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Macroeconomic policy questions: international financial system and development

Draft resolution submitted by the Vice-Chair of the Committee, Mr. Denis Zdorov (Belarus), on the basis of informal consultations on draft resolution A/C.2/66/L.7

Addressing excessive price volatility in food and related financial and commodity markets

The General Assembly,

Recalling the Universal Declaration of Human Rights, which provides that everyone has the right to a standard of living adequate for her or his health and well-being, including food, the Universal Declaration on the Eradication of Hunger and Malnutrition¹ and the United Nations Millennium Declaration,² in particular Millennium Development Goal 1 on eradicating extreme poverty and hunger by 2015,

Bearing in mind the Rome Declaration on World Food Security and the World Food Summit Plan of Action³ and the Declaration⁴ of the World Summit on Food Security, held from 16 to 18 November 2009,

Recalling its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,⁵ and recalling also the Plan of Implementation of the World Summit on Sustainable Development (“Johannesburg Plan of Implementation”),⁶

¹ *Report of the World Food Conference, Rome, 5-16 November 1974* (United Nations publication, Sales No. E.75.II.A.3), chap. I.

² See resolution 55/2.

³ Food and Agriculture Organization of the United Nations, *Report of the World Food Summit, 13-17 November 1996* (WFS 96/REP), part one, appendix.

⁴ Food and Agriculture Organization of the United Nations, document WSFS 2009/2.

⁵ *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

⁶ *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.



Recalling also the Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus,⁷

Recalling further the Conference on the World Financial and Economic Crisis and Its Impact on Development and its outcome document,⁸

Taking note of the work undertaken by the Food and Agriculture Organization of the United Nations, including the Committee on World Food Security, and by the United Nations Conference on Trade and Development, particularly its recent work on the financialization of commodity markets,

Taking note also of recent initiatives that aim to help Governments, firms and farmers to mitigate and build capacity to manage the risks associated with excessive food price volatility, in particular in the poorest countries,

Recognizing the need to support a comprehensive and coordinated response in order to address the multiple and complex causes of excessive price volatility of food and related commodities in financial markets,

Deeply concerned by excessive volatility of commodity prices and by the impact that excessive price volatility has on food security and sustainable development in developing countries, and, in particular, by the fact that many commodity-dependent developing countries and economies in transition continue to be highly vulnerable to excessive price fluctuations, and recognizing the need to improve the adequate regulation, functioning and transparency of financial and commodity markets in order to address excessive commodity price volatility,

Reiterating that the international financial system should support sustained, inclusive and equitable economic growth, sustainable development, and hunger and poverty eradication efforts in developing countries, while allowing for the coherent mobilization of all sources of financing for development,

Taking note of the report of the Secretary-General on agriculture development and food security: progress on the implementation of the outcome of the World Summit on Food Security, in which the Secretary-General, inter alia, highlights the significant increase in the financialization of commodity markets since about 2004, as reflected in rising volumes of financial investments in commodity derivatives markets, and the fact that that phenomenon is a serious concern because the activities of financial participants tend to drive commodity prices away from levels justified by market fundamentals, with negative effects both on producers and on consumers,⁹

Taking note also of the policy report entitled “Price volatility in food and agricultural markets: policy responses”, issued by the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development, the International Monetary Fund, the Organization for Economic Cooperation and Development, the United Nations Conference on Trade and Development, the World Food Programme, the World Bank, the World Trade Organization, the International Food Policy Research Institute and the High-level Task Force on the Global Food Security Crisis on 2 June 2011,

⁷ Resolution 63/239, annex.

⁸ Resolution 63/303, annex.

⁹ A/66/277, para. 10.

1. *Recognizes* the initiative of Mr. Leonel Fernández Reyna, President of the Dominican Republic, “Towards Reaching an International Consensus that Aims to Reduce Excessive Price Volatility and Speculation in Commodity Markets”;

2. *Stresses* the need to take active measures to reduce excessive food price volatility, while acknowledging that there is an incomplete understanding of its causes and that more research needs to be done, and in this regard underlines the need to promote greater transparency and market information at all levels;

3. *Underlines* the importance of timely, accurate and transparent information in helping to address excessive food price volatility, and in this regard takes note of the Agricultural Market Information System hosted by the Food and Agriculture Organization of the United Nations, and urges the participating international organizations, private-sector actors and Governments to ensure the public dissemination of timely and quality food market information products;

4. *Requests* the President of the General Assembly at the sixty-sixth session to convene a high-level thematic debate, to be held in plenary meeting, with the participation of Member States, independent experts and other stakeholders, to promote an exchange of views on addressing excessive price volatility in food and related financial and commodity markets, while taking into account relevant work done at the national, regional and international levels;

5. *Invites* all relevant United Nations agencies, as well as other international organizations, in particular the Food and Agriculture Organization of the United Nations and the United Nations Conference on Trade and Development, as well as other relevant United Nations agencies and international organizations, to participate actively in the high-level thematic debate and to continue their research and analysis on this matter;

6. *Recognizes* the importance of considering, in this dialogue, the needs of developing countries, and stresses that special attention should be given to the needs of net-food-importing developing countries in addressing excessive price volatility in food and related financial and commodity markets to achieve their food security;

7. *Requests* the Secretary-General to consider the outcomes of the high-level thematic debate in relevant reports to be submitted under the item entitled “Macroeconomic policy questions” and other relevant agenda items.