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Report of the Working Party

**Progress report on the implementation of
recommendations from the independent
external evaluation of UNCTAD's
commodities programme**

Note by the UNCTAD secretariat

Executive summary

At its fifty-third session, the Working Party on the Medium-Term Plan and the Programme Budget considered the in-depth evaluation of UNCTAD's commodities programme in 2009. It requested the UNCTAD secretariat to report back on the progress made on the implementation of all recommendations in the following executive session of the Trade and Development Board (TD/WP/215). This note has been prepared by the secretariat in response to this request.

Introduction

1. At its fifty-third session, the Working Party on the Medium-Term Plan and the Programme Budget considered the in-depth evaluation of UNCTAD's commodities programme in 2009. It requested the UNCTAD secretariat to report back on the progress made on the implementation of all recommendations in the next executive session of the Trade and Development Board (TD/WP/215). This note has been prepared by the secretariat in response to this request, and reports on the implementation of recommendations between October 2009 and April 2010.

2. The secretariat, in the implementation of the recommendations of the external evaluators and the Working Party, have taken measures to strengthen the commodities programme, as elaborated upon in the following chapters. Early indications from these initiatives show that the relevance, impact, sustainability and effectiveness of the work of the Special Unit on Commodities (SUC) have been enhanced as a result of these actions.

I. Relevance

Recommendations (TD/B/WP/213 paras. 63 and 64)

3. The evaluators recommended that the SUC should "...ideally revert to the former structure based on cross-cutting thematic clusters instead of the current verticalized structure based on product groups" (TD/B/WP/213, para. 74). In accordance with this recommendation, and after a careful review of the strategic goals of the Special Unit on Commodities, the Secretary-General has restructured the Unit by regrouping all activities related to commodities in two sections: (a) one on research and analysis – the Commodity Research and Analysis Section (CRAS); and (b) the other on policy implementation and outreach – the Commodity Policy Implementation and Outreach Section (CPIOS). The new structure contributes and enhances the SUC's relevance and effectiveness with its clear emphasis on research and analysis, the results of which will feed into its technical cooperation programme.

4. The CRAS monitors and analyzes the major trends and developments in commodity markets and trade, including the factors and policy issues relating to these trends. The CPIO's mandate relates mainly to technical cooperation. Thematic and cross-cutting issues, including commodity price volatility, long-term price trends, diversification, market access and entry, participation in supply/value chains, finance and investment, market infrastructure and institutions (including mechanisms for price risk management, standards, etc.), are dealt with by each section in the context of issues and conditions specific to the expertise of the relevant section. However, it is important to emphasize that the sections do not operate as isolated entities, and collaborate extensively in areas of research and analysis and technical cooperation activities.

II. Impact and sustainability

Recommendations (TD/B/WP/213 paras. 65, 66 and 67)

5. The evaluation team made several recommendations to increase UNCTAD's impact in its work on commodities, pertaining broadly to the adoption of a results-based approach, specific outputs and work modalities, and technical cooperation activities.

6. To strengthen its results focus, changes were introduced to the Strategic Framework for the biennium 2012–2013 to reflect the recent developments in the commodity sector and the structural changes of the Unit, thus promoting its accountability.

7. With regard to the recommendation for effective collaborations, the secretariat maintained its close cooperation with organizations both within and outside the United Nations system, including the Food and Agriculture Organization of the United Nations (FAO), the International Trade Centre (ITC), the United Nations Development Programme (UNDP) and the Common Fund for Commodities (CFC). For instance, the SUC worked with the International Cocoa Organization (ICCO) in preparing for a new International Cocoa Agreement for discussion at the United Nations Cocoa Conference, Geneva, 19–23 April 2010.

8. In the area of technical assistance, one of the Unit's main technical cooperation projects involves improving the agricultural performance of commodity dependent countries in the African, Caribbean and Pacific (ACP) region, within the context of the European Union (EU)-funded programme "All ACP Agricultural Commodities Programme". The programme's funding cycle is expected to end in 2011, and preparations are underway to define follow-up activities in order to promote the sustainability of the project's achievements. These activities emphasize capacity development, policy advice and the exchange of information on best practices on commodity-based development strategies at both the national and regional levels. Follow-up activities will be delivered in cooperation with UNCTAD's partners, including, national and regional institutions (such as the Common Market for Eastern and Southern African, East African Grain Council, Caribbean Development Bank, etc.). Donor support for the implementation of such activities is essential.

9. The evaluators called for commodities-related training to be increased, in particular, in partnership with the Virtual Institute. The secretariat is pleased to report that, from 15 to 20 February 2010, the Special Unit on Commodities co-organized the third training session for professionals master's students in international trade at the University of Dar-es-Salaam in the area of commodity economics. It covered new areas including trade and development issues in energy and oil and gas, finance and risk management and introduction to organized commodity markets such as commodity exchanges. This has been a successful area of interdivisional cooperation and synergy between research and analysis and technical assistance with sustainable impact on the institutional capacities of a commodity-dependent developing country. In the past four years, over 80 postgraduate students from the United Republic of Tanzania have attended the UNCTAD course on commodity economics, of which the on-campus

one-week hands-on version has been evaluated as the best taught of all external seminars facilitated by outside visitors to the programme.

10. With a view to improving the dissemination of its research and capacity-building products, UNCTAD continues to make full use of the opportunities offered by new technologies. In this regard, the structure and content of the SUC website is continuously being updated to ease navigation and provide users with the latest information on its activities. With the addition of Web pages devoted to technical cooperation activities, users now have access to all background documents, reference papers, meeting documents, and PowerPoint presentations from workshops and conferences organized by the Unit.

11. With regard to technical assistance interventions, in addition to its ongoing projects, UNCTAD has been requested to provide technical assistance to establish a Natural Resource Information Exchange (NRIE) in Africa. The NRIE is meant to be a global information and communications technology (ICT)-based platform where information relevant to the development of the natural resources sector could be shared among stakeholders in African countries. This request stems from the ministerial resolution from the thirteenth UNCTAD African Oil, Gas and Minerals Trade and Finance Conference and Exhibition in Bamako, Mali, from 10 to 13 November 2009. The resolution called upon African countries to capture the untapped value from geosciences information with a view to optimizing natural resource development and management. The NRIE is a step towards this as it is conceptualized to enable participating countries to (a) optimize the management and marketing of their resources and encourage the development of exploration; (b) provide decision-makers with tools to assist in negotiations with investors; (c) modernize their information systems in the area of national resources; and (d) improve transparency in the governance of extractive industries.

III. Effectiveness

Recommendations (TD/B/WP/213 paras. 68, 70, 71, 72, 74 and 77)

12. In response to the recommendations aimed at enhancing the effectiveness of UNCTAD's work on commodities, the SUC has taken concrete actions with regard to its research and analytical outputs, its partnerships and its organization.

13. In the area of research and analysis, UNCTAD is preparing to launch a new report entitled *UNCTAD Commodities and Development Report*, which will be published initially every two years pending the resolution of staffing and funding constraints. The report will provide in-depth analysis on specific topical issues identified in consultation with relevant stakeholders from the public and private sectors and academia. The focus of the first edition of this report will be on analysing the performance of individual commodities or commodity groups, shedding light on the new development challenges facing these groups in the light of the commodity price boom, the ensuing crisis and the emerging recovery, and what the implications are for commodity-based development. It is expected that this sort of research could

lead to a more refined classification of commodities according to their development potential, and potentially provide the basis for the identification of a set of “smart development strategies” for commodity-dependent developing countries, called for under the Accra Accord.

14. Moreover, discussions are underway to launch a new series titled *Commodity Policy Reviews*, the objective of which will be to review and analyse commodity development strategies in commodity-dependent developing countries that request such a review, with a view to identifying a set of sustainable development strategies for this group of countries. Progress on this is, however, dependent on the ability of UNCTAD to mobilize extra-budgetary resources for this purpose.

15. In 2010, three new publications will be issued: (a) *The Competitiveness of Livestock Products in West Africa: The Malian Animals/Meat Chain*; (b) *Commodities and MDGs: Key issues for LDCs and African Trade and Development Policymakers*; and (c) *Manuel de Procedure SPS-Guinée*.

16. As discussed in chapter II on impact and sustainability, the secretariat has continued to strengthen its collaboration with key partners. In addition to the examples highlighted earlier, the reporting period has seen the fostering of the Unit’s strategic partnerships with several institutions, including the African Union, the Commonwealth Secretariat and various commodity bodies such as the ICCO, International Coffee Organization and the International Tropical Timber Organization. Plans are also afoot to strengthen cooperation and collaboration with other international organizations such as FAO and ITC in the areas of research and technical cooperation. With regard to internal partnerships, the SUC has continued reinforcing its collaboration with other divisions within the secretariat. It has contributed to the Multi-Year Expert Meeting on International Cooperation: South–South Cooperation and Regional Integration, and to the Ad Hoc Expert Group Meeting on United Nations LDC IV: Key Development Challenges Facing the LDCs. It has also collaborated with other divisions in organizing the Multi-year Expert Meeting on Commodities and Development” and the “Global Commodities Forum (GCF).

17. With respect to human resources, the secretariat is pleased to report that the process of recruiting a substantive Head of the SUC is far advanced, and it expects that the process will be completed by the second half of the year. The other vacant posts in the Unit are in the process of being advertised; and it is expected that they will be filled expeditiously to complement the staff strength of the Commodity Research and Analysis Section.

Conclusion

18. The secretariat has been reviewing its strategy and activities in the light of the recommendations contained in the evaluation and the observations of the Working Party thereon. As a result, it has restructured and streamlined various activities and projects, and set the stage for the resurgence of commodities work in UNCTAD.
