolution 1995 (XIX) as amended".

Item 2: Adoption of the agenda and organization of work

The provisional agenda in section I above was approved by the Standing Committee on Commodities at its third session (see TD/B/41(2)/3, para. 46 and annex II). As provided for in the UNCTAD calendar of meetings, the Standing Committee will have available five working days from 30 October to 3 November 1995. Throughout the session, interpretation facilities will be available for one meeting in the morning and one meeting in the afternoon. At its 14th (opening) meeting on 31 October 1995, an opening statement will be made by the Officer-in-Charge of UNCTAD or his representative. It is proposed that the rest of the fourth session of the Standing Committee be devoted mainly to items 3, 4, and 6 of the provisional agenda.

The bulk of the Committee's work is expected to take place in informal sessions. The secretariat has invited a number of distinguished experts to address these informal sessions, to answer questions posed by delegates, and to participate, to the extent feasible, in the debates. Experts on item 3 of the agenda will speak on the afternoon of 30 October 1995, and experts on item 4 of the agenda will speak on the afternoon of 31 October 1995.

As a contribution to the preparations for UNCTAD IX, the secretariat has also made provision for an informal panel on the future of producer-consumer cooperation on commodities, to be held on Thursday 2 November. The Executive Heads of all existing ICOs and formal intergovernmental study groups, and the Common Fund for Commodities, have been invited to participate in this panel. Representatives of the multilateral financial institutions and other relevant international organizations have also been invited to participate.

Item 3: Examination of the manner in which prices of natural commodities and their synthetic competitors could reflect environmental costs, taking into account policies relating to the use and management of natural resources and sustainable development.

For the consideration of this item, the Standing Committee will have before it a document entitled "Sustainable development and the possibilities for the reflection of environmental costs in prices" (TD/B/CN.1/29). The report starts with a brief review of the concept of internalization, that is the reflection of environmental costs and benefits in prices, its role in the process of sustainable development in the light of natural resource management, and the domestic as well as international factors which make its implementation a difficult, sometimes even a controversial, undertaking. It then discusses the special characteristics of developing countries that need to be taken into account in selecting internalization policies and measures, and examples of internalization measures already implemented in the commodity sectors of developing countries. Focusing on the commodities sector, the report discusses the special conditions, including the existence of

substitutes, which call for international cooperative approaches to internalization in this sector. Finally, it provides some suggestions about what forms this cooperation could take.

Item 4: Analysis of the evolution of prices and trade of commodities to be expected in the light of the results of the Uruguay Round, with particular emphasis on their implications for developing countries, including their diversification prospects.

With a view to assisting the Standing Committee in examining this item, the secretariat has prepared a study entitled "The Uruguay Round and international commodity trade and prices" (TD/B/CN.1/30). Recognising that a number of other organizations have carried out studies on the impact of the Uruguay Round, the report makes use of the results of these various projections, as they relate to commodities. It differs from the earlier studies by placing greater emphasis on specific commodities and issues of interest to developing countries, including tariff escalation; by dealing with specific commodities not covered elsewhere, particularly minerals and metals; and by looking at the Uruguay Round developments against a long-term perspective, from the early 1970s. The report is divided into two parts. Part I first provides a guided tour of those parts of the Uruguay Round Agreements which relate specifically to commodities, and attempts to provide some indications, necessarily of a qualitative nature, of the impact of these provisions for commodity prices and trade. It then summarises the quantitative information about these impacts which is available. Finally, it points to further action which may be required. Part II is devoted to brief, but detailed, sketches of the impact on individual commodities of the provisions of the Uruguay Round. A Statistical Annex (TD/B/CN.1/30/Add.1) has also been prepared, providing detailed information on changes in the tariff levels affecting individual commodities, including tariff escalation, on reductions in export subsidies and domestic protection of agriculture, and on the price effects of the changes introduced by the Round.

A number of documents will also be available to the Committee as background material. In addition to the studies on individual commodities which have been carried out specifically for this agenda item by the UNCTAD secretariat, a study carried out by the FAO, entitled "Impact of the Uruguay Round on agriculture", (document CCP:95/13) will be made available to members.

Item 5: Reports of the subsidiary organs of the Standing Committee

Under this item the Standing Committee will have before it the report of the Intergovernmental Group of Experts on Tungsten on its third session, held from 7-8 November 1993 (TD/B/CN.1/27 - TD/B/CN.1/TUNGSTEN/11). It will be recalled that the third session of the Intergovernmental Group of Experts on Tungsten adopted a decision (see TD/B/CN.1/27, para. 25) remitting "to the fourth session of the Standing Committee on Commodities the determination of the date for the fourth session of the Group". The Committee will therefore be expected to take whatever action it deems fit in regard to the setting of a date for the fourth session of the Intergovernmental Group of Experts on Tungsten.

As the report of the Intergovernmental Expert Group on Iron Ore on its fourth session, held from 23 to 25 October 1995 will, for technical reasons, be unavailable to the Committee, an oral report will be presented.

Item 6: Review of the work programme of the Standing Committee with special emphasis on the preparations for UNCTAD IX.

It is recalled that, at its first session, the Standing Committee on Commodities (see TD/B/39(2)/4 - TD/B/CN.1/6, paras. 80 and 81) decided that "the work programme agreed at its first session should provide the content for its agenda". It further agreed that "the choice of the specific agenda

topics within the main headings of the work programme would be determined in the informal consultative mechanism established in accordance with paragraph 83 of the Cartagena Commitment, taking into account the evolution of the world commodity situation and progress in the work of the secretariat".

As the work programme of the Committee contained 18 substantive items classified under six main headings, there remain a number of issues which the Committee has been unable to consider and which it may therefore wish to designate as priorities for future work. It should also be noted that the agenda of UNCTAD IX spells out three broad areas for consideration in the field of commodities:

- (a) Reduction of the instability and risks faced by commodity-dependent developing countries;
- (b) Promotion of commodity diversification; and
- (c) Efficient management of natural resources, taking into account both developmental and environmental aspects.

The Committee may therefore wish to consider whether, these areas should be reflected in its priorities for future work, and if so how. To assist the Committee in so doing, the secretariat has prepared a report (TD/B/CN.1/31) which reviews the work done by the Committee since its inception following UNCTAD VIII, and sets out possible areas of future work, bearing in mind the fact that UNCTAD IX will be held shortly following the conclusion of the work of the Committee.

Item 7: Other business

Under this item the Chairman of the Ad Hoc Group of Experts on State Participation and Privatization in the Minerals Sector, will report to the Standing Committee on the proceedings of the Ad Hoc Group for information and possible action.

It will be recalled that, at its third session, the Intergovernmental Group of Experts on Tungsten adopted a decision (see TD/B/CN.1/27, para. 25) requesting "that the secretariat pursue its collection and dissemination of statistics on tungsten, and its review of the tungsten market". The secretariat has therefore prepared a study entitled "Review of the current market situation and outlook" (TD/B/CN.1/TUNGSTEN/12) to respond to that request. The study will be introduced under this item of the agenda.

Item 8: Adoption of the report of the Standing Committee to the Trade and Development Board.

The report of the Standing Committee will be considered by the Trade and Development Board at its special session in December 1995.