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BRIEF: WORKING GROUP ON COMMODITIES GOVERNANCE

By

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UNCTAD formed the multistakeholder Working Group on Commodities Governance at the recommendation of participants at the 2014 Global Commodities Forum (GCF). Participants tasked the Group with elaborating practical policy recommendations for improving transparency and accountability in the commodities value chain. Following this guidance, the Working Group agreed to present its progress to the 2015 GCF.

To that end, this brief reviews the Group's work to date: the Group's deliberations and membership, as well as the prospects for developing the Working Group on Commodities Governance as an effective platform for ongoing policy debate.

Work to date

The Working Group held three rounds of discussions, each involving a substantive email review of working documents, followed by a teleconference to discuss issues and next steps. In its first two rounds of discussions, the Group agreed on its working framework: key definitions, flowcharts, evaluation grids, etc. For the substantive work programme that followed, the Group agreed to develop its methodology by mapping the existing transparency-related initiatives related to a specific commodity group, so as to identify governance gaps and formulate policy remedies.

In its work to date on the crude oil value chain, the Working Group has developed: a) a conceptual map that illustrates the relationship between the physical value chain and the governance activities that influence activities on the chain; and b) an evaluation grid for existing governance initiatives. During its last discussion round, the Group used the grid to evaluate three examples of existing governance initiatives in the crude oil value chain. This exercise served to finalise the evaluation grid, which is now ready for use on the full set of existing initiatives.

Unfortunately, as of October 2014, a temporary staffing shortfall at UNCTAD curtailed the Group's work programme. The shortfall now resolved, UNCTAD aims to resume the Group's deliberations.

A resumed work programme would involve the Group completing its analysis of the transparency-related governance gaps in the crude oil value chain, to arrive at practical policy recommendations. The Group could then further refine its methodology by examining transparency issues related to a specific agricultural commodity group.

Membership

The Working Group currently has 26 members, representing: companies, governments, international organisations, NGOs and other stakeholders. UNCTAD intends to continue expanding the Group's membership to underrepresented stakeholders, notably from mining companies and European regulators. Moreover, themes related to transparency and accountability differ by commodity group, and often even by subgroup. Therefore, to undertake substantive discussions and policy recommendations, the Working Group's membership will need to be adapted to each theme or commodity group it examines, so as to include the necessary balance and expertise.

Prospects

The experience from the first year of deliberations for the Working Group has confirmed its potential as a multistakeholder platform with an international, holistic perspective on issues related to transparency and accountability along the commodities value chain. National initiatives exist, as do initiatives devoted to a specific activity in the chain (e.g. production), but there is a shortage of international policy initiatives with a practical, value chain perspective. The Working Group on Commodities Governance plans to continue to assemble relevant experts around the governance gaps that exist in the value chain, with the aim of filling an important role in the policy debate.

¹ As at 13 April 2015.