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Macroeconomic policy questions: commodities

Resolution adopted by the General Assembly on 19 December 2019

[on the report of the Second Committee (A/74/379/Add.4)]

74/204. Commodities

The General Assembly,

Recalling its resolutions 59/224 of 22 December 2004, 61/190 of 20 December 2006, 63/207 of 19 December 2008, 64/192 of 21 December 2009, 66/190 of 22 December 2011, 68/203 of 20 December 2013, 70/191 of 22 December 2015 and 72/205 of 20 December 2017 on commodities,

Recalling also the United Nations Millennium Declaration adopted by Heads of State and Government on 8 September 2000,¹ the 2005 World Summit Outcome adopted on 16 September 2005² and its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals,

Recalling further the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, and the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus, held in Doha from 29 November to 2 December 2008,

Recalling the Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome document,³

Recalling also the Plan of Implementation of the World Summit on Sustainable Development (Johannesburg Plan of Implementation)⁴ and the outcome document of

¹ Resolution 55/2.

² Resolution 60/1.

³ Resolution 63/303, annex.

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



the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, entitled “The future we want”,⁵

Reaffirming its resolution 70/1 of 25 September 2015, entitled “Transforming our world: the 2030 Agenda for Sustainable Development”, in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of the Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions – economic, social and environmental – in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business,

Reaffirming also its resolution 69/313 of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

Reaffirming further the Paris Agreement⁶ and its early entry into force, encouraging all its parties to fully implement the Agreement and parties to the United Nations Framework Convention on Climate Change⁷ that have not yet done so to deposit their instruments of ratification, acceptance, approval or accession, where appropriate, as soon as possible,

Noting the ongoing efforts to implement the Programme of Action for the Least Developed Countries for the Decade 2011–2020, adopted in May 2011 at the Fourth United Nations Conference on the Least Developed Countries,⁸ the SIDS Accelerated Modalities of Action (SAMOA) Pathway, adopted in September 2014 at the third International Conference on Small Island Developing States,⁹ and the Vienna Programme of Action for Landlocked Developing Countries for the Decade 2014–2024, adopted in November 2014 at the second United Nations Conference on Landlocked Developing Countries,¹⁰ and recognizing the special challenges facing middle-income countries,

Recalling the Sendai Declaration¹¹ and the Sendai Framework for Disaster Risk Reduction 2015–2030,¹²

Noting the holding of the one-day informal interactive dialogue on commodity markets in New York on 15 May 2019, from which resulted a summary that outlined the central messages and conclusions of the two interactive panels held during the dialogue,

Reaffirming the importance of supporting Agenda 2063 of the African Union, as well as its first 10-year implementation plan, as a strategic framework for ensuring a

⁵ Resolution 66/288, annex.

⁶ Adopted under the UNFCCC in FCCC/CP/2015/10/Add.1, decision 1/CP.21.

⁷ United Nations, *Treaty Series*, vol. 1771, No. 30822.

⁸ Report of the Fourth United Nations Conference on the Least Developed Countries, Istanbul, Turkey, 9–13 May 2011 (A/CONF.219/7), chap. II.

⁹ Resolution 69/15, annex.

¹⁰ Resolution 69/137, annex II.

¹¹ Resolution 69/283, annex I.

¹² Ibid., annex II.

positive socioeconomic transformation in Africa within the next 50 years, its continental programme embedded in the resolutions of the General Assembly on the New Partnership for Africa's Development, and regional initiatives,

*Reaffirming also that, in the Addis Ababa Action Agenda, Heads of State and Government expressed concern about the excessive volatility of commodity prices, including for food and agriculture, and its consequences for global food security and improved nutrition outcomes, noted the Agricultural Market Information System hosted by the Food and Agriculture Organization of the United Nations and called for the provision of access for small-scale artisanal fishers to marine resources and markets, consistent with sustainable management practices as well as initiatives that add value to outputs from small-scale fishers, and noting that, in *The State of Food Security and Nutrition in the World 2019: Safeguarding against Economic Slowdowns and Downturns*, the Food and Agriculture Organization highlighted that 80 per cent of the countries – 52 out of 65 – with a rise in hunger and an increase in undernourishment during recent economic slowdowns and downturns are countries whose economies are highly dependent on primary commodities for export and/or import,*

Recalling the outcome of the fourteenth session of the United Nations Conference on Trade and Development,¹³ and taking note of the decisions and agreed conclusions on commodities adopted by the Trade and Development Board and its subsidiary bodies,

*Taking note of the United Nations Conference on Trade and Development *Commodities and Development Reports*, its *State of Commodity Dependence* reports and its note on commodity dependence and the Sustainable Development Goals, noting the role that the Conference has been playing as an institution in looking at the interaction between commodity markets and economic development and in the elaboration of the concept of commodity-dependent developing countries,*

Underlining the importance of advancing sustainable consumption and production patterns,

Noting with concern that the prices of most commodities exhibited a downward trend, driven by a variety of factors relating to supply and demand and changing inventories,

Recognizing that commodity price volatility, including excessive volatility, can have adverse impacts on both producer and consumer countries, particularly in commodity-dependent countries, and noting with concern that this can undermine their development efforts, as it could discourage investment, widen trade deficits and aggravate household poverty,

Noting that commodity price movements have both macroeconomic and microeconomic implications for commodity-dependent developing countries, as well as net commodity-importing developing countries, and further noting that rises in commodity prices may contribute to improvements by exporting countries in their export and fiscal revenue, allowing them to increase current and capital government expenditure, and that, by contrast, a decline in commodity prices may lead to shortfalls in export and fiscal earnings and the inability of Governments to deliver basic goods and services,

Expressing concern that the global economy has yet to recover completely and remains in a challenging phase, notwithstanding the recent cyclical pickup in global economic activity, that growth remains weak in many countries and includes subdued trade growth, volatile capital flows, widespread fiscal strains and unsustainable debt

¹³ See TD/519, TD/519/Add.1, TD/519/Add.2 and TD/519/Add.2/Corr.1.

in some countries, particularly developing countries, and that commodity exporters are particularly hard hit owing to their continued adjustment to a sharp step-down in foreign earnings, recognizing that, while short-term risks are broadly balanced, medium-term risks are still tilted to the downside, and in this regard stressing the need for continuing efforts to address systemic fragilities and imbalances, to reform and strengthen the international financial system and to make further progress towards sustaining and rebalancing global demand,

Recognizing the adverse impact of excessive price volatility of commodities, especially on women, girls, young people and people in vulnerable situations,

Recognizing also that the structural constraints that women face as economic agents, including segmentation in low-value-added or subsistence-oriented work, unequal access to productive resources, limited access to training and skill-building due to gender segmentation in education and labour markets and a lack of resources, as well as the heavy burden of unpaid work, make women and girls especially vulnerable to the adverse impact of excessive price volatility of commodities,

Stressing the importance of policies to address longer-term structural issues, including structural constraints faced by women as economic agents, to diversify commodity economies and to integrate commodity policies into wider development and poverty eradication strategies at all levels,

Recognizing that uncertainty in global commodity markets reinforces the need to comprehensively deal with the commodity problematique, *inter alia*, the demand for commodities, supply capacities, commodity revenues and investments in commodity-dependent economies, while taking due account of the diversity of each country's individual situation and needs and the promotion of their sustainable development, and to strengthen the nexus between, *inter alia*, trade, finance, investment in sustainable agriculture and food systems, energy and industrialization,

Noting the work on consensus-building on commodity-related issues achieved through meetings of the United Nations Conference on Trade and Development, including the multi-year expert meetings on commodities and development, the Global Commodities Forum and the African Oil, Gas and Mines Trade and Finance Conference and Exhibition,

Underlining the importance of timely, accurate and transparent information to ensure the proper functioning of food commodity markets, in accordance with the 2030 Agenda, noting global and regional initiatives, including the Agricultural Market Information System and its Rapid Response Forum, the joint organization data initiative and other regional data platforms and programmes, and urging the participating international organizations, private sector actors and Governments to ensure the public dissemination of timely and quality food market information products,

Expressing deep concern at the adverse impact of climate change and extreme weather patterns on access to, and the utilization and prices of, agricultural commodities, while recognizing the important role of land and sustainable land management in the climate system,

1. *Takes note* of the report of the Secretary-General on world commodity trends and prospects;¹⁴
2. *Recognizes* the interlinkage between the adequate and transparent functioning of commodity markets and the capacity of some commodity-dependent developing countries to collect appropriate fiscal revenues from commodity exports

¹⁴ A/74/232.

and mobilize domestic resources to support the achievement of the Sustainable Development Goals and their sustainable development, including through sustainable and inclusive economic growth, industrialization, decent work and market diversification;

3. *Encourages* support for developing countries, according to their national plans and policies, through technical assistance, to increase their capacity in detecting and averting trade mispricing in their commodities sectors in order to enhance their benefits from those sectors to support the achievement of the Sustainable Development Goals;

4. *Reiterates* the need for further efforts to address excessive commodity price volatility, in particular by assisting producers, especially small-scale producers, including women, in accordance with national plans and policies, in managing risk;

5. *Stresses* that developing countries, including African countries, the least developed countries, landlocked developing countries and small island developing States, face particular challenges as lower prices for the commodities that they produce threaten the sustainable growth and the debt positions of such countries, and therefore notes that, in this context, economic and export diversification, value addition and industrialization can contribute to strengthening resilience to excessive price volatility by allowing the derivation of revenue from various sources;

6. *Recognizes* the need to continue efforts to diversify economies, as well as to improve the regulation, where appropriate, and the efficiency, responsiveness, functioning and transparency of financial and commodity markets nationally, regionally and internationally;

7. *Acknowledges* two main diversification strategies, one being horizontal diversification to export different types of commodities and other products to different markets, and the other being vertical diversification through value addition, and notes that these diversification strategies can contribute to creating sustained jobs and foster an inclusive and sustainable process of industrialization in order to achieve the Sustainable Development Goals;

8. *Calls upon* the international community to support the efforts of and foster cooperation with commodity-dependent developing countries to address the factors that create structural barriers to international trade and impede, *inter alia*, diversification, including tariff and non-tariff barriers, limited access to financial services resulting in scarce resources for investing in the commodity sector, weak infrastructure, particularly regarding both the cost and availability of transportation and storage, and lack of skills in producing and marketing alternative products;

9. *Emphasizes* the importance of enhanced collaboration between the public and private sectors and high levels of investment in commodity-dependent developing countries to promote diversification and upgrade productive structures integrated into global value chains for sustainable development;

10. *Looks forward* to the convening of the Twelfth Ministerial Conference of the World Trade Organization in Nur-Sultan from 8 to 11 June 2020;

11. *Notes with concern* the slow and uneven recovery from the severe economic and financial crisis of 2008, despite the recent strengthening of global economic activity, since growth remains weak in many countries and agricultural and other commodity prices remain depressed while inequalities are rising, and acknowledges that international trade can play a role in achieving the 2030 Agenda for Sustainable Development¹⁵ and sustainable, robust and balanced growth for all;

¹⁵ Resolution 70/1.

12. *Calls for* a coherent set of policy actions at the national, regional and international levels to address excessive price volatility and support commodity-dependent developing countries in mitigating negative impacts, in particular by facilitating value addition and enhancing their participation in commodity and related product value chains, by supporting large-scale diversification of these economies and by encouraging the use and further development of market-oriented risk management tools, instruments and strategies;

13. *Stresses* the importance of developing and strengthening agricultural policies and strategies that recognize and address women's critical role in food security and improved nutrition outcomes as an integral part of both short- and long-term responses to food insecurity and malnutrition and food crises in developing countries;

14. *Recognizes* the potential for innovation, productivity improvements and the promotion of non-traditional exports in most commodity-dependent developing countries, particularly in Africa, and calls for enhanced support by the international community as well as exchanges of experience in these areas within the framework of South-South economic cooperation;

15. *Underscores* the importance of increased investments in quality, reliable, sustainable and resilient infrastructure as a means of promoting sustainable agricultural development and enhancing commodity diversification, including value-added production, and trade, and urges the international community to assist commodity-dependent developing countries to mainstream trade as well as sound investment and financial policies as key elements of development strategies, based on national circumstances and development priorities, and to invest in and support research, innovation and development of sustainable agriculture productivity;

16. *Stresses* that technical assistance and capacity-building aimed at improving the commodity export competitiveness of producers are particularly important for developing countries, especially in Africa, and invites Member States and all relevant stakeholders to provide the necessary resources for commodity-specific financial and technical assistance, in particular for human and institutional capacity-building, including gender-responsive measures, as well as quality, reliable, sustainable and resilient infrastructure development of developing countries, with a view to reducing their institutional bottlenecks and transaction costs and enhancing their commodity trade and development in accordance with national development plans;

17. *Also stresses* that the Aid for Trade initiative should aim to help developing countries, particularly the least developed countries, to build the supply-side capacity and trade-related infrastructure that they need to assist them to implement and benefit from World Trade Organization agreements and, more broadly, to expand their trade;

18. *Recalls* the agreement to keep under regular review, by the Ministerial Conference and appropriate bodies of the World Trade Organization, the impact of the results of the Uruguay Round on the least developed countries as well as on the net food-importing developing countries, with a view to fostering positive measures to enable them to achieve their development objectives, and in this regard calls for the implementation of the Marrakesh Ministerial Decision on Measures Concerning the Possible Negative Effects of the Reform Programme on Least Developed and Net Food-Importing Developing Countries;

19. *Encourages* developed countries that have not already done so and developing countries declaring themselves in a position to do so to take steps towards the goal of realizing timely implementation of duty-free and quota-free market access

on a lasting basis for all least developed countries, consistent with the Hong Kong Ministerial Declaration adopted by the World Trade Organization in 2005;

20. *Strongly encourages* international financial institutions and development banks to assist developing countries, in particular commodity-dependent developing countries, in managing the effects of commodity price volatility, including excessive volatility;

21. *Reaffirms* that every State has and shall freely exercise full permanent sovereignty over all its wealth, natural resources and economic activities;

22. *Recognizes* the importance of increasing efficiency, effectiveness and transparency in the management of public and private sector revenues in developed and developing countries derived from all commodities and commodities-related industries, including final processed goods, in support of development;

23. *Notes* the important contributions of the Common Fund for Commodities and other international commodities organizations, and encourages them, in cooperation with the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Industrial Development Organization and other relevant bodies, to strengthen coordination among them and to identify and implement innovative measures to enable the sustainable contribution of the commodity sector to economic development, including ways to reduce vulnerability to volatility in commodity prices, as well as to enhance activities in developing countries to improve access to markets and the reliability of supply, enhance diversification and the addition of value, improve the competitiveness of commodities, strengthen the market chain, improve market structures, broaden the export base and ensure the effective participation of all stakeholders, on the basis of a shared understanding of the contribution of commodities to sustainable development;

24. *Stresses* that the United Nations Conference on Trade and Development and its partners, in the spirit of inter-agency cooperation and multi-stakeholder partnerships, within their respective mandates, should continue to engage actively in collaborative research and analysis of the commodity problematique and related capacity- and consensus-building activities, with a view to providing regular analysis and policy advice relevant to the sustainable development of commodity-dependent developing countries, particularly low-income countries;

25. *Looks forward* to the convening of the fifteenth session of the United Nations Conference on Trade and Development in Barbados from 18 to 23 October 2020;

26. *Emphasizes* the importance of facilitating accession to the World Trade Organization, particularly for commodity-dependent developing countries, in full compliance with its rules;

27. *Underlines* the urgent need for the provision of and access to trade finance to commodity-dependent developing countries, given the tightened access to all types of credit and noting debt sustainability;

28. *Welcomes* the commitment to redouble efforts to substantially reduce illicit financial flows by 2030, with a view to eventually eliminating them;

29. *Stresses* that revenues from commodity production and exports remain critical for developing countries, in particular in the context of the implementation of the 2030 Agenda, given that developing countries need to mobilize resources in order to achieve the Sustainable Development Goals and that commodity prices have been decreasing since 2011, which has put pressure on government budgets in developing countries;

30. *Invites* the President of the General Assembly to hold a one-day informal interactive dialogue of the Assembly on commodity markets during the first half of 2020 to review world commodity trends and prospects and possible strategies for economic and export diversification, as well as value addition for sustainable development, particularly in commodity-dependent developing countries, with the aim of sharing experiences and lessons learned, on a date and in a format to be decided by the President of the Assembly;

31. *Calls upon* all relevant bodies, agencies, funds and programmes of the United Nations system and other relevant intergovernmental, global, regional and subregional organizations, in particular the United Nations Conference on Trade and Development and all relevant international financial and economic institutions, within their respective mandates, to continue to address the issue of the low industrialization and diversification of the economies of some commodity-dependent developing countries in relation to the capacity of Member States to achieve all the Sustainable Development Goals by 2030;

32. *Requests* the Secretary-General to submit to the General Assembly at its seventy-sixth session, in collaboration with the secretariat of the United Nations Conference on Trade and Development, an action-oriented report on the implementation of the present resolution, with a particular emphasis on recommendations and strategies for economic and export diversification, commodity production and value addition for sustainable development, in line with the implementation of the Addis Ababa Action Agenda of the Third International Conference on Financing for Development,¹⁶ and, in this regard, decides to include in the provisional agenda of its seventy-sixth session, under the item entitled “Macroeconomic policy questions”, the sub-item entitled “Commodities”.

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¹⁶ Resolution 69/313, annex.