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Trade and Development Board
Trade and Development Commission
Multi-year Expert Meeting on Commodities and Development
Eleventh session
Geneva, 15 and 16 April 2019
Item 2 of the provisional agenda
Adoption of the agenda and organization of work

Provisional agenda and annotations

I. Provisional agenda

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II. Annotations to the provisional agenda

Item 1 Election of officers

1. It is recommended that the Multi-year Expert Meeting on Commodities and Development 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 eleventh session of the Multi-year Expert Meeting is reproduced in chapter I above. The Trade and Development Board agreed on the topics for this session at its sixty-fifth session, part II, on 4 October 2018. The meeting will have two days, 15 and 16 April 2019, to complete its work. The provisional schedule of meetings for the two days is attached in the annex to this document. A detailed programme will be available at the latest one week before the start of the meeting.



Documentation

TD/B/C.I/MEM.2/44

Provisional agenda and annotations

Item 3**Recent developments, challenges and opportunities in commodity markets**

3. The purpose of the Multi-year Expert Meeting is to monitor developments, challenges and opportunities in commodity markets, giving due attention to those commodity sectors that are relevant to commodity-dependent developing countries. Discussion on these topics, which will include presentations by national experts and experts from relevant international organizations and commodity bodies, as well as representatives from the private sector and civil society, will serve to inform member States of UNCTAD of important developments in key commodity sectors and markets from a development perspective.

4. To facilitate the discussion, the UNCTAD secretariat has prepared a background note entitled “Recent developments, challenges and opportunities in commodity markets”. The note contains a review of recent developments in key commodity markets and analysis of factors that contributed to the trends in commodity prices observed in 2018. Generally, price increases were the result of factors such as tightness in markets due to adverse weather conditions and economic and political uncertainty in many parts of the world. Easing off and fall in prices was largely due to oversupplied markets, rising inventories and favourable weather conditions. A number of policy issues related to recent developments in global commodity markets are explored in the note. Furthermore, several recommendations are made that could help commodity-dependent developing countries to reduce the socioeconomic effects of commodity price volatility and to achieve inclusive growth and sustainable development.

Documentation

TD/B/C.I/MEM.2/45

Recent developments, challenges and opportunities in commodity markets

Item 4**Managing commodity price risk in commodity-dependent developing countries**

5. About 60 per cent of all developing countries derive at least 60 per cent of their merchandise export earnings from primary commodities, and a large majority of these countries are dependent on the export of one or two key commodities. The concentration of export earnings on a limited number of commodities exposes exporters to the vagaries of global commodity markets and associated risks. In addition to unfavourable secular terms of trade for commodity-dependent developing countries, high commodity price volatility has traditionally led to macroeconomic, currency and even political instability. Therefore, it is crucial to strengthen the capacity of commodity-dependent and net food-importing developing countries to reduce the short-term negative effects of price volatility through market risk management instruments.

6. Two key sources of risk for commodity-dependent developing countries are examined in this background note: price risk and weather and climate-related risks. Price risk affects all participants in the commodity market in commodity-producing countries. Incomes of smallholder farmers and traders of commodities are directly linked to commodity revenue, as are the budgets of commodity-dependent developing countries. Furthermore, weather-related shocks can have significant impacts on the livelihoods of farmers, their families and rural communities as a whole. Consequently, tools and strategies to manage commodity price risks, and successful experiences of commodity-dependent developing countries are discussed in the background note, in addition to lessons learned from index-based weather insurance schemes.

7. At the eleventh session of the Multi-year Expert Meeting, participants will explore the following issues: the evaluation of the nature of the risks affecting commodity-dependent economies, including price risk, production risk, transportation risk, counterparty risk, currency risk and weather and climate-related risks; various financial instruments generally used to hedge commodity price risks; the role of commodity exchanges and stabilization funds as risk management instruments; the role of commodity-linked bonds; and index-based weather insurance for farmers. In order to inform policy options for risk management in commodity-dependent economies, different experiences and lessons learned will be shared.

8. With the aim of facilitating the discussion, the UNCTAD secretariat has prepared a background note entitled "Risk management in commodity markets". The note contains the following: a review of the challenges associated with price volatility and weather-based risks in commodity-dependent developing countries; and policy suggestions that could help commodity-dependent developing countries to better manage such risks and, consequently, to achieve the Sustainable Development Goals by 2030.

Documentation

TD/B/C.I/MEM.2/46 Managing commodity price risk in commodity-dependent developing countries

Item 5 Adoption of the report of the meeting

9. The report of the Multi-year Expert Meeting will be submitted to the Trade and Development Commission at its next session. The meeting may wish to authorize the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to prepare the final report after the conclusion of the meeting.

Input from experts: Recent developments, challenges and opportunities in commodity markets

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

- (a) What have the drivers of price trends been in recent years in commodity markets, and what are the opportunities and challenges faced by commodity-dependent developing countries stemming from these trends?
- (b) How can trade in primary commodities make a positive contribution to development?
- (c) What mechanisms allow primary commodities to enhance trade and contribute to sustainable development?
- (d) What policy options do commodity-dependent developing countries have to meet the Sustainable Development Goals by 2030?

For more information, please contact:

Janvier Nkurunziza
Officer-in-Charge, Commodities Branch
UNCTAD
E.9018, Palais des Nations
CH-1211 Geneva 10
Tel: 41 22 917 4546
Email: janvier.nkurunziza@unctad.org

Annex

Multi-year Expert Meeting on Commodities and Development, eleventh session: Provisional schedule

<i>Monday</i> 15 April 2019	<i>Tuesday</i> 16 April 2019
<p><i>(10 a.m.–1 p.m.)</i></p> <p>Opening plenary</p> <p>Opening statements</p> <p>Item 1 Election of officers</p> <p>Item 2 Adoption of the agenda and organization of work</p> <p>Item 3 Recent developments, challenges and opportunities in commodity markets</p> <ul style="list-style-type: none"> • Agricultural commodities • Minerals, ores and metals • Energy: Oil, gas, coal and renewable energy <p><i>(3 p.m.–6 p.m.)</i></p> <p>Item 3 (continued) Recent developments, challenges and opportunities in commodity markets</p>	<p><i>(10 a.m.–1 p.m.)</i></p> <p>Item 4 Managing commodity price risk in commodity-dependent developing countries</p> <p><i>(3 p.m.–5.30 p.m.)</i></p> <p>Item 4 (continued) Managing commodity price risk in commodity-dependent developing countries</p> <p><i>(5.30 p.m.–6 p.m.)</i></p> <p>Item 5 Adoption of the report of the meeting</p>