

## Leveraging Commodities for Sustainable Economic Development

10:00 am – 1:00 pm (New York Time/EST)

10 October 2023

**UN Headquarters New York, Conference Room 2**

The 2023 Sustainable Development Goals report urges for a turning point to support developing countries to achieve development goals: “We cannot simply continue with more of the same and expect a different result.”<sup>1</sup> It may be time to rethink economic development models that have contributed to developing countries’ economic vulnerability.

Commodity dependence remains a crucial challenge for developing countries. A total of 101 out of 191 UNCTAD member States are commodity-dependent, with more than 60 percent of exports relying on primary commodities.<sup>2</sup> Africa and South America have the highest incidence, with a median value of commodities exports of 90.0 and 87.8 percent, respectively, of the country’s total exports.<sup>3</sup>

Developing countries relying on primary commodity exports face significant socioeconomic challenges. With a large part of the economy relying on commodities, from family incomes to government revenues, these countries have a high exposure to price fluctuations from commodity exchange markets. When there is a price shock, their economy suffers a major impact.

Climate change, COVID-19, and the war in Ukraine exposed the extent of these countries’ vulnerability. In 2020, 32 million people in the Least Developing Countries were pushed into extreme poverty<sup>4</sup>. 27 out of 32 countries classified with low human development<sup>5</sup>, and 32 out of the 46 least developed countries are commodity-dependent.

These challenges are associated with countries’ position in international markets, sourcing almost exclusively raw products to be exported and processed outside. This scenario has impacted commodity-dependent developing countries’ diversification opportunities and access to financial resources for investments in economic development. It has also, limited countries’ policy responses during periods of crisis<sup>6</sup>.

---

<sup>1</sup> [Sustainable Development Goals Report 2023](#)

<sup>2</sup> UNCTAD, [State of Commodity Dependence, 2023](#). Page 4.

<sup>3</sup> *Ibid.*, page 14.

<sup>4</sup> *Ibid.*

<sup>5</sup> [Human Development Report 2021-22](#)

<sup>6</sup> [The Least Developed Countries Report 2022](#)

Climate change emergency placed sustainability at the core of investment, with firms and governments prioritizing allocating resources to energy transition and technological innovation. Developing countries are abundant in critical minerals and metals for decarbonization and expansion to renewable energy sources. Optimizing these current demands to improve countries' leading sectors can be pivotal towards financing the achievement of the Sustainable Development Goals in these countries.

In addition, advances in technology and marketing have shown potential to trade processed primary products to specialty markets. The challenge is then for developing countries, governments, and the private sector, to think about primary products and their role as managers of those products in a different way.

### **Objective**

The 2023 joint meeting of the United Nations Economic and Social Council (ECOSOC) and the Economic and Financial Committee of the General Assembly (Second Committee) will focus on the opportunities, challenges, and key policies needed to exploit the current opportunities to improve commodity-dependent countries' position in international markets, which will serve as a step for financing economic development and achieving the SDGs.

After the SDG Summit, and towards a potential Fourth Conference on Financing for Development, the urgency of exploring innovative solutions and enabling policies to achieve the SDGs is clear. Participants will discuss the main barriers faced by these countries, strategies to address the commodity-dependency issue, opportunities for leveraging commodities revenues, policy recommendations, and the role of the main stakeholders in optimizing benefits for developing countries.

### **Format and participation**

The Second Committee Chair and the Economic and Social Council President will deliver brief opening remarks. The joint meeting will include a dialogue with representatives of commodity-dependent countries, as well as a dialogue with a panel of experts. They will be addressing priorities in supporting repositioning commodity-dependent countries in international markets. After the two panels, the floor will be opened for interventions from Member States. After the discussions, the Chair of the Second Committee and the President of ECOSOC will deliver closing remarks.



**United Nations**

Department of  
Economic and  
Social Affairs



UNITED NATIONS  
UNCTAD

## Outcome

The outcome of the joint meeting will be a joint informal summary by the President of ECOSOC and Chair of the Second Committee highlighting the key messages, ideas, and innovative policies emanating from the discussions.

## Guiding questions

- ✚ What are the current opportunities for leveraging commodities to increase developing countries' ability to finance sustainable economic development?
- ✚ What are the policy recommendations at the local and international levels that are necessary to support primary-commodity-dependent countries in optimizing current market opportunities?
- ✚ What are the obstacles that commodity dependent countries face, including commodity processing, at local level and adding value-added?
- ✚ How does commodity trade affect climate change, and how can such effects be reduced?



## Draft Programme

**10:00 - 10:10 am**

### Opening Session

- Chair of Second Committee
- President of the Economic and Social Council

**10:10 – 10:30**

### Keynote Statement

**10:30 - 11:00 am**

### Panel 1: Commodity-dependence and sustainable economic development - voices from the field

- Remarks by representatives of commodity-dependent countries

**11:00 - 11:40 am**

### Panel 2: Leveraging commodities for sustainable economic development - expert panel perspective

- Intervention by a panel of experts

**11:40 am - 12:45 pm**

### Interactive dialogue and responses from the floor

- Intervention by Member States and questions to the panel of experts

**12:45 - 1:00 pm**

### Closing remarks

- Director Financing for Development Office DESA
- President of the Economic and Social Council
- Chair of Second Committee