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**Trade and Development Board**  
**Trade and Development Commission**  
**Multi-year Expert Meeting on Commodities and Development**  
Fourteenth session  
Geneva, 9–11 October 2023

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

Held at the Palais des Nations, Geneva, 9 to 11 October 2023



## Introduction

The fourteenth session of the Multi-year Expert Meeting on Commodities and Development was held from 9 to 11 October 2023 at the Palais des Nations in Geneva.

### I. Chair's summary

#### A. Opening plenary

1. In his opening statement, the Deputy Secretary-General of UNCTAD highlighted the current multiple crises and their effect on commodity prices, underscoring that this situation further complicated debt problems in many developing countries. He noted that strong price fluctuations led to unstable export and fiscal revenues among exporting countries, making budgeting and long-term development planning difficult. The Deputy Secretary-General emphasized that fostering economic and export diversification was the long-term solution to addressing the impact of commodity price volatility. He noted that economic diversification had historically relied on fossil fuels; therefore, green industrial policies were central to strategies to reconfigure economic structures for a low-carbon future. Finally, he emphasized that inclusive and greener diversification required political commitment from both developing countries and their development partners.

#### B. Recent developments, challenges and opportunities in commodity markets

(Agenda item 3)

2. During the first informal session, the Chief, 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.2/58). The Chief highlighted that increases in commodity prices in 2022 had mainly been driven by the war in Ukraine, causing uncertainty and supply-related disruptions. Subsequent declines in prices were primarily due to contracting demand caused by concerns about a global economic recession; weak demand in China, a significant commodity importer; and monetary tightening in various countries to address inflation. He stated that UNCTAD emphasized the need to diversify food import sources, boost market links in national and regional food supply chains and increase investments for a more productive and diverse agricultural sector.

##### 1. Agriculture

3. The panel was composed of the following: Economist, Food and Agriculture Organization of the United Nations; Market Analyst, International Grains Council; Data Scientist, International Cotton Advisory Committee; and Director, Host Country Affairs, International Bamboo and Rattan Organization.

4. The first panellist focused on trends in the global use and production of agricultural products, based on *Organisation for Economic Co-operation and Development-Food and Agriculture Organization of the United Nations Agricultural Outlook 2023–2032*. He noted that the estimated 13 per cent growth in the use of agricultural products by 2032 would be driven by middle-income countries, and highlighted that almost 60 per cent of the increase in the production growth forecast was due to countries in Asia. In addition, he underscored that by 2032, the share of internationally traded production would remain at about 23 per cent, with the growing separation of supply and demand between regions; Latin America and the Caribbean would maintain a 50 per cent share of net exports, and net imports into China were projected to decline by 14 per cent.

5. The second panellist provided an overview of developments in wheat and rice markets, highlighting the contrast between them. He noted that wheat prices had declined in 2022, albeit from multi-year highs, mainly because of competitive offers from the Russian Federation due to an abundant local harvest and a weaker currency. In addition, the panellist highlighted the concerns of market actors about wheat crops among exporters in the northern

hemisphere, which could cause some supply tightness in 2024. In contrast, rice prices had been relatively more competitive amid ample supplies from India in previous seasons yet had surged following an export ban in India on non-basmati white rice.

6. The third panellist presented recent global trends in the cotton market. He noted that production had superseded consumption globally, leading to a less tight supply and demand scenario. India led trade in cotton, followed by China, the United States of America and Pakistan; and China led in production and consumption. With regard to yields, Australia led the cotton market due to highly mechanized production and a good use of resources. Finally, the panellist highlighted some issues that impacted the cotton market and required attention from policymakers and other stakeholders, including reduced consumption, geopolitical tensions and climate change.

7. The fourth panellist detailed recent developments in the bamboo market. She introduced some good practices in China in using bamboo as a substitute for plastic. Noting the urgent need to find plastic substitutes in order to reduce global plastic pollution, the panellist highlighted that, under the Global Plastic Action Partnership, China and the International Bamboo and Rattan Organization had launched the “bamboo as a substitute for plastic” initiative to actively promote projects and policies and to raise public awareness regarding bamboo as a replacement for plastic. In addition, the panellist noted UNCTAD statistics that showed that natural fibres made up a significant part of the main substitutes. Finally, the panellist underscored that, despite challenges such as fragmented policies, inconsistent rules and regulations and insufficient consumer awareness, there were broad development prospects for substituting bamboo for plastic.

8. During the ensuing discussion, the panellists highlighted the economic and environmental benefits of bamboo and industrial hemp. With regard to queries from some experts about the potential of bamboo as an ecofriendly alternative to plastic, one panellist highlighted that bamboo products could serve as a substitute, but that they were usually more expensive than similar plastic products; therefore, there was a need for economic incentives for innovation and to increase the scale of production, to make bamboo products as affordable as plastic substitutes. One delegate requested UNCTAD and the International Bamboo and Rattan Organization to collaborate on a project to promote bamboo as a sustainable commodity, to help address desertification and enhance biodiversity. In response to queries from several experts about commodity price volatility and implications for food security, particularly in Africa, one panellist noted that external factors such as the pandemic and climate change had notably impacted food commodities such as maize and wheat. The panellists underscored possible ways to bolster food production in Africa, including by introducing high-yield seeds, investing in milling and food processing and ensuring broader market access. With regard to queries from a few experts about rice market dynamics and the role of speculation in commodity markets, one panellist noted the impact of export bans in food-importing countries and another panellist highlighted the importance of adding value to food commodities as a way of mitigating price volatility.

## **2. Minerals, ores and metals**

9. The panel was composed of the following: Energy and Mining Analyst, Switzerland; and Deputy Director, Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development Secretariat.

10. The first panellist noted that concerns about global economic growth were slowing down demand for some metals and exerting a downward pressure on prices. Downward pressure on the prices of other commodities, such as bauxite, was influenced by export restrictions in Indonesia, while prices of copper and nickel were affected by increased global production. With regard to minerals used in rechargeable batteries, the panellist noted that demand for lithium had increased in the past few years, yet increased production and the start of new mines had contributed to downward pressure on prices since the beginning of 2023. With regard to precious metals, the panellist noted various factors affecting gold prices, including falling United States treasury yields and the weakening of the United States dollar against other currencies.

11. The second panellist noted that demand for critical raw materials was increasing due to the growing use of digital and green technologies, which relied heavily on minerals and

metals. She projected a fourfold growth in the demand for critical minerals over the next two decades, to achieve net zero objectives. In addition, some countries in Africa produced raw materials for clean energy technologies but had limited processing capacity. The panellist underscored that progress in building resilient domestic value chains, industrialization and job creation required access to stable and reliable energy. Finally, she noted that the window of opportunity to leverage these minerals was narrow and shrinking due to incentives in consumer countries for finding solutions to derisk supply chains.

12. During the ensuing discussion, with regard to a query from one expert on challenges to value addition in developing countries, one panellist noted the low level of investment in value chains in Africa and emphasized the role of industrial policy in attracting investment in value added industries, listing other factors involved in diversification, including research and development capacity, energy access and the leveraging of capabilities in the mining sector, including engineering. The secretariat emphasized that UNCTAD had urged countries to collaborate in value addition and to move up value chains by seeking regional cooperation; an example in this regard was the collaboration between the Democratic Republic of the Congo and Zambia in manufacturing precursors to electric vehicle batteries and the potential inclusion of South Africa in the downstream segments of the chain. One panellist noted that export restrictions on nickel had helped Indonesia become a leading exporter of refined nickel, since the country attracted investment in the sector. With regard to a query from one expert on the carbon footprint of critical minerals used in the energy transition, one panellist emphasized that the energy mix used in the refining process would determine the footprint of the new minerals needed in the transition. One expert suggested that UNCTAD should conduct case studies on best practices in using windfalls from mining for successful diversification, which could inform other countries in developing strategies for critical raw materials.

### **3. Energy**

13. The panel was composed of the following: Senior Analyst, International Energy Agency; Vice-Chair, Global Gas Centre; Director, Planning and Development Support, International Renewable Energy Agency; and Professor, Sciences Po [Institute of Political Studies], Paris.

14. The first panellist underscored the rise of oil prices amid tightened supply and strong demand. He noted the growth in supply from countries not members of the Organization of the Petroleum Exporting Countries Plus, amid declining output from member countries, resulting in a market deficit in the second half of 2023. The panellist highlighted the recent all-time high in diesel prices since the start of the war in Ukraine in 2022. Finally, he underscored that the shifting relationship of oil prices with the United States dollar contributed to the deteriorating balance of payments and debt burdens in some oil-importing countries.

15. The second panellist stressed that the natural gas market in Europe was driving global gas market fundamentals in 2023. He indicated that while short-term inventories had been secured ahead of schedule for the 2023 winter heating season, several risks remained in the near term due to limited spare supply capacity. The panellist noted that, despite downward trends, spot gas prices continued to be historically high, and that natural gas was a critical enabler in the energy transition, particularly as a substitute for coal.

16. The third panellist underscored the substantial surge in global renewable energy generation capacity and the concurrent reduction in electricity costs from renewable sources. She stressed that decarbonization processes led to expanding employment opportunities and greater inclusivity. In 2022, the renewable energy sector had employed, directly and indirectly, 13.7 million people, with women holding 40 per cent of full-time positions in the solar photovoltaic sector. Finally, the panellist noted that harnessing the full potential of renewable energy advancements required adequate funding, local value creation, support for developing countries and international collaboration.

17. The fourth panellist stressed that the speed and scale of the energy transition in Europe needed to be increased. Renewable sources had been added to the energy mix, with guaranteed (nuclear) and intermittent (wind) electricity, yet the region consumed relatively more oil than the global average, increasing carbon emissions. He concluded that efforts in

Europe to decarbonize on the supply side, such as by subsidizing industries, had not yielded the expected results, and that a successful energy transition could be achieved on the demand side through efficiency, technology and the pricing of carbon dioxide emissions.

18. During the ensuing discussion, in response to a query from one expert on the potential of biofuels as part of addressing climate change, one panellist noted their importance in the energy transition. In response to a query from two experts on the definition of clean energy and whether it only referred to carbon dioxide emissions, one panellist noted that each energy source had a carbon footprint, but there were trade-offs involved, and emphasized the need for sustainable, reliable and affordable access to energy for industrialization in commodity-dependent developing countries, particularly in Africa and South and South-East Asia. Another panellist stressed the importance of considering equitability as one of the key performance indicators in the energy transition.

## **C. Managing commodity price volatility in commodity-dependent developing countries**

(Agenda item 4)

19. In opening the informal session, the Chief of Section, Commodity Research and Analysis Section, Commodities Branch, Division on International Trade and Commodities, introduced the note titled “Managing commodity price volatility in commodity-dependent developing countries” (TD/B/C.I/MEM.2/57). He stressed the importance of financial instruments in managing short-term commodity price volatility and the imperative for economic diversification and value addition, to bolster resilient and long-term growth in commodity-dependent developing countries.

### **1. Global management**

20. The panel was composed of the following: Expert, Strategic Risk Management, France; and Energy and Mining Analyst, Switzerland.

21. The first panellist highlighted the need to explore strategies for bolstering the economic resilience of commodity-dependent developing countries. He stressed the need for economic diversification, value addition and greater participation by commodity-dependent developing countries in commodity value chains to strengthen resilience. In addition, the panellist underscored challenges, including limited access to financial resources, barriers to export market entry and potential leakages associated with corruption. Finally, he highlighted that comprehensive government rules, continuous political engagement, stakeholder engagement, skills development plans and consistency in implementing diversification plans were essential in addressing these issues.

22. The second panellist noted the high price volatility among critical minerals in recent years due to the pandemic, the war in Ukraine and uncertainties over global growth. He detailed hedging techniques to protect against such volatility in critical minerals, including forward contracts, futures contracts, options and swaps. The panellist noted that the choice of instruments depended on intended goals, risk aversion and market knowledge. Commodity exchange markets used futures contracts to hedge critical minerals as they became increasingly important in the energy transition. Finally, the panellist noted that derivatives could be valuable tools, if well-utilized, to overcome price volatility in critical minerals.

23. During the ensuing discussion, one expert noted the difficulty of establishing a hedging market technique to mitigate price volatility among commodities such as rice, where such financial instruments were not readily available. In response to a query from one expert on access to financial mechanisms by small actors, one panellist noted that such mechanisms were used primarily by major stakeholders due to technical complexities, but that progress had been made in improving access for small producers. In response to a query from one expert on implementing quantity or price interventions to limit speculation, one panellist stated that quantity-related interventions might not be suitable due to the considerable number of transactions in the commodity exchange market, and expressed caution, as excessive regulation might dampen market participation. One expert and one panellist stressed the importance of transparency and a solid regulatory framework in managing commodity

exchange markets. The secretariat noted the importance of calculating the cost of hedging and the need for political commitment, citing the example of the oil hedging programme in Mexico.

## **2. Experiences in managing commodity price stability**

24. The panel was composed of the following: Chief Executive Officer, Ghana Gas; Lecturer, University of the West of Scotland, United Kingdom of Great Britain and Northern Ireland; and Chief Executive Officer, Agricultural Commodity Exchange for Africa.

25. The first panellist highlighted that Africa had sufficient resources, particularly oil and gas, to address the energy poverty situation across the continent. He noted that there was an optimum use of resources for exports and local use, and that effective planning was necessary to ensure sustainable, affordable and accessible energy. The panellist emphasized the need for the efficient management of resources, an adequate fiscal environment that permitted access to capital and the building of local capacity to drive development in Africa.

26. The second panellist addressed the Côte d'Ivoire and Ghana Cocoa Initiative and its implications for price and income volatility in the global cocoa sector. In 2019, Côte d'Ivoire and Ghana had launched the Living Income Differential Policy to increase the incomes of cocoa farmers. However, the policy had led to sharp decreases in imports due to the surging prices of cocoa beans in both countries. The panellist noted that although income support measures could be helpful, they were not remedies for poverty. She proposed the establishment of local commodity exchanges to help mitigate price and income volatility and to foster long-term sustainability in the cocoa industry.

27. The third panellist shared experiences in managing price and income volatility in the agricultural sector in Malawi. He noted that a critical problem in Malawi was price volatility and unpredictability. Information asymmetries and limited access to international markets exacerbated the situation for subsistence farmers and disincentivized the expansion of commercial farming and initiatives to improve production. The panellist recommended increasing agricultural finance liquidity, improving access by farmers to finance and establishing commodity funds with blended finance modalities, to mitigate associated risks.

28. During the ensuing discussion, with regard to a query from one delegate on how local prices compared with international market prices, one panellist noted that commodity exchanges set local prices in markets in Africa, since farmers lacked direct access to global markets. In response to a query from one expert on challenges associated with the energy transition, one panellist highlighted the importance of a gradual energy transition based on fossil fuel type and carbon content, subject to the carbon footprints of countries, noting the low level contribution of Africa to global pollution compared with its share of the global population. With regard to a query from two experts on how to determine the share of gas for exports versus local utilization, one panellist highlighted that the decision depended on the country and economic development plans. In response to a query from the secretariat on the gender dimension in the cocoa sector, one panellist noted that men dominated the sector, with limited participation by and ownership of cocoa farms among women.

## **3. Policies to reduce price and income volatility**

29. The panel was composed of the following: Economist, CIRAD[Agricultural Research Centre for International Development], France; Member, Global Gas Centre; Director General., Commerce, Department of Commerce, Sri Lanka; Senior Lecturer, University of the West of Scotland, United Kingdom; and Acting Head, Commodities Division, Ministry of Foreign Trade, Democratic Republic of the Congo.

30. The first panellist noted that the Governments of many developing countries purchased and stored food products, mainly grains, and either distributed them for free to food insecure households or sold them on the market when prices reached unacceptably high levels. Such public stock interventions were expected to help maintain access to food by food-insecure households by transferring food or by mitigating food price increases. Public stocks could also generate effects through procurements, which were a way to provide incentives to stimulate or direct food production. With regard to World Trade Organization rules on public stocks, the panellist noted that they overestimated the support provided by

public stocks, generating compliance issues, whereby even countries that provided no support or low levels of support could be successfully challenged at the World Trade Organization. Finally, he underscored that, as a consequence, countries did not have the policy space needed to build public stocks and address food insecurity.

31. The second panellist discussed volatility in the energy sector. He stated that volatility in energy prices had increased since 2021 because spare production capacity was not available. Volatility would continue in the foreseeable future since the system would remain without buffers. The panellist noted that more supply was needed in order for prices to be reduced. Restricting the financing of upstream gas and liquefaction led countries to revert to using more coal, since it was an abundant and cheap fuel. In this regard, he highlighted that the use of coal emitted much more carbon dioxide and delayed the energy transition.

32. The third panellist detailed the impact of commodity price volatility on food security in Sri Lanka. She noted that fluctuating exchange rates against the United States dollar and export bans imposed by some food-exporting countries created price changes in local markets and uncertainties in the distribution of essential commodities. In addition, crude oil market price hikes produced additional cost pressures on the agricultural, industrial and services sectors. The panellist highlighted that the Government of Sri Lanka received International Monetary Fund support to mitigate adverse impacts. She noted that according to the Food and Agriculture Organization of the United Nations, 17 per cent of the 22 million population were food insecure and two thirds of the population adopted livelihood-based coping strategies, such as borrowing money or using savings to feed families. Finally, the panellist underscored that Sri Lanka would collaborate with regional and multilateral communities to improve the livelihood of vulnerable groups.

33. The fourth panellist discussed the Nigeria Commodity Exchange. He noted that the context in Nigeria provided insights into how local commodity exchanges operated within environments characterized by imperfect credit markets and the influence of fragile State-backed institutional frameworks. He highlighted shortcomings in establishing a robust corporate governance framework within the Nigeria Commodity Exchange and the need to implement efficient risk management procedures; a deficient overarching strategy at the Exchange that restricted collaboration with prosperous commodity exchanges in Africa and beyond; and the absence of financial inclusion initiatives, with a need to make financial services affordable to farmers. Finally, the panellist stated that the Government of Nigeria had devised strategies to revamp the Nigeria Commodity Exchange to enhance agricultural productivity, price determination and transparency and the stabilization of food prices.

34. The fifth panellist addressed price volatility in commodities in the Democratic Republic of the Congo, a commodity-dependent developing country reliant on raw mining products such as copper and cobalt. He noted that the country had experienced a long history of conflicts and political instability, leading to a persistent humanitarian crisis. The panellist analysed the correlation between governance and volatility in the price of cobalt, showing that the cobalt price was negatively correlated with regulation quality and positively correlated with political stability.

35. During the ensuing discussion, with regard to a query from the secretariat on the reliability of public stock information and whether it could be used as a market signal, one panellist noted that public stocks simultaneously served as market signals and buffers. Two delegates raised concerns about World Trade Organization restrictions on public stocks and, in this regard, one panellist noted that the size of public stocks depended on the country and how much was required to stabilize prices, with small countries less likely to be challenged at the World Trade Organization. One delegate noted difficulties in estimating the quantity of grains in public stocks because of losses due to humidity and pests. In this regard, one panellist underscored that these issues were usually well-addressed, with error margins in forecasting production much more relevant than weight loss due to storage conditions. One delegate noted the role of traders in mitigating or increasing price volatility, along with the need for regulations and oversight institutions to protect consumers. One expert noted that successful exchanges such as the Ethiopia Commodity Exchange and auction markets in southern France had regulations to make exporting through commodity exchanges mandatory. Another expert emphasized the importance of ensuring regulatory oversight to

reduce anticompetitive behaviour. One expert noted the effectiveness of commodity exchanges in Africa and the role of trust between market participants.

#### **4. Inclusive diversification: Panel discussion**

36. The Chief, Commodities Branch, opened the session by highlighting key messages from *Commodities and Development Report 2023: Inclusive Diversification and Energy Transition*. An Associate Economic Affairs Officer, Commodities Branch, noted that the energy transition might exacerbate inequalities among countries if the benefits were not distributed equally. The panel was composed of the following: Head, Department of International Commodity Organizations, Ministry of Development, Industry and Commerce, Nicaragua; Chair, United Nations Working Group on Business and Human Rights; Senior Trade Policy Analyst, Institute for Agriculture and Trade Policy, United States; Director, Local Products Processing, Ministry of Commerce, Industry and Local Consumption, Togo; General Manager, Jamaica Bauxite Institute.

37. The first panellist detailed experiences in Nicaragua, where the agricultural sector was a major contributor to the gross domestic product. She highlighted the efforts of the Government, supported by external financing, to enhance the productive capacities of the agricultural sector, with a focus on the provision of loan guarantees for the finance of small and medium-sized producers and technical assistance in value addition in production for larger scale producers.

38. The second panellist discussed the example of Adétikopé Industrial Platform, an industrial zone in Togo and part of the national development plan to boost growth and attract foreign direct investment in the manufacturing sector. He noted that the platform provided a conducive business environment, an appropriate fiscal and regulatory framework and improved infrastructure, which attracted local and international investment.

39. The third panellist discussed experiences from the bauxite industry in Jamaica. She highlighted the role of the Bauxite Community Development Programme, aimed at ensuring that the benefits of mining were shared at the community and national levels. The Programme included training based on community needs, and economically beneficial projects based on community proposals funded through a bauxite production levy.

40. The fourth panellist noted that sourcing transition minerals was usually linked to human rights abuses, including land grabs, forced displacements and child labour. He noted the importance of policy coherence, access to remedies, transparency and the inclusion of minorities and vulnerable groups in the energy transition. In addition, he highlighted the importance of allowing countries policy space to consider measures that safeguarded human rights in trade negotiations.

41. The fifth panellist underlined the need for commodity-dependent developing countries to channel funds from commodity price windfalls into diversification, highlighting opportunities in the renewables sector. He underscored the African Continental Free Trade Area as an avenue for growth in manufacturing. Finally, the panellist noted that there should be a focus on smaller economies, to ensure their interests were considered and to prevent dominance by larger countries in trade negotiations.

42. During the ensuing discussion, one delegate highlighted the importance of quality infrastructure, sound fiscal policy, efficient resource rent management, human capital development, land tenure reforms and the need for corruption-free institutions, policies to protect minorities and vulnerable communities and multilateral cooperation and international community support, to reduce commodity dependence and achieve inclusive diversification.

#### **5. Diversification and the energy transition: Panel discussion**

43. The Chief, Commodities Branch, opened the session by reviewing findings on the relationship between economic diversification and carbon emissions from *Commodities and Development Report 2023*. He emphasized the need for commodity-dependent developing countries, supported by the international community, to devise innovative diversification strategies based on renewable energy sources and low-carbon production methods. An Economic Affairs Officer, Commodities Branch, presented the UNCTAD publication *Commodities at a Glance: Special Issue on Access to Energy in Sub-Saharan Africa*. He



emphasized that countries in sub-Saharan Africa should consider renewable energy in national plans and strategies, adopt a conducive environment to attract investment in renewable energy technologies and capitalize on the scalability of these technologies in national energy strategies that integrated multiple energy sources. The panel was composed of the following: Senior Vice-President, Public Affairs, Flux Swiss, Switzerland; Director, SENAI[National Service for Industrial Training] Innovation Institute for Information and Communications Technologies, Brazil; Business and Technology Partner, Gas Segment, Lloyd's Register; and Professor, Audencia Business School, Greece.

44. The first panellist noted that Europe needed to develop additional lower carbon, non-renewable sources of energy, including green hydrogen, ammonia, synthetic methane and biomethane, along with its relatively high adoption rate of renewable energy to align with decarbonization and energy security needs. He underscored that moving to a more complex supply would require repurposing existing natural gas infrastructure for a multimolecule system and constructing new production, transportation and storage infrastructure for such diverse energy sources.

45. The second panellist detailed how the energy industry in Brazil, through the Innovation Institute for Information and Communications Technologies, was piloting and testing applications for green energy technologies in industry and transportation, complementing the country's large-scale development of biofuels to drive the energy transition. He noted that the Institute adapted its industrial research activities to respond to local needs, such as piloting a complete hydrogen value chain, from green electricity generation to hydrogen distribution and storage and applications in mobility and industry.

46. The third panellist discussed the role of industry in driving standards for decarbonization. She described the Methane Abatement in Maritime Innovation Initiative, aimed at reducing methane emissions from liquefied natural gas used as fuel in the maritime industry. Liquefied natural gas was a promising transition fuel for marine applications, since its use emitted less carbon dioxide than that of traditional fuels, but that methane, a potent greenhouse gas, could escape into the atmosphere during its combustion. Finally, the panellist underscored that the Initiative studied how to use technology and regulation to monitor and reduce methane emissions and leakage, to guide industry members.

47. The fourth panellist emphasized that the increase in geopolitical tensions and conflicts in recent years had underlined the need for a diversified strategy for energy security, employing multiple energy sources, including renewable and traditional sources such as natural gas, from several supply markets. He noted that Europe was replacing natural gas supplies from the Russian Federation with a mix of liquefied natural gas from other sources and cited the example of Greece in this transition. In addition, the panellist noted that the renewable energy directive in the European Union set a target share of at least 42.5 per cent for renewable energy sources in the energy mix by 2030. Finally, he underlined the need to consider a broader set of technologies and to strengthen the manufacturing sector in order to make energy transition possible.

48. During the ensuing discussion, one delegate stated that energy security was often a higher priority than the energy transition in developing countries, particularly those without significant exploitable endowments of primary fuel resources and, in this context, inquired about examples of developing countries that had aligned energy security and transition objectives by diversifying the energy mix. One panellist noted that Brazil and Chile had strengthened energy security and achieved a degree of energy transition by developing wind, solar and biofuel sources.

## 6. Green industrial policies: Panel discussion

49. The Chief of Section, Commodity Research and Analysis Section, Commodities Branch, opened the session by noting the main messages from *Commodities and Development Report 2023* on green industrial policies for sustainable and inclusive diversification in commodity-dependent developing countries. The panel was composed of the following: Head, Sustainability, Cefetra, Kingdom of the Netherlands; Associate Professor, Department of International Development, University of Oxford, United Kingdom; Associate Professor, International Economic Law, Law Institute, Università della

Svizzera italiana[University of Lugano], Switzerland; and Impact Strategy Officer, Common Fund for Commodities.

50. The first panellist discussed the nature and implications of the European Union regulation on deforestation-free imports adopted in June 2023, which would require operators and traders in the European market to show that their products were free from recent deforestation or forest degradation. He underscored the challenge of acquiring and verifying geolocation data and documentation throughout the supply chain. In addition, the panellist noted that those with sustainable practices would gain recognition, and emphasized that some regions might be categorized as high risk, potentially leading to exclusion from European markets and resulting in higher costs for traders and consumers.

51. The second panellist highlighted the main elements of a green industrial policy in the global South. He emphasized that, on the technical side, such a policy offered a range of tools for both supply and demand and, on the institutional side, needed to prioritize social inclusion. He noted that international cooperation in green industrial policies fell short with regard to financial, trade-related and technology transfer aspects. He emphasized that addressing climate financing issues was vital, including improving volume and prioritizing funding for mitigation and adaptation, but noted that caution needed to be taken with regard to shifting project risks from investors to society.

52. The third panellist discussed tools that could facilitate diversification, particularly in commodity-dependent developing countries, by creating market opportunities. Three key avenues included guaranteeing preferential access, increasing market access and using trade regulations to support the development of domestic carbon markets. The panellist noted that trade policies could also help enhance value addition, particularly in mining activities. Finally, she indicated that export restrictions could stimulate local markets and encourage further processing of minerals within a country.

53. The fourth panellist discussed the impact of finance on green industrialization, based on experiences of the Common Fund for Commodities. She noted the following two streams with regard to sustainable finance: channelling funds from banks to Governments and companies; and directing substantial resources to small farmers through microfinance. She stated that the Common Fund for Commodities had been addressing the gap between these two streams, to help bridge financing disparities and strengthen value chain governance for the benefit of small farmers.

54. During the ensuing discussion, the panellists highlighted the need for a more systematic collection of information and data related to productive practices and needs, particularly in Africa, to frame coherent and effective green policies. In addition, the panellists noted the need to find instruments for enhancing communications and collaboration among investors, researchers and affected local communities, to address the issue of a just energy transition more effectively.

## **D. Conclusion**

55. In her concluding remarks, the Acting Director, Division on International Trade and Commodities, highlighted the quality of the discussions and noted the requests from participants for the UNCTAD secretariat to continue its work on timely commodities and development issues.

56. In his concluding remarks, the Chair summarized the discussions and 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)

57. At its opening plenary meeting on 9 October 2023, the Multi-year Expert Meeting on Commodities and Development elected Mr. José Roberto Sánchez-Fung (Dominican

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Republic) as its Chair and Ms. Mavis Sibanda (Zimbabwe) as its Vice-Chair-cum-Rapporteur.

## **B. Adoption of the agenda and organization of work**

(Agenda item 2)

58. Also at its opening plenary meeting on 9 October 2023, the Multi-year Expert Meeting on Commodities and Development adopted the provisional agenda for the session (TD/B/C.I/MEM.2/56). 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. Managing commodity price volatility in commodity-dependent developing countries.
5. Adoption of the report of the meeting.

## **C. Adoption of the report of the meeting**

(Agenda item 5)

59. At its closing plenary meeting on 11 October 2023, 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 fourteenth session after the conclusion of the meeting.

## Annex

### Attendance\*

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

Angola	Morocco
Belarus	Nepal
Bhutan	Nicaragua
Cambodia	Nigeria
Cameroon	Panama
China	Peru
Comoros	Russian Federation
Democratic Republic of the Congo	Samoa
Dominican Republic	Saudi Arabia
Egypt	South Africa
Ethiopia	Spain
Finland	Sri Lanka
Gambia	State of Palestine
Ghana	Thailand
Iran (Islamic Republic of)	Togo
Jamaica	United Republic of Tanzania
Jordan	Viet Nam
Madagascar	Yemen
Mexico	Zimbabwe

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

Common Fund for Commodities  
 Commonwealth Secretariat  
 Cooperation Council for the Arab States of the Gulf  
 European Union  
 International Bamboo and Rattan Organization  
 International Grains Council  
 Organisation of African, Caribbean and Pacific States  
 Organization of Islamic Cooperation

3. The following United Nations organs, bodies and programmes were represented at the session:

Committee for Development Policy  
 Economic and Social Commission for Asia and the Pacific  
 Office of the United Nations High Commissioner for Human Rights

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

Food and Agriculture Organization of the United Nations

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

#### *General category*

Association Africa 21  
 Institute for Agriculture and Trade Policy  
 International Institute for Sustainable Development  
 International Network for Standardization of Higher Education Degrees  
 Village Suisse ONG

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\* This attendance list contains registered participants. For the list of participants, see TD/B/C.I/MEM.2/INF.14.