



**United Nations Conference
on Trade and Development**

Distr.: General
4 November 2022

Original: English

Trade and Development Board
Trade and Development Commission
Multi-year Expert Meeting on Commodities and Development
Thirteenth session
Geneva, 10–12 October 2022

**Report of the Multi-year Expert Meeting on Commodities
and Development on its thirteenth session**

Held at the Palais des Nations, Geneva, 10 to 12 October 2022



Introduction

The thirteenth session of the Multi-year Expert Meeting on Commodities and Development was held from 10 to 12 October 2022 at the Palais des Nations in Geneva, with physical and remote participation.

I. Chair's summary

A. Opening plenary

1. In her opening statement, the Secretary-General of UNCTAD highlighted the importance of dynamics in international commodity markets in the context of the current major cost-of-living crisis. She underscored the high volatility of commodity prices; in 2021, the UNCTAD commodity price index had increased by 43 per cent for all commodity groups, led by fuels, on the back of post-pandemic economic recovery. The Secretary-General noted that the war in Ukraine had exacerbated volatility in commodity markets, particularly with regard to food, energy and fertilizers, with a number of commodities registering significant price increases. In addition, she noted that high energy prices had, together with other factors, increased inflation rates at a global scale, negatively impacting net fuel-importing and net food-importing countries in particular. The Secretary-General stated that the current situation presented an opportunity for developing countries to foster economic diversification. She noted the importance of the two commodities to be discussed at dedicated sessions during the Multi-year Expert Meeting on Commodities and Development, namely, bamboo and phosphates. The Secretary-General highlighted the role of bamboo in providing affordable housing and shelter, as well as an environmentally friendly construction material, and its important role as a cash-income-generating crop in many developing countries; and underscored the significant role of phosphorus fertilizers in agricultural productivity and, thereby, food production, in the context of a global fertilizer crunch and the need to prevent a crisis of availability.

B. Recent developments, challenges and opportunities in commodity markets

(Agenda item 3)

2. During the first informal session, the Officer-in-Charge, Commodities Branch, Division on International Trade and Commodities, introduced the note titled "Recent developments, challenges and opportunities in commodity markets" (TD/B/C.I/MEM.2/54) and provided an overview of recent trends and outlooks. The Officer-in-Charge drew attention to commodities such as gold, considered a refuge commodity, and food and fuels, prices of which had increased due to various factors, including the pandemic and the war in Ukraine. He highlighted that energy prices had risen to unprecedented levels, stemming from natural gas prices, which had registered a 250 per cent year-on-year increase in August 2022. High prices contributed to global inflationary pressures and posed an immediate risk to energy and food security. In this regard, he noted that UNCTAD emphasized the need to build resilient trade and food systems, which required diversifying import sources, exploring regional markets and using arable land and other natural resources wisely.

1. Agriculture

3. The panel was composed of the following: a senior economist, International Grains Council; Head of Operations, International Coffee Organization; Additional Secretary, Ministry of Agriculture, Sri Lanka; a representative from the International Bamboo and Rattan Organization; and an economist, Food and Agriculture Organization of the United Nations.

4. The first panellist focused on recent developments in cereals markets. Grain supply prospects had improved but food security concerns remained, with increases in supply not

necessarily translating into greater market availability. Nominal prices had increased, reflecting a number of deeper issues such as logistical arrangements in the wheat market that made it difficult for wheat supply to reach the market. The panellist indicated that rice production would likely decline in the 2022/2023 cycle, as uncertainty loomed over the supply prospects of several producers. For example, export restrictions in India might tighten rice availability and demand was anticipated to be underpinned by requirements in sub-Saharan Africa, to compensate for lower levels of wheat, as well as decreased imports from China. The panellist suggested that it was important to monitor the situation in India because the country was one of the largest players, in terms of both production and consumption.

5. The second panellist highlighted trends in the coffee market, which had been negatively impacted by the pandemic, including due to restaurant closures for lengthy periods and, more recently, extreme weather events, frosts and droughts in producing countries, which had contributed to higher prices; the 10-year price average showed a rising trend. The panellist highlighted the vulnerability of coffee markets associated with extreme weather events and the fact that global production was concentrated in a few markets, with about 71 per cent of green coffee production in Brazil, Colombia, Indonesia and Viet Nam. He stated that uncertainty and currency movements would continue to affect the sector, as well as upcoming regulations on deforestation and other environmental policies in response to climate change.

6. The third panellist detailed the role of the food crop sector, particularly the tea market, in the economy of Sri Lanka. Food security had worsened in the country as a result of high prices and climate change. The panellist stated that a step forward in this regard would be to introduce appropriate social safety net programmes to protect the most vulnerable groups. As part of efforts to reduce the use of agrochemicals in the agricultural sector, the Government had implemented a policy to promote organic fertilizers, and the United States of America and several entities such as the Food and Agriculture Organization of the United Nations and the World Bank had been supporting Sri Lanka in this initiative. The panellist stated, however, that limited foreign reserves posed a challenge with regard to importing organic fertilizers in the long term.

7. The fourth panellist provided an example from Sichuan Province, China, highlighting the achievements of the International Bamboo and Rattan Organization, including with regard to scientific and technological innovations. The panellist noted that breakthroughs had yet to be achieved in the development of technical equipment.

8. The fifth panellist provided an outlook of global food and agricultural markets. One of the most important elements was that growth in agricultural production was expected to exceed growth in greenhouse gas emissions from agriculture. This showed ongoing technological progress in reducing agriculture-related emissions. The panellist stated, however, that overall emissions were expected to increase by 6 per cent in 2030 and that additional measures needed to be taken to ensure their decrease.

9. During the ensuing discussion, with regard to a query from one delegate on the factors behind the projected decline in the prices of agricultural commodities, one panellist indicated that, despite fluctuations, prices were expected to resume a declining trend due to productivity gains, which would translate into greater yield and output. The secretariat, noting that coffee producers captured a small share of value, enquired about initiatives by international organizations to improve the income shares of producers. In this regard, one panellist detailed International Coffee Organization initiatives, including some with regard to stimulating domestic consumption, citing examples from Brazil and Ethiopia, where value addition had increased substantially as a result of increased domestic consumption; and some tailored to the type of coffee produced, such as those focused on increasing gourmet and specialty arabica coffees through certifications and those focused on attracting investment in order to expand production capacities related to soluble coffee, in robusta-producing countries. With regard to volatility in the prices of many commodities, one panellist highlighted that maritime transportation costs impacted the prices of cereals and a few panellists noted that currency appreciation remained a challenge in the trade balance of importing countries. One panellist added that it was important to monitor developments in the energy market, as the prices of gas and oil seemed to be on different paths. The

secretariat reiterated the importance of building more resilient systems; Governments were encouraged to expand domestic production wherever possible, to use resources more efficiently. Finally, one panellist issued an invitation for investors and international organizations to support Sri Lanka with regard to access to fertilizers.

2. Minerals, ores, metals and energy

10. During the second informal session, the panellists provided insights on the drivers of commodity price movements in minerals, metals and energy markets and the global implications. The panel was composed of the following: an energy and mining analyst, Switzerland; an expert in commodities and macroeconomic risks, Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; Vice-Chair, Global Gas Centre; Chief Technology Officer, Renewables Global Business Unit, Engie, France; and Head, Oil Markets Division, International Energy Agency.

11. The first panellist noted that the pandemic, including lockdown measures and the subsequent economic recovery, and the war in Ukraine had sequentially influenced recent price movements in selected strategic minerals and metals markets. Movements in the prices of these metals were largely driven by supply and demand fluctuations due to the underlying factors cited. In addition, there were some financial market-related demand shifts in the nickels market, causing prices to fluctuate, and demand for electric vehicles was leading to increased prices of strategic minerals. The panellist stressed that increased production of these strategic minerals, such as lithium, was needed in order to avoid a sharp increase in prices.

12. The second panellist stated that the prices of precious metals were largely driven by demand from industry and demand related to financial markets, particularly as a store of value in times of uncertainty. Supply from recycling and mining was slow in meeting demand. The panellist underscored that precious metals presented useful investment opportunities and that the inherent value from industrial uses and scarcity provided a hedge against inflation and currency risks. Finally, the panellist noted that the prices of precious metals often reflected investor expectations based on market conditions and, as investors sought yields, valuable commodities in limited supply were a good option.

13. The third panellist highlighted supply challenges in gas markets in Europe, noting that the use of liquefied natural gas had helped mitigate the impacts of current supply shocks and contributed to reallocation, given some of the imbalances between supply and demand globally. Liquefied natural gas was likely to continue to play an important role in providing for the long-term diversification of energy supply in developing countries, displacing coal and providing a platform for future low-carbon gases. Finally, the panellist stressed that increased investments in projects were needed, to help keep the market in balance.

14. The fourth panellist underscored that, as solar and wind energy infrastructure projects were relatively easy to install and costs had declined significantly, these sources of renewable energy were competitive compared with other sources, presenting a significant opportunity for renewables to rapidly enter the energy mix. There were several challenges in meeting renewable energy targets, including lack of grid availability and suitable sites in which to generate solar and wind power and the length of time required to obtain permits. In addition, protectionist policies did not support investment and inadequate legal frameworks posed barriers to developing renewables. The panellist noted that there had been strong growth in renewable energy but it remained insufficient to meet carbon neutrality objectives by 2050. He recommended that any transition strategy embarked on by a country should be durable, paying attention to social and environmental concerns.

15. With regard to energy, the first panellist stated that an aggressive energy transition required new infrastructure, which involved high costs in terms of investment. He noted that solar and wind energy sources no longer needed subsidies in order to be competitive and reiterated that the prices of these sources had dropped below the prices of fossil fuels. He highlighted, however, that challenges remained, such as with regard to energy storage, which could slow progress in boosting renewables. In addition, high levels of demand for renewable energy were increasing the fabrication costs of solar photovoltaics and this

increase needed to be managed, to strengthen the competitiveness of renewables. Durable solutions were needed in order to replace the use of fossil fuels, and the panellist emphasized the need for strong political support for an immediate transition to renewables.

16. The fifth panellist highlighted that volatility in oil markets, which had increased after the start of the war in Ukraine, had recently ebbed, and prices had declined. She noted that oil demand growth was slowing, due in part to lockdowns measures in China. The recent decline in energy prices had been partly due to the release of emergency stocks of petroleum. Finally, the panellist noted that there had been cuts in production in the Organization of the Petroleum Exporting Countries and a growth in production in other countries.

17. During the ensuing discussion, with regard to a query from one delegate on how speculation in strategic minerals could be limited and how the entry of seabed minerals into markets could affect prices, one panellist suggested that the negotiation of prices between producers and buyers could contribute to reducing speculation; and that, as there was still a low level of seabed mineral mining, the costs had not yet been determined and the impacts might not be immediate, as it would take time to scale up volume. With regard to a query from the representative of one international organization on whether the war in Ukraine could affect energy security or the energy transition, one panellist suggested that energy independence was sought by all and that, in the short term, policies were in place to ensure the security of supplies; in the medium term, the greater deployment of renewables and the decarbonization of natural gas were needed to ensure energy security. Another panellist, noting that energy security was back on the agenda, linked momentum in this regard to energy independence, stressing the need to speed up the energy transition, to achieve energy security, and for greater investment in renewables. One panellist noted that investment should be directed to infrastructure to be used in future and underscored that thorough estimates should be made of long-term demand. Another panellist emphasized the need for a fair and affordable energy transition and that optimism about what could be achieved should be tempered, advising a cautionary approach involving strategic underinvestment in traditional fuels, to appropriately manage the energy transition. In this regard, the secretariat drew attention to energy access in Africa and requested contributions from panellists on whether greater investment in energy could lead to energy for export at the expense of domestic use. One panellist noted that Africa had a significant amount of available renewable energy sources that could be developed and that, as it was less expensive to produce renewables, their production could be rapidly expanded to meet energy needs in countries. Another panellist stated that increasing access to energy provided countries with the opportunity to build new renewable energy infrastructure. One panellist noted that lack of access to electricity was a key impediment to productivity and that gas could be used in electricity generation to bridge access to sustainable energy. Finally, another panellist stated that clean energy investment was picking up, but was mostly in China, the United States and Europe and that, since only one fifth of investment was directed to developing countries, which accounted for two fifths of the global population, more needed to be done to bridge the gap.

3. Potential contribution of bamboo to sustainable development

18. The panellists discussed opportunities and challenges for fostering the sustainable use of bamboo and suggested policy recommendations with regard to the development of the sector in developing countries. The panel was composed of the following: an economic affairs officer, Division on International Trade and Commodities; First Counsellor, Permanent Mission of Cameroon to the United Nations Office and other international organizations in Geneva; Director, Central Africa Regional Office, International Bamboo and Rattan Organization; Manager, Research and Development, Moso International, Netherlands; an associate professor, Department of Civil, Chemical, Environment and Materials Engineering, University of Bologna, Italy; a professor, International Bamboo and Rattan Organization; and Head, Urban and Biodiversity Research Development and Extension Centre, Philippines.

19. The first panellist provided an overview of the UNCTAD publication *Commodities at a Glance: Special Issue on Bamboo*, highlighting the potential of bamboo as a building

material, based on its mechanical and physical properties, and opportunities for establishing downstream industries. The lack of skills, technology and knowledge of the resources available hindered the development of such industries, and attracting quality investment into the sector could contribute to the transfer of knowledge and technology and the enhancement of skills. Finally, the panellist noted that raising awareness of opportunities, developing codes of practice to provide practical guidance on use and including bamboo in national housing policies and regulations could help boost its use in complex structural applications.

20. The second panellist underlined the potential of bamboo in Cameroon and commitment to facilitating the transformation of the sector, to improve living conditions among the population. Cameroon was dedicated to associating and collaborating with other countries in order to develop the bamboo sector in Cameroon.

21. The third panellist underscored the role of bamboo in environmental management, as it could play a role in carbon sequestration, the protection of biodiversity and ecosystems and the restoration of degraded land. He underscored that forest restoration could lead to increased wood supply and slower soil erosion, as well as groundwater protection, ecotourism, biodiversity and climate change mitigation. Land reclamation also provided the additional benefits of creating jobs and boosting reforestation. Finally, the panellist underlined the important role that bamboo could play in achieving the Sustainable Development Goals.

22. The fourth panellist highlighted the economic value of bamboo through value addition. The establishment of value added industries could start with an analysis of different bamboo species and their properties, the volume of harvests and the costs involved in transporting bamboo to factories, to establish the viability of such industries prior to evaluating investments. Different facilities were needed to manufacture products from the different parts of bamboo. Finally, the panellist underscored that knowledge feedback from the market to the production sector could strengthen the quality of available bamboo products.

23. The fifth panellist identified the various uses of and limiting factors with regard to round bamboo and engineered bamboo in construction. With regard to round bamboo, she cited heterogeneity in dimension, challenges in providing good connections, cultural factors and the lack of existing standards as major factors that limited its use. However, advantages included speed of construction and sustainability. With regard to engineered bamboo, she cited the environmental impact of adhesives as one of the challenges. However, advantages included durability, strength and standardized dimensions. Finally, the panellist noted that standards were being established that could help strengthen the bamboo industry but more standards were needed to cover all aspects of construction.

24. The sixth panellist shared the experience of China in establishing downstream bamboo industries in the last 40 years. Research in the sector had enabled China to move from manual production in the 1970s to the mechanized production used at present. The panellist highlighted the use of bamboo in the manufacturing of many common products in several fields, including textiles, construction and cosmetics, and noted that this had been made possible through the creation of industrial parks and numerous research projects, enabling improvements in productivity and the quality of products made from bamboo. Finally, the panellist emphasized that the national Government and local governments in bamboo manufacturing zones noted the importance of the development of the bamboo industry and provided the necessary support and appropriate policies for its development.

25. The seventh panellist highlighted the different uses of bamboo in the Philippines and noted that various policies were being put in place to develop the industry. He stressed that the Government had implemented various initiatives to support the development of the sector, such as a public-private partnership to facilitate bamboo-producing start-ups and the provision of training support for individuals aiming to enter the bamboo industry, with public land made available to them.

26. During the ensuing discussion, with regard to a query from one expert on initiatives taken by countries to leverage the use of bamboo in the housing sector, one panellist stated that Cameroon had taken steps to improve the knowledge of domestic resources and that

skills had increased but standards needed to be developed; in this regard, Cameroon aimed to replicate good practices in other countries. With regard to a query from a few delegates and experts on whether bamboo could be used in the Sahel to help stop desertification, one panellist noted that there were over 1,600 species of bamboo that could grow in varied soil conditions and that it would be prudent to map species according to the required precipitation amount, soil condition and temperature, to ascertain the most appropriate species for growth in desert conditions. With regard to a query from one expert on the challenges in setting up bamboo industries in developing countries, one panellist stressed that not all species provided good feedstock to downstream industries and that additional research was therefore needed; further development of the bamboo industry required research in order to align production with market demand and, as skills were needed for successful development of the industry, it would be prudent to first focus on the lower end of value added industries before diversifying to higher-end finished products. Another panellist suggested that UNCTAD should investigate how bamboo could be used to produce products in demand in the market and explore ways in which this information could be disseminated. One panellist highlighted that knowledge-sharing was one stage in the promotion of bamboo and that there was significant potential available for export, but that countries should begin with simple products. Another panellist cited an example of an area in China that had experienced desertification due to mining, noting that the planting of bamboo trees by the local government had helped restore the land and that an ecotourism industry had developed; in addition, bamboo shoots formed part of the lucrative food industry that had emerged. One panellist stated that the establishment of standards was key in encouraging the widespread use of bamboo, as they could contribute to diversifying bamboo use, and that the International Organization for Standardization could provide guidance in this regard. Finally, another panellist noted that the International Bamboo and Rattan Organization was working with its member countries on the development of standards.

4. Phosphate fertilizers and food security: The new landscape of phosphates

27. The panellists provided insights into the overall outlook of phosphate markets. The Officer-in-Charge, Commodities Branch, Division on International Trade and Commodities, opened the session by highlighting the importance of phosphates with regard to food security and the energy transition. The panel was composed of the following: an economic affairs officer, Division on International Trade and Commodities; Founder, Norge Mining, United Kingdom of Great Britain and Northern Ireland; and Director, Market Intelligence, International Fertilizer Association.

28. The first panellist provided an overview of the types and uses of phosphates in various industries, notably agriculture. With regard to market structure, he highlighted that over 70 per cent of phosphate production was concentrated in four countries, namely, China, Morocco, the Russian Federation and the United States. He noted the close relationship between agricultural phosphate consumption and fertilizer and energy prices, which posed a challenge at present. In addition, he cited regional differences in consumption, indicating that many countries in Africa tended to underconsume fertilizers. In this regard, he emphasized the need for better understanding of the barriers faced by farmers in Africa in accessing fertilizer markets, along with potential solutions, to overcome challenges.

29. The second panellist referred to recent phosphate deposit findings in Norway, noting the potential of the country to become a major exporter. This would contribute to improved food security and support the energy transition at a time when fertilizer markets had been adversely impacted by several shocks, including the pandemic, supply chain disruptions and the war in Ukraine. The new deposits would particularly benefit the European Union in its goal of reducing dependence on the import of critical raw materials, which would also benefit other trading partners and reduce dependence on a single or a few importers. With regard to the sustainability dimension of mining, the panellist stressed the importance of adhering to environmental, social and governance-related standards and existing policies. Finally, he highlighted that grain disruptions, along with fertilizer shortages, posed a significant threat to food security, particularly in low-income countries.

30. The third panellist detailed the recent evolution in fertilizer prices, including phosphates, and a forecast of consumption for the next five years. She noted that it was rare for the fertilizer supply chain to encounter numerous disruptions in a short time, as at present. In addition to geopolitical tensions and increasing energy prices, uncertainty and export restrictions amid availability concerns had negatively impacted the fertilizer market. The panellist suggested that potash availability could be the greatest constraint in the next few years, followed by nitrogen and phosphate availability, all driven by factors that included production and export constraints and high input costs for energy-intensive potash and nitrogen. Finally, she stated that Africa might experience the sharpest drop in fertilizer use, due to high prices and limited access to the market, which could negatively affect food security in the region.

31. During the ensuing discussion, with regard to a query from one delegate on statistics of phosphate production by territory, the secretariat noted that the database of the Food and Agriculture Organization of the United Nations provided information in this regard. With regard to a query by one expert regarding current disruptions, including to ammonia exports from the Russian Federation, one panellist noted ongoing discussions on the resumption of exports, including under the aegis of the United Nations. The secretariat requested contributions from panellists on how the level of local production of phosphate fertilizers fulfilled consumption requirements in Africa. In this regard, one panellist underlined the importance of considering North Africa and sub-Saharan Africa separately in order to accurately determine the origin of exports, given the significant level of phosphate production in Morocco; and noted that requirements in sub-Saharan Africa were not met solely by producers in the region.

5. Phosphate fertilizers and food security: Scaling up phosphate fertilizer utilization in developing countries

32. The panellists discussed access to phosphate fertilizers and efforts to scale up fertilizer use in developing countries. The panel was composed of the following: Director General, African Plant Nutrition Institute; Head, Business Development, Office Chérifien des Phosphates, Morocco; and Additional Secretary, Ministry of Agriculture, Sri Lanka.

33. The first panellist underlined the importance of soil health in agricultural productivity and detailed how inappropriate nutrient application adversely affected yields, resulting in a vicious cycle that concluded in land degradation, malnutrition and poverty. In addition, low levels of awareness of optimal fertilizer use and market uncertainty presented barriers to farmers. The panellist highlighted efforts by the African Plant Nutrition Institute to support farmers and increase fertilizer use in Africa, including two ongoing projects considering soil types and the financial capabilities of farmers, to improve agricultural practices. Finally, he underscored the need to boost resilience in production systems, to ensure they could better absorb short-term shocks while remaining financially viable.

34. The second panellist emphasized the importance of appropriate fertilizer use, to improve yields. She noted that 64 per cent of phosphate fertilizer needs in Africa in 2020 had been produced locally but that production had not been evenly spread across the continent, and the Office Chérifien des Phosphates helped support the expansion of local production capacities. Finally, the panellist noted that farmers in Africa faced affordability and awareness issues with regard to fertilizer use and that high freight costs and taxes exacerbated the barriers faced by farmers.

35. The third panellist detailed the status of and trends in the phosphate industry in Sri Lanka, citing a Government initiative to produce single super phosphate using apatite from the Eppawala deposit. This initiative aimed to replace a part of current phosphate imports, thereby saving foreign exchange and reducing the need for fertilizer subsidies, as this would benefit access by farmers to fertilizers and the agricultural sector.

36. During the ensuing discussion, with regard to a query from one delegate on techniques being developed for farmers to determine the optimal amount of phosphorus to buy and use, one panellist stated that one of the aims of the African Plant Nutrition Institute was to support farmers with site-specific recommendations suitable to their farmland, which involved understanding different soil properties, to anticipate and recommend

adequate fertilizer use, and recommendations made according to the biophysical and economic endowments of farmers, to ensure scientifically appropriate and financially viable solutions for increasing yields. One expert suggested considering the fertilizer production approaches in some developed countries, such as in Japan, where liquid fertilizer based on animal and plant residue was of a quality and price comparable with those of more traditional products in the market. With regard to a query from the expert on how to reduce reluctance among local communities toward phosphate mining, due to environmental concerns, another expert noted that environmental impacts depended on the type of rock found in deposits and on the extraction, transport and waste management practices used in mining operations; in this regard, he encouraged adherence to best mining practices, ensuring transparency and involving stakeholders, including the local community, to potentially reduce reluctance.

C. Pathways to economic diversification in commodity-dependent developing countries

(Agenda item 4)

37. In opening the informal session, the Officer-in-Charge, Commodities Branch, Division on International Trade and Commodities, introduced the note titled “Pathways to economic diversification in commodity-dependent developing countries” (TD/B/C.I/MEM.2/53), highlighting the persistent challenge of commodity dependence.

1. Product and export diversification

38. The panellists focused on diversification in commodity-dependent developing countries in the context of global crises such as climate change, the pandemic and the war in Ukraine. The panel was composed of the following: an economic affairs officer, Division on International Trade and Commodities; and Founder, Norge Mining, United Kingdom.

39. The first panellist highlighted enablers of diversification, focusing on best practices, horizontal enablers and targeted measures in countries that had successfully diversified exports.

40. The second panellist presented a conceptual proposal detailing how commodity-dependent developing countries could move up value chains, based on sound economic and political governance.

41. During the ensuing discussion, one delegate stressed the difficulty of diversifying exports, including in already diversified economies; and the need for UNCTAD to strengthen the production of statistics on commodity dependence in middle-income countries. With regard to the importance of strengthening competitiveness and market access, the representative of one international organization requested further information on the application of the conceptual proposal and the change in governance paradigm needed in commodity-dependent developing countries. One delegate emphasized the linkages between economic diversification and economic resilience. With regard to a query from another delegate on ways in which UNCTAD could support commodity-dependent developing countries, the secretariat highlighted examples of support available under the three pillars of work of UNCTAD.

2. Diversification experiences

42. The panellists provided insights into diversification experiences. The panel was composed of the following: Senior Agricultural Planning Officer, Ministry of Agro-Industry and Food Security, Mauritius; an international consultant, Switzerland; a finance and investment expert, Democratic Republic of the Congo; Executive Director, Beer Sectoral Group, Nigeria; and a strategy and development adviser, Common Fund for Commodities.

43. The first panellist detailed the strategy of Mauritius for reducing dependence on sugar exports, successfully implemented in the 2000s, and the implications for economic resilience.

44. The second panellist highlighted opportunities in and challenges with regard to adding value to the meat value chain in Mongolia, focusing on new technologies, such as blockchain.
45. The third panellist detailed the strategy of the Democratic Republic of the Congo for developing the battery value chain using local deposits of critical metals, such as cobalt, nickel, manganese and lithium, and focusing on battery precursors.
46. The fourth panellist presented an analysis of how regional markets and innovation could help brewers in Africa expand their businesses and strengthen local value addition.
47. The fifth panellist highlighted the importance of financial instruments in expanding impact investment towards diversification and the role of environmental, social and governance-related transparency and reporting.
48. During the ensuing discussion, participants highlighted the sectoral challenges faced by commodity-dependent developing countries in efforts to diversify economies and underscored the need to rethink the rationale of value chains, as a purely economic rationale could make them fragile. A few delegates cited efforts in the Democratic Republic of the Congo to develop a local battery input industry, highlighting that this was an example of action under the Africa Mining Vision of the African Union and that further ambitious efforts could be made, given the domestic production of complete batteries. One delegate stressed the strategic importance of seabed mining and encouraged greater attention to be paid to the activities of the International Seabed Authority. Another delegate emphasized the negative implications of the war in Ukraine on commodity markets, as Ukraine was a major cereal producer that helped to feed up to 400 million people each year.

3. Diversification for food security

49. The panellists detailed national experiences related to food security. The panel was composed of the following: Ambassador, Permanent Representative, Permanent Mission of the Dominican Republic to the World Trade Organization and UNCTAD; Officer-in-Charge, Trade Analysis Branch, Division on International Trade and Commodities; Lecturer in Economics, Member of the Centre for African Research on Enterprise and Economic Development, University of the West of Scotland, United Kingdom; Assistant Deputy for Agriculture, Ministry of Environment, Water and Agriculture, Saudi Arabia; and a policy analyst, International Institute for Sustainable Development.
50. The first panellist detailed the different transmission channels through which commodity price shocks impacted economies in developing countries. He cited the example of the Dominican Republic, which had transitioned from commodity dependence to a more diversified economic structure.
51. The second panellist highlighted the role of trade barriers in diversification. Data indicated that non-tariff measures, such as technical regulations, had a greater impact than tariffs on the trade of developing countries. In particular, non-tariff measures posed significant trade barriers in the agricultural sector and disproportionately affected women, small and medium-sized enterprises and the least developed countries.
52. The third panellist noted that local commodity exchanges could help improve food security in Africa. In this regard, she stated that commodity exchanges could be a means of addressing key challenges among smallholder farmers, such as high trade costs, price risks and limited market access.
53. The fourth panellist highlighted challenges to the food system in Saudi Arabia, such as water scarcity, poor soil fertility and climate change. He indicated that strategies to improve food security included diversifying imports and increasing domestic production, circular agriculture and responsible investment in food systems.
54. The fifth panellist detailed the role of voluntary sustainability standards in food security in the East African Community. Such standards could contribute to increasing productivity while boosting regional trade and strengthening climate resilience. The panellist underscored that the main challenges to the wider use of such standards included

limited political recognition, low levels of demand for compliant products within the Community and high costs of entry for farmers.

55. During the ensuing discussion, one expert stated that non-tariff measures could be subtle yet burdensome for exporters. In this context, one panellist noted that many non-tariff measures were introduced by countries pursuing important objectives such as food safety, yet it was crucial to reduce the trade costs associated with such measures, which could be achieved through transparency and the good design of measures; a good approach could be seen in the provisions in annex 5, on non-tariff barriers, to the Agreement Establishing the African Continental Free Trade Area. One delegate noted that certification schemes could be costly for exporters, thereby constituting market barriers, and that the potential role of local grain varieties and traditional knowledge in sustainable agriculture deserved greater attention. Another delegate stated that diversification and the energy transition were key levers of the economic recovery strategy in Algeria and, in this context, the energy and mining sectors played important roles, including in generating financial resources to fund investments in order to implement the strategy. With regard to a query from one expert on water sources for agriculture in Saudi Arabia and the role of desalination, one panellist noted that desalinated water could not be directly used for agriculture due to the concentration of boron and that a combination of groundwater, desalinated and treated water and harvested rainwater was used, adding that innovation and technology were key elements in improving productivity and resource efficiency in agriculture in Saudi Arabia. With regard to a query from one expert on further plans for diversification and value upgrading in the Dominican Republic, such as moving from organic cocoa to organic chocolate, one panellist affirmed that such plans were in place.

D. Conclusion

56. In her concluding remarks, the Officer-in-Charge, Division on International Trade and Commodities, summarized the discussions, noting that the post-pandemic recovery and the war in Ukraine had resulted in widespread increases in the prices of food and energy commodities, which had negatively impacted net food-importing and fuel-importing developing countries. With regard to economic and export diversification, she highlighted that diversification was a necessary tool in reducing vulnerability in developing countries, among both commodity importers and exporters. She noted the opportunities presented by the environmental, social and governance-related conditions being introduced by many firms in developed countries, which could lead to the additional onsite transformation of primary commodities. With regard to bamboo and phosphates, discussions had emphasized the economic potential of bamboo in developing countries, particularly as a source of production diversification and industrialization opportunities, and the importance of phosphates, particularly phosphate fertilizers, in ensuring agricultural productivity and food security.

57. In exercising the right of reply, one delegate expressed disagreement with statements on the causes of food price increases and noted that, to help alleviate food insecurity, the agreement mediated by the United Nations to export cereals from the Black Sea region was being implemented.

58. In his concluding remarks, the Vice-Chair-cum-Rapporteur noted that he looked forward to further collaboration on the topics discussed during the session.

II. Organizational matters

A. Election of officers

(Agenda item 1)

59. At its opening plenary meeting, on 10 October 2022, the Multi-year Expert Meeting on Commodities and Development elected Ms. Maimuna Kibenga Tarishi (United Republic

of Tanzania) as its Chair and Mr. José Roberto Sánchez-Fung (Dominican Republic) as its Vice-Chair-cum-Rapporteur.

B. Adoption of the agenda and organization of work

(Agenda item 2)

60. Also at its opening plenary meeting, on 10 October 2022, the Multi-year Expert Meeting on Commodities and Development adopted the provisional agenda for the session (TD/B/C.I/MEM.2/52). The agenda was thus as follows:

1. Election of officers.
2. Adoption of the agenda and organization of work.
3. Recent developments, challenges and opportunities in commodity markets.
4. Pathways to economic diversification in commodity-dependent developing countries.
5. Adoption of the report of the meeting.

C. Adoption of the report of the meeting

(Agenda item 5)

61. At its closing plenary meeting, on 12 October 2022, the Multi-year Expert Meeting on Commodities and Development authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report on its thirteenth session after the conclusion of the meeting.

Annex

Attendance*

1. Representatives of the following States members of the Conference attended the session:

Algeria	Morocco
Barbados	Mozambique
Bolivia (Plurinational State of)	Nicaragua
Burkina Faso	Niger
Cambodia	Nigeria
Cameroon	Oman
China	Pakistan
Congo	Panama
Democratic Republic of the Congo	Peru
Dominican Republic	Philippines
Egypt	Russian Federation
El Salvador	Saudi Arabia
Gabon	Seychelles
Gambia	South Africa
Germany	Spain
India	Sri Lanka
Iran (Islamic Republic of)	State of Palestine
Jamaica	Togo
Jordan	Ukraine
Kenya	United Arab Emirates
Lebanon	United Republic of Tanzania
Malaysia	Venezuela (Bolivarian Republic of)
Mauritius	Viet Nam
Mongolia	Zambia
	Zimbabwe

2. The following intergovernmental organizations were represented at the session:

Common Fund for Commodities
 Commonwealth Secretariat
 European Union
 International Coffee Organization
 International Grains Council
 International Rubber Study Group
 Italo-Latin American Institute
 Organisation for Economic Co-operation and Development
 Organisation of African, Caribbean and Pacific State
 Organization of Islamic Cooperation

3. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations
 United Nations Industrial Development Organization
 World Bank Group
 World Health Organization
 World Trade Organization

* This attendance list contains registered participants. For the list of participants, see TD/B/C.I/MEM.2/INF.13.

4. The following non-governmental organizations were represented at the session:

General category

International Institute for Sustainable Development

International Network for Standardization of Higher Education Degrees

Third World Network

Village Suisse ONG
