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Macroeconomic policy questions: commodities

Qatar *Draft resolution

Commodities

The General Assembly,

Recalling its resolution 58/204 of 23 December 2003, and stressing the urgent need to ensure its full implementation,

Recalling also the United Nations Millennium Declaration adopted by heads of State and Government on 8 September 2000,¹

Taking note of the Monterrey Consensus of the International Conference on Financing for Development,²

Taking note also of the Plan of Implementation of the World Summit on Sustainable Development,³

Taking note further of the Programme of Action for the Least Developed Countries for the Decade 2001-2010⁴ and the Least Developed Countries Report, 2004,⁵

Taking note of developments in World Trade Organization negotiations, particularly on agricultural trade,⁶

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

¹ See resolution 55/2

² Report of the International Conference on Financing for Development, Mexico, 18-22 March 2002 (United Nations publication, Sales No. E.02 IIA.7), chap. I resolution 1, annex.

³ Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August –4 September 2002 (United Nations publication, Sales No. E.03 IIA.1 and corrigendum), chap. I resolution 2, annex.

⁴ A/CONF.191/11

⁵ United Nations publication, Sales No. E.04II.D.27

⁶ A/59/304

*Taking note also of the Sao Paulo Consensus adopted at the eleventh session of the United Nations Conference on Trade and Development, particularly paragraph 100 and Annex B,*⁷

*Taking note further of the report of the Trade and Development Board on its fifty-first session,*⁸

Recognizing that commodity prices are an important element for heavily indebted poor countries that are commodity-dependent in maintaining long-term debt sustainability,

Taking note of the targets set out in the Rome Declaration on World Food Security and the Plan of Action of the World Food Summit⁹ and the outcome document of the World Food Summit: five years later,¹⁰ which reaffirms the pledge to end hunger and poverty,

1. Takes note of the report of Secretary-General on world commodity trends and prospects, including the fact that real prices of many commodities remain on a declining trend;

2. Recognizes that many developing countries are highly dependent on primary commodities as their principal source of export revenues, employment, income-generation and domestic savings, and as the driving force of investment, economic growth and social development;

3. Reiterates the importance of maximizing the contribution of the commodity sector to sustained economic growth and sustainable development, while continuing with diversification efforts in commodity dependent developing countries;

4. Calls on the international community to address the loss of competitiveness, the negative commodity production and trade trends and take the necessary measures to improve livelihoods and food security in commodity dependent developing countries;

5. Recognizes that structural changes in international commodity markets, particularly the increasing concentration in trade and distribution, constitute new challenges for small-farmers commodity producers and exporters in developing countries;

6. Recognizes also that developed countries account for two-thirds of world non fuel commodity imports and emphasizes in this regard the crucial role developed countries have in establishing conditions in international commodity markets that are favourable to commodity dependent developing countries;

⁷ TD/412

⁸ A/59/15(Part V)

⁹ Food and Agriculture Organization of the United Nations, *Report of the World Food Summit, 13-17 November 1996* (WFS96/REP), part one, appendix.

¹⁰ Ibid., Report of the World Food Summit: five years later, 10-13 June 2002, part one, appendix; see also A/57/499, annex.

7. *Encourages* the relevant international organizations including the FAO, UNCTAD and others to enhance their efforts in the development and implementation of commodity risk management mechanisms to address the commodity problems in developing countries;

8. *Notes* that the supply capacity and adaptability of many countries is constrained by weak institutional and technical capacity, and *calls upon* developed countries and international organizations to make available the necessary external resources as well as capacity and institution-building support to these countries to develop their commodity sectors;

9. *Expresses its concern* about the difficulties experienced by the developing countries in financing and implementing viable diversification programmes, which are essential for sustainable development and for attaining access to markets for their commodities;

10. *Notes* with concern the decrease in the official development assistance to agriculture, and *urges* the donor community to reinforce their assistance to this sector, and also donor countries and organizations to increase their financial and technical support for activities aimed at addressing commodity issues, particularly the needs and problems of commodity-dependent developing countries;

11. *Recognizes* that market exigencies can constitute formidable challenges to developing country commodity producers and exporters, particularly small farmers, and *urges* both developed and developing countries to take all necessary steps to enable these producers to enter global supply chains, and to take measures to facilitate their effective participation in such chains, and *calls upon* the private sector to promote partnerships that contribute to the effective participation of small producers in supply chains;

12. *Encourages* developing countries to formulate specific commodity policies creating an environment that provide incentives for rural producers and small farmers as part of their national development strategies and programmes, and encourages donor countries and organizations to provide the necessary support;

13. *Stresses* the importance of continuing the diversification of the commodity sector and enhance its competitiveness in developing countries that are heavily dependent on commodities and in this regard encourages donor countries and organizations to provide the necessary support;

14. *Regrets* that schemes to mitigate earnings shortfalls are far from reaching the originally envisaged goals, and *urges* donor countries and organizations to support the development of operational, market-friendly compensatory financing schemes;

15. *Reiterates* the role of the United Nations Conference on Trade and Development in addressing commodities issues in a comprehensive way in accordance with relevant General Assembly resolutions and the provisions of the Sao Paulo Consensus and in this regard *invites* the developed countries to provide additional resources to enable UNCTAD undertake these activities;

16. Requests the Secretary-General of the United Nations Conference on Trade and Development to prepare, in cooperation with other relevant organizations, a comprehensive framework for action on commodity sector development, and encourages these organizations to contribute to the implementation of this framework;

17. Notes with concern that real prices of many commodities are still at historically very low levels and requests the United Nations Conference on Trade and Development to explore ways of addressing this problem, and dealing with persistent oversupply situations, through international and national actions;

18. Urges those stakeholders that have expressed interest in participating in the International Task Force on Commodities launched at the eleventh session of the United Nations Conference on Trade and Development, as well as other interested parties, to contribute financially and substantively to the effective operation of the Task Force and encourages other donor countries and organizations to participate;

19. Requests the United Nations Conference on Trade and Development to make recommendations on the establishment of a commodities diversification fund, focusing on developing the private sector capacity, strengthening market institutions, the development of strong producer associations for commodities with a proper role for producers including women, small farmers, developing key infrastructure, and stimulating investments;

20. Requests the Secretary-General of the United Nations Conference on Trade and Development to submit a report on the implementation of the present resolution and to report on world commodity trends and prospects to the General Assembly at its sixty-first session;

21. Decides to include in the provisional agenda of its sixty-first session, under the item entitled "Macro-economic policy questions", the sub-item entitled "Commodities".
