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Report of the Multi-year Expert Meeting on Commodities and Development on its fifteenth session

Held at the Palais des Nations, Geneva, 14 to 16 October 2024

Introduction

The fifteenth session of the Multi-year Expert Meeting on Commodities and Development was held from 14 to 16 October 2024 at the Palais des Nations in Geneva.

I. Chair's summary

A. Opening plenary

1. The Secretary-General of UNCTAD opened the session. The following speakers made opening statements: the representative of Cambodia, speaking on behalf of the Group of 77 and China; the representative of Bangladesh, on behalf of the Asia–Pacific Group; the representative of Nepal, on behalf of the least developed countries; the representative of the Dominican Republic, on behalf of small island developing States; the representative of Jamaica, on behalf of the Caribbean Community; the representative of Indonesia; the representative of Brazil; and the representative of Peru.

2. In her opening statement, the Secretary-General of UNCTAD noted the present pivotal moment, at the crossroads of multiple global challenges, such as climate change, geopolitics and persistent inequalities, as well as the critical issue of commodity dependence. She underlined that commodity dependence affected countries in ways that went far beyond the economy. In this regard, the Secretary-General emphasized the importance of economic diversification, in order for developing countries to increase participation in global value chains, boost export revenues and minimize commodity price volatility and its impacts on the poorest. Finally, she noted the role played by UNCTAD as part of the United Nations Secretary-General's Panel on Critical Energy Transition Minerals, with two of its four working groups directly supported by UNCTAD.

3. A few delegates and the representatives of several regional groups highlighted the following issues: tariff escalation as a major obstacle to trade for developing countries, because it discouraged adding value to commodities and moving up value chains; the adverse impact of commodity price volatility on commodity-dependent developing countries and the key role of diversification in addressing volatility and achieving the Sustainable Development Goals; challenges faced by commodity-dependent developing countries in diversifying economies, particularly in relation to the access and absorption of technologies required for diversification; insufficient access to capital markets as a major impediment to value addition in the least developed countries; challenges faced by small island developing States in accessing markets and supporting diversification; the challenges and opportunities posed by the increasing demand for critical energy transition minerals; and the role of UNCTAD in contributing to international cooperation, particularly in the area of such minerals, as well as research and work on economic complexity.

B. Recent developments, challenges and opportunities in commodity markets

(Agenda item 3)

4. During the first informal session, the Director, Division on International Trade and Commodities, introduced the note titled "Recent developments, challenges and opportunities in commodity markets" (TD/B/C.I/MEM.2/62). The Director highlighted the key role of agricultural value chains in ensuring food security and poverty reduction in developing countries and emphasized the gender dimension in agriculture. She noted that agricultural commodity markets faced supply-side shocks, such as logistical disruptions to maritime transport and adverse weather conditions affecting production and trade and contributing to high levels of price volatility, and highlighted long-term challenges likely to affect agricultural production, such as climate change.

5. The Chief a.i., Commodity Policy Implementation and Outreach Section, Commodities Branch, noted that developing countries had the highest share of food exports in total exports. He highlighted the significant level of concentration in the fertilizer trade, noting that four main exporters of phosphorus and potash accounted for over 75 per cent of global exports, while four major importers represented over 60 per cent of global imports. He underlined the volatility in the prices of grains, tropical beverages and fertilizers and their cyclical behaviour, as well as the challenges of addressing price volatility, including accessing producer price data, and challenges in the agricultural sector, including in reducing deforestation in order to limit biodiversity loss and address climate change.

1. Agriculture

6. The panel was composed of the following: Executive Director, International Coffee Organization; Market Analyst, International Grains Council; Senior Economist, Food and Agriculture Organization of the United Nations (FAO); and Economist, FAO.

7. The first panellist focused on trends in the global coffee market. Coffee consumption had increased in both producing and non-producing countries, with a marked increase in consumption among youth in Asia and Oceania. Production had also increased, mainly due to growth in robusta coffees. She noted that inflation, production costs, such as in logistics, and implemented regulations and standards affected the coffee market; and highlighted challenges related to the ageing coffee farmers, the need to restore coffee plantations and issues of traceability in coffee production.

8. The second panellist provided an overview of developments in the grains market, with a focus on wheat and rice. He highlighted that wheat production was projected to remain stable in 2024/25, as increased output in North America was expected to offset declines in Europe and the Black Sea region, while rice production was expected to rise slightly, with a possible record crop in India, the second largest rice-producing country. In 2023, higher rice prices had largely been driven by export restrictions in India but had recently declined following the lifting of restrictions and their replacement by minimum export prices. In April 2024, wheat prices had surged, due to adverse weather conditions resulting in poor crop yields in Western Europe, compounded by geopolitical tensions in the Black Sea region. Grain consumption was expected to continue to increase due to population growth and urbanization and the resulting higher levels of consumption of processed food. Finally, the panellist emphasized the critical role of trade in ensuring food security, the need for sustainable food production, the importance of increasing crop yields and the necessity of maintaining market transparency.

9. The third panellist focused on fertilizers, highlighting their importance in ensuring food security and achieving nutrition-related goals. Fertilizer prices had soared in 2021–2022, raising concerns about food availability, given the important role of fertilizers in agricultural yields and production. Fertilizer prices had eased since 2023, yet remained above historical levels, while downside risks, particularly those related to geopolitical tensions, continued to cause uncertainty in energy markets, including natural gas, the main feedstock for nitrogen-based fertilizers. She noted that the period of elevated prices pointed to a need to strengthen the monitoring and assessment of fertilizer markets, to improve information availability, enhance market transparency and inform policy decisions. Finally, the panellist emphasized the importance of the Group of 20 agricultural market information system initiative, in providing market intelligence on fertilizers.

10. The fourth panellist detailed the main outcomes from the Organisation of Economic Co-operation and Development and FAO Outlook 2024–2033. He highlighted that emerging economies had increasingly driven developments in global agricultural and fisheries markets. The global greenhouse gas emissions intensity of agriculture was expected to decline, as production growth would be based on productivity gains rather than expansions of cultivated land and livestock herds, although direct emissions from agriculture would still increase by 5 per cent. In North America and Western Europe, cropland was expected to decrease due to stricter environmental regulations; in middle-income countries, calorie intake was expected to increase by 7 per cent, largely due to the greater consumption of staples, livestock products and fats; and in low-income countries, calorie intake was expected to increase by 4 per cent, which was not in line with achieving

the Sustainable Development Goal of zero hunger by 2030. Halving food loss and waste could reduce global agricultural greenhouse gas emissions by 4 per cent and the number of undernourished people by 153 million by 2030. Finally, the panellist emphasized the importance of well-functioning international agricultural commodity markets for global food security, as 20 per cent of calories were traded globally, and rural livelihoods benefited from participation in markets and global agrifood value chains, and noted that, over the next decade, a slight decline in real international reference prices for the main agricultural commodities was expected, but that this might not be reflected in local retail food prices.

11. During the ensuing discussion, one delegate addressed fertilizers, the agricultural market outlook and policy measures adopted by several countries in the current context of geopolitical tensions in the Black Sea region. One panellist stressed the importance of having access to reliable trade data and that, given that such goods were consumed locally, an international market did not exist for organic fertilizers. One expert noted the outcomes expected from the recent implementation of regulations among some developed countries to reduce deforestation. Another expert addressed policies in place for the transition from chemical to organic fertilizers.

2. Minerals, ores and metals

12. The panel discussion, focused on drivers of price and trade trends and how mineral commodity-dependent developing countries could harness opportunities and overcome challenges, was moderated by an Economic Affairs Officer, Commodities Branch. An Associate Economic Affairs Officer, Commodities Branch, highlighted the recent volatility in the prices of non-precious metals, with fluctuations largely driven by demand from China, record-high gold prices, partly due to geopolitical tensions and central bank demand, and price declines in critical energy transition minerals in recent years, impacted by oversupply and a slowdown in the growth of demand from the electric vehicle sector, and he emphasized the importance of diversification and resilience in supply chains for critical energy transition minerals, sustainable mining practices and technological advancements as solutions to ensure long-term mineral availability. The panel was composed of the following: Energy Analyst, International Energy Agency; Independent Expert, Switzerland; Lead, Policy and Public Affairs, International Council for Mining and Metals.

13. The first panellist discussed the state of critical energy transition minerals markets and their role in the global clean energy transition. She noted the significant decline in 2023 in prices for key battery materials, primarily due to supply growth outpacing demand. However, investments in critical energy transition minerals had remained steady, with increased exploration. Finally, the panellist highlighted the dual impact of price decreases, whereby they lowered clean technology costs but deterred investments needed for the supply of critical energy transition minerals; and that the International Energy Agency projected an increase in demand for such minerals by 2040, particularly in scenarios aligned with net-zero emissions goals.

14. The second panellist focused on trends in critical energy transition minerals markets. Demand for such minerals had surged, particularly driven by the expansion of electric vehicles and renewable energy, yet supply growth, particularly in China, had led to a temporary oversupply, pushing prices down. This price drop had benefited consumers and clean technology deployment but posed challenges for producers, particularly small-scale and high-cost operations, while favouring dominant players. He highlighted the role of government measures, such as subsidies and tariffs, in shaping market dynamics and protecting local industries, and noted that uncertainties and geopolitical tensions further complicated the outlook for these markets. Finally, the panellist stated that long-term prospects depended on technology choices and the pace of the global energy transition, with oversupply expected to stabilize by 2027–2028.

15. The third panellist highlighted the role of responsible mining in the renewable energy transition. He emphasized leadership and collaboration to set and implement standards for sustainable mining practices. Despite growing awareness, responsible mining had yet to become a normative expectation across policies and markets. The panellist

underscored the need for Governments to integrate responsible practices into regulations, permits and contracts, to enforce compliance; and the need for consultation and engagement with stakeholders, to refine standards and avoid regulatory fragmentation. Finally, the panellist emphasized that the focus should remain on ensuring that mining contributed to economic development while maintaining high sustainability and governance standards.

16. During the ensuing discussion, one expert stressed the link between the transportation of mineral ores over long distances and impacts on climate change due to vessel carbon emissions, recommending the processing of minerals at extraction sites, to reduce such emissions, and noting that local beneficiation or value addition could also lead to job creation. One expert emphasized the significant human and financial capital needed for mining activities and recommended designing the right set of incentives, to increase the sustainability of mining activities. One delegate addressed the issue of energy storage capacity, noting ongoing research on battery chemistry in the search for optimum high densities, to efficiently store energy. One expert emphasized the significance of behavioural shifts in the energy transition, such as consumers moving from larger to smaller vehicles, and the increasing need for energy storage solutions, particularly batteries. A few delegates highlighted the paradigm shift from large, polluting vehicles to electric vehicles and inquired about the reasons behind the trend, particularly in some developed countries. A few panellists stated that the shift had been driven by the combined effects of public subsidies, aimed at achieving carbon-neutral economies by 2050, and marketing strategies employed by companies producing electric vehicles; such policies and strategies had resulted in significant profit margins, yet the impacts varied between countries. One expert emphasized the need for responsible mining and to engage local communities, to promote environmental stewardship and empower local populations, fostering a sense of ownership and collaboration in resource extraction. One delegate stressed the importance of ensuring the reliability and transparency of data sources related to mining, to guarantee accuracy and trustworthiness, and suggested that a more robust system for verifying and documenting sources could greatly enhance the credibility and reproducibility of indicators. With regard to a query from one expert on minerals of focus at the International Council for Mining and Metals, one panellist detailed the minerals of focus and noted that the Council brought together 24 of the world's largest minerals and metals companies. Finally, the panellists emphasized the need to enhance value added processes in materials-producing countries, to help diversify supply chains for critical energy transition minerals, and highlighted the impact of technological advancements, particularly in battery chemistry, on shaping future demand for such minerals.

3. Energy

17. The panel discussion, focused on trends in energy markets, including the rapid expansion of renewable energy globally, changing energy policies in order to achieve carbon neutrality and stricter emissions regulations and technology, was moderated by the Ambassador and Permanent Representative, Permanent Mission of Cabo Verde. An Economic Affairs Officer, Commodities Branch, emphasized that energy market disruptions could destabilize economies; identified key factors influencing future energy markets, including economic growth, technological advancements, conflicts and disruptions in the supply of critical energy transition minerals; and noted that extreme weather events and disruptions due to climate change were likely to damage energy infrastructure and create volatility in energy supply, leading to increased costs for mitigation and adaptation measures. The panel was composed of the following: Senior Oil Market Analyst, International Energy Agency; Head, Economics and Next Generation Research, Bank Julius Baer; Professor, Paris Institute of Political Studies; Team Lead, International Renewable Energy Agency; and Head, Trade, Environment, Climate Change and Sustainable Development, UNCTAD.

18. The first panellist noted the downward trend in oil prices following the post-pandemic rebound, due to a well-supplied market and weakened demand primarily driven by a significant drop in oil demand growth in China, influenced by reduced domestic spending, a downturn in the construction industry and a shift towards alternative fuels, particularly in the transportation sector. The panellist forecasted the widespread adoption of electric vehicles and that power plants would transition from oil to solar and natural gas.

19. The second panellist noted that the lower energy prices resulted from various factors, including geopolitics and an acceleration in the energy transition. He attributed volatility in energy markets to climate change and conditions created by the pandemic and subsequent stimulus measures, which had caused overheating in economies, particularly in China. Finally, the panellist noted that the surge in clean energy and liquefied natural gas could lead to a period of lower energy prices that, in turn, could stimulate a shift from coal to natural gas, resulting in reduced emissions.

20. The third panellist highlighted the growing contributions of natural gas and renewable energy to the global energy mix. He noted, however, that coal consumption remained significant despite substantial contributions to carbon dioxide emissions. The panellist suggested that innovation in energy technologies and substituting coal with cheaper gas could be a way forward; along with addressing emissions through carbon pricing, such as under the European Union emissions trading system, since producers were likely to reduce coal consumption if they were required to pay for carbon.

21. The fourth panellist underscored the contribution of renewable energy systems to depressing energy prices and emphasized that the energy transition required action by Governments and the private sector, to create a policy environment that fostered significant investments in technology and infrastructure and created markets for green commodities.

22. The fifth panellist noted that developing countries had comparative advantages yet could not gain benefits through traditional trade patterns, whereby they acted as net exporters of raw materials for solar and wind energy value chains and net importers of manufactured goods at intermediate and final stages. Developing countries needed to align development, trade and climate change policies, to capture co-benefits, including adaptation benefits. She noted that UNCTAD had prepared guidelines on trade and investment policies and international cooperation. Finally, the panellist emphasized that powering the energy transition and deploying affordable green technology could expand access to energy services, unlock economic opportunities, promote inclusive economic development and job creation and help advance on several of the Sustainable Development Goals.

23. During the ensuing discussion, with regard to a query on low energy prices and accelerating the energy transition, one panellist noted that lower oil prices benefited energy-importing developing countries by improving the balance of payments, boosting GDP and increasing real incomes, and suggested that reducing oil imports and adopting renewable energy technologies could decrease dependence on global oil markets and facilitate a transition to renewables. Another panellist noted achievements under the European Union emissions trading system and that Governments needed to adopt the “polluter pays” principle, emphasizing that both developed and developing countries faced significant debt and should avoid subsidies to mitigate the climate crisis. One panellist noted the rapid advancement of the energy transition and was of the view that subsidies were no longer necessary since technologies such as solar panels had become more affordable and the cost of electric vehicles was decreasing; and stated that open and well-governed markets were essential, with societal support needed for the energy transition to be successful, such as by redistributing carbon taxes directly to households. One expert noted the challenges of achieving a carbon-neutral economy by 2050 and expressed concern about biofuels being presented as a panacea. One panellist emphasized that all fuels had a role to play in the energy mix, with market forces determining the optimal allocation of resources, considering factors such as pricing volatility, whereby the inclusion of biofuels in the energy mix might not be economically viable if they were significantly more expensive than other options and the carbon price failed to offset this cost differential. The secretariat highlighted the complexity of biofuels, noting that they could be produced from agricultural residues and other biomass sources that did not compete with food production, making them a more sustainable option, and that such an approach could help address both energy needs and environmental concerns without impacting food security. One delegate emphasized the need to further explore the potential role of biofuels in facilitating the energy transition. One expert suggested the use of industrial hemp to make biofuels and another expert noted the ongoing demand for coal, to meet basic energy needs, addressing whether there was a future for coal in the context of carbon emissions trading and sequestration. One panellist highlighted that coal remained a viable fuel in economic terms, but not in environmental

terms, suggesting leveraging technologies such as carbon capture and storage without initial subsidies, to assess effectiveness. Finally, another panellist noted that liquefied petroleum gas demand in Africa was rapidly increasing and could be considered a substitute for coal since, compared with open fires, its use offered significant environmental benefits, including reduced deforestation and pollution, as well as societal advantages.

C. Structural transformation through domestic value addition in commodity-producing developing countries

(Agenda item 4)

24. In opening the first informal discussion, the Chief a.i., Commodity Policy Implementation and Outreach Section, Commodities Branch, introduced the note titled "Structural transformation through domestic value addition in commodity-producing developing countries" (TD/B/C.I/MEM.2/61), and stressed the importance of adding value to raw resources while ensuring a fair distribution of related gains, to foster social cohesion and inclusion.

1. Agriculture

25. The panel was composed of the following: Secretary-General, International Rubber Study Group; Principal Ginning Engineer, Cotton Development Organization, Uganda; Impact Investment Manager, Common Fund for Commodities; and Co-founder and Production Manager, Choco Togo.

26. The first panellist detailed perspectives for value addition in the international value chain, stating that a circular economy would maximize resource recycling and reuse and promote sustainable development by reducing resource demand and waste. Such a cost-effective approach added value to chains such as in the rubber industry. The adoption of circular techniques was critical to the livelihood of smallholders, particularly farmers in Africa, since 90 per cent of natural rubber came from smallholdings. He indicated that the International Rubber Study Group aimed to be a circular economy and a sustainability hub for the global rubber economy and, under the 2023–2028 strategic pillars, would collaborate with stakeholders in order to boost investment in sustainability, including circular economy initiatives in developing countries.

27. The second panellist detailed the approach of the Cotton Development Organization to fostering domestic value addition in the cotton value chain in Uganda, involving the promotion of production, strengthening of quality management, reduction of costs for investors and marketing of cotton products. The Organization partnered with the private sector to support farmers and enforce quality standards; incentives for investors included reduced energy tariffs, tax holidays and affordable credit through the Uganda Development Bank. The panellist presented legal frameworks supporting value addition and ongoing initiatives that included the expansion of the capacity of existing mills. Finally, the panellist stated that Uganda aimed to increase domestic lint consumption, currently at 10 per cent of national production, to create employment and add value to domestic production.

28. The third panellist discussed value addition in agricultural commodities in Uganda through investments by the Common Fund for Commodities. He highlighted two companies, one of which exported organic sesame seeds and cotton lint and invested in advanced post-harvest processing technologies, to improve product quality, reduce losses and create skilled jobs; and the other of which exported vanilla, coffee and dried fruits and invested in mechanized drying equipment, to improve vanilla processing efficiency and quality, creating better-paid jobs. He noted that the equipment also enabled a new value chain for dehydrated jackfruit, transforming a previously wasted product into a lucrative export. Finally, the panellist stated that the two companies demonstrated how mechanization in post-harvest processing could increase domestic value addition, create new economic opportunities and contribute to broader development goals in commodity-dependent developing countries such as Uganda.

29. The fourth panellist presented Choco Togo, the first cooperative in Togo producing 100 per cent made-in-Togo chocolate, which had originated from an agricultural entrepreneurship training project. Choco Togo supported sustainable cacao production by prioritizing organic cacao cooperatives; paid fair prices for cocoa beans, adding at least CFAF 500 per kilogram in order to support community development projects; and supported women's involvement and empowerment, employing about 60 women at the production unit in Kpalimé, assisting in creating five women's cooperatives for cocoa processing and recommending strategies to help women-led businesses evolve from small to medium-sized and large enterprises. Finally, the panellist stated that the cooperative raised awareness about cacao consumption and processing among producers, preserving ancient varieties such as amelonado and emphasizing quality improvement.

30. During the ensuing discussion, with regard to a query from one delegate on how to create incentives for entrepreneurship, one panellist emphasized the critical need for improved access to capital and affordable production equipment, often requiring imports, since these remained significant obstacles for entrepreneurs in developing countries. One panellist highlighted the difficulties of importing modern capital equipment in developing countries. In response to a query from one delegate on challenges associated with access to international markets, one panellist highlighted the detrimental impact of tariffs, particularly tariff escalation, as well as non-tariff measures on exports from developing countries, which significantly impeded efforts to increase the processing of cotton and other agricultural products. Finally, another panellist noted challenges posed by environmental regulations in importing developed countries, which risked negatively impacting small farmers, whose products were exported to the markets introducing the regulations.

31. The panel for the second informal discussion was moderated by a Senior Fellow, Agrifood Policy Institute, Canada, and composed of the following: Secretary, Permanent Mission of Brazil to the World Trade Organization; Counsellor, Permanent Mission of India to the World Trade Organization; and First Counsellor, Permanent Mission of Senegal.

32. The first panellist emphasized the transformation of Brazil from a net food importer to a leading food exporter. He highlighted persistent challenges in agriculture, including issues such as the need to strengthen innovation and infrastructure, particularly in transport and energy. He noted external challenges in the international trading system, including market power concentration among large commodity buyers and tariff escalation, which limited diversification into higher value added products, and highlighted that the national agricultural strategy aimed to balance export-driven growth with domestic food security. Finally, the panellist stated that Brazil had advanced in sustainable practices, using technologies such as integrated crop and livestock systems, no-tillage farming and precision agriculture, to increase productivity without expanding farmland.

33. The second panellist discussed the challenges faced by smallholder farmers in India. She emphasized the need for inclusive approaches to technology adoption, taking into account the concerns of rural communities, and the importance of addressing infrastructural gaps, including in storage and transportation, to integrate agricultural products into global value chains. She highlighted progress made in India in agricultural exports as a result of a series of policies focused on agribusiness, farmers and export facilitation. However, she noted that credit access continued to be a challenge. Efforts to educate farmers about bankability and facilitate credit access had been prioritized, alongside investments in infrastructure, such as cluster-based storage solutions, to reduce post-harvest losses.

34. The third panellist underscored the challenges of infrastructure, technological access and financial constraints, citing instances in which inadequate storage facilities had resulted in food waste. He highlighted the difficulty of meeting international quality standards and the impact of climate-related factors on agricultural productivity. Finally, the panellist noted the development strategy in Senegal, to transform agriculture into a modern, sustainable sector, which involved building infrastructure, such as roads and warehouses, to facilitate market access; adopting modern agricultural techniques, such as crop rotation and mechanization; and focusing on value chains in strategic sectors.

35. During the ensuing discussion, in response to a query from one delegate on strategies in India to enhance the production of ethanol from sugarcane and the potential to add value to agriculture through technological advancements, one panellist noted that the country was investing in capacity-building and forming linkages across various agricultural sectors. With regard to a query from one delegate on the prospects for regional collaboration, to improve value addition in agricultural products in the light of external challenges, one panellist emphasized the potential of the African Continental Free Trade Area and relevant regional initiatives to enhance intracommunity trade and regional value chains by addressing infrastructural gaps. Finally, in response to a query from one expert on research by the Brazilian Agricultural Research Corporation on cultivating industrial hemp for commodity value and the connection with various industries, one panellist noted the general role of the Corporation in research, underscoring the potential for hemp in pharmaceuticals and other sectors as part of a diversified approach to agriculture.

2. Minerals, ores and metals

36. The Officer-in-Charge, Commodities Branch, opened the third informal discussion by noting that the Secretary-General's Panel on Critical Energy Transition Minerals had recently released a report with guiding principles and actionable recommendations for embedding equity and justice in harnessing such minerals for the achievement of net-zero emissions, including that development needed to be fostered through benefit-sharing, value addition and economic diversification in these value chains of such minerals, on which the present session would focus. An Associate Economic Affairs Officer, Commodities Branch, highlighted the benefits of value addition in minerals value chains and presented country examples. The panel was composed of the following: Project Manager, Development Minerals Programme, United Nations Development Programme; Research Fellow, Institute of Development Studies; Deputy Director, Intergovernmental Forum on Mining, Minerals, Metals and Sustainable Development; Director, Sustainable Energy Division, Economic Commission for Europe; Interim Director, African Minerals Development Centre; and Permanent Secretary, Energy and Power Development, Ministry of Energy and Power Development, Zimbabwe.

37. The first panellist outlined pathways for value addition in mineral value chains, distinguishing between tradable and non-tradable minerals. Tradable minerals were typically exported and non-tradable minerals often served domestic markets, offering opportunities for import substitution. Strategies for the addition of value among non-tradable minerals included developing local industries, and challenges related to tradable minerals were linked to market complexity and capital requirements. The panellist emphasized the importance of backward linkages, highlighting the role of sectors that supplied goods and services to mining companies, and stated that the sector could be supported by combining local content policies and developing productive capacities in mineral-producing countries.

38. The second panellist focused on the role of local knowledge service providers in natural resource industries. With increasing demand for critical energy transition minerals, local firms had opportunities to compete in value chains by offering goods and services adapted to local conditions. However, there was a risk of a green resource "curse", whereby local firms might have difficulty accessing high-value activities and extractive industries operated as enclaves, limiting development benefits in the host country. She emphasized the need for policies to support local firms throughout the business life cycle. Many mineral-producing countries used local content requirements to support the entry of local firms into extractive industries but often neglected these requirements at later stages, when firms might need them to consolidate and grow. The panellist proposed the following three strategies for local firms: leveraging proximity, to offer quick, efficient services; adapting goods and services to local conditions; and innovating, to offer new solutions. Firms needed tailored support based on sophistication, with less advanced firms typically requiring support in building productive capacities and more advanced firms needing to develop capacities in order to influence contracts and markets, for example, by building capacities in negotiation, advocacy and lobbying.

39. The third panellist highlighted the role of industrial policies in economic development. She noted that the future of industry lay in the medium- and high-technology sectors for the energy and digital transitions, which were mineral-intensive and presented significant opportunities for growth. The panellist emphasized the need for sustainable industrialization, leveraging mineral resources to capitalize on opportunities, while addressing disparities in industrial capabilities and structural challenges, such as access to affordable energy. Diversification beyond beneficiation needed to be a priority, with countries focused on segments of energy and digital supply chains aligned with domestic capacities. Finally, the panellist noted the need for regional collaboration, to build scalable supply chains, stating that partnerships were vital in navigating the complexities of global markets and achieving the Sustainable Development Goals.

40. The fourth panellist discussed the United Nations Framework Classification for Resources and the United Nations Resource Management System as tools with which to support national mineral development strategies. The framework promoted transparency, circularity and local value addition, helping Governments and stakeholders manage resources according to economic, environmental and social standards. The 2023 Critical Raw Materials Act in the European Union used the Framework Classification to track targets related to domestic mineral production, the uptake of recycling and secondary resource markets. Finally, the panellist noted the potential of resource servitization to reduce environmental impacts by focusing on services rather than material ownership.

41. The fifth panellist highlighted mineral resources in Africa and stressed the need for value addition to benefit economies, since countries in Africa were vulnerable to commodity price fluctuations. She noted the need for a shift towards value addition and beneficiation for industrialization and development. The African Green Minerals Strategy, developed by the African Minerals Development Centre and partners, promoted mineral-based industrialization and clean energy technologies. Finally, the panellist underscored the importance of stakeholder collaboration in implementing the African Mining Vision.

42. The sixth panellist discussed the strategy in Zimbabwe for leveraging critical energy transition minerals for economic growth, noting the importance of addressing challenges in energy access. Amendments to the national minerals act declared several minerals as strategic initiatives. Zimbabwe aimed to advance the mineral value chain and achieve universal energy access by 2030, including through regional collaboration. Policies focused on feasible segments of the value chains of respective commodities, based on national capacities. She noted challenges related to access to finance and debt burdens and the need for partnerships, investment and technology, to support value addition. Finally, the panellist highlighted the African Continental Free Trade Area as a platform through which to enhance trade and development.

43. During the ensuing discussion, with regard to a query from one delegate on the current international trade framework in supporting developing country efforts towards diversification and value addition, several panellists noted that there should be more flexibility and revisions, to adapt to changing global realities. In this regard, the representative of a regional group noted the importance of ensuring mutually beneficial cooperation without restrictive trade measures that could weaken the multilateral trading system. A few panellists and delegates noted the importance of technology transfers and innovation, particularly through North–South cooperation and South–South cooperation, in order for developing countries to ascend value chains; and of the reprioritization of policies, to help countries benefit from the evolving mineral landscape, as well as circularity in resource models. In response to a query from one expert on the role of artisanal and small-scale mining in local value addition, one panellist highlighted the need for capacity-building programmes to integrate such mining into supply chains for refining. A few experts highlighted the need for international cooperation, focusing on trade benefits for developing countries, flexibility in trade rules and better coordination of environmental, social and governance-related standards in mining; emphasized the importance of technology transfers and partnerships, to enhance access to inputs and capital; and noted the need for improved transparency, suggesting a mechanism such as the agricultural market information system initiative for monitoring critical energy transition minerals and proposing a stockpile system, to ensure supply stability. Finally, one expert detailed

challenges in sub-Saharan Africa regarding capital access and conditional loans tied to commodity provision, noting the need for guidelines to help resource-rich countries secure funding for domestic value addition without involving disadvantageous conditions.

3. Energy

44. An Economic Affairs Officer, Commodities Branch, opened the fourth informal discussion by stating that the session centred on countries at risk not only of stranded assets but also stranded skills, noting the need to ensure differential treatment, including emphasizing greater carbon capture rather than fewer emissions, among countries still on the path to industrialization, and the potential of value addition and sustainability in energy value chains. The panel was composed of the following: Programme Manager, Oil and Gas Climate Initiative; Global Gas Markets and Technology Lead, Lloyd's Register; and President, Port of Suape, Brazil.

45. The first panellist highlighted the goals of the Oil and Gas Decarbonization Charter, including achieving net-zero operations by 2050 and eliminating routine gas flaring by 2030. She emphasized the need to reduce methane emissions to near-zero due to environmental impacts and the importance of cross-industry collaboration and internationally recognized frameworks in monitoring progress. Finally, the panellist noted the need for investment in future energy systems, including renewable energy, low-carbon fuels and carbon capture and storage, to drive sustainable progress.

46. The second panellist discussed the potential of greener gas to enhance energy value chains. He emphasized that assessing the greenhouse gas footprint of liquefied natural gas from a life cycle assessment perspective on a well-to-tank basis could show that green liquefied natural gas might be a value added commodity for producing and exporting countries, with efforts focused on methane abatement and carbon capture at the liquefaction stage. Finally, the panellist highlighted the scaling up of blue ammonia production, to capture and store carbon emissions, offering a greener alternative to ammonia from hydrocarbons and adding value to fuel value chains.

47. The third panellist provided an overview of the initiatives of the Port of Suape, to diversify and add value to energy supply chains, and the aim to decarbonize by greening vessels and transport and implementing carbon storage solutions for the refinery. He stressed the importance of partnerships in reducing the carbon footprint and outlined strategic projects, including a fully electrified container terminal and an electro-methanol production initiative in collaboration with European Energy. Finally, the panellist highlighted an UNCTAD study on economic complexity, to support strategic diversification of the industries installed in the industrial complex of the port.

48. During the ensuing discussion, with regard to a query from one expert on scaling the carbon value chain, one panellist emphasized the need for collaboration among supply chain stakeholders, particularly in upscaling low-pressure liquefied carbon dioxide carriers, and noted that developing countries could finance this transition through funds from developed countries and carbon pricing mechanisms, benefiting green gas value chains and yielding strong returns. In response to a query from one delegate on the role of liquified natural gas in the energy transition, one panellist highlighted its long-term significance as a commodity and fuel, with current levels of global coal use equal to current global liquified natural gas trade. With regard to another query from one expert about using satellite technology to monitor methane emissions, one panellist emphasized the importance of this and other technologies in accurately measuring methane levels and sources to effectively mitigate emissions, and noted that, while flaring might not be entirely eliminated due to safety, companies could significantly reduce it. One expert addressed the challenges faced by oil commodity-dependent developing countries in the energy transition and, in this regard, the secretariat reaffirmed the commitment of UNCTAD to working on achieving a balance. Finally, one expert noted the issue of how current energy discussions focused primarily on operations and neglected manufacturing processes, including ore extraction, transport and the costs of digitalization and implementation.

49. The fifth informal discussion featured a panel on country experiences. The panel was composed of the following: Minister of Hydrocarbons, Democratic Republic of the Congo; Ambassador and Permanent Representative, Permanent Mission of Cameroon; Ambassador and Permanent Representative, Permanent Mission of the Plurinational State of Bolivia; and Chair and Chief Executive Officer, Al-Rushaid Group, Saudi Arabia.

50. The first panellist highlighted the natural resources in the Democratic Republic of the Congo, including in strategic minerals and hydroelectric potential from the Congo River. However, energy deficits and financial constraints hindered local transformation and industrialization and, while crude oil was exported, petroleum products were imported, due to the lack of refineries. Finally, the panellist stressed the importance of responsible oil and gas exploitation, carbon reduction technologies and the promotion of renewable energy, to mitigate environmental risks, as well as the need for international support, to align industrialization with climate-related and energy transition goals.

51. The second panellist highlighted the reliance in the Plurinational State of Bolivia on natural gas for revenue and domestic consumption, which had led to environmental degradation and worsened social inequalities, particularly among rural and Indigenous communities. Despite low levels of greenhouse gas emissions, the Government was committed to international climate agreements and energy diversification, reducing gas use for electricity generation by 50 per cent and shifting to renewables, and aimed to industrialize lithium reserves yet faced challenges due to declining gas production and funding constraints. The updated nationally determined contributions focused on balancing economic development with sustainability, reforestation, increasing renewable energy and enhancing the resilience of agricultural systems.

52. The third panellist highlighted the commitment of the Government of Cameroon to renewable energy, to drive industrial development, focused on hydroelectricity and gas power. The Government aimed to expand renewable sources while also developing gas resources in order to support industrial growth. Finally, the panellist noted that the Government sought investment and regional cooperation, to enhance energy access, improve reliability and drive industrialization, while addressing environmental challenges.

53. The fourth panellist outlined the importance of localization in value addition and diversification in energy value chains. He emphasized the role of partnerships with larger players, including State-owned enterprises, to increase participation in the oil sector in Saudi Arabia. Finally, the panellist noted that the success of Al-Rushaid Group in the energy value chain had been based on collaboration, localization and investment in human capital, and partnerships with local and foreign universities were key in capacity-building.

54. During the ensuing discussion, one delegate emphasized the need to “green” the energy sector in order to achieve nationally determined contributions, noting ongoing solar infrastructure projects to enhance energy capacity in Mali, and stressed the importance of a just energy transition that enabled countries in the Sahel region to leverage local resources for universal electricity access and sustainable development. One expert highlighted the importance of regionalization in the energy transition and inquired about related projects. With regard to a query from one expert, one panellist noted plans for collaboration with the private sector in the development of refineries in the Democratic Republic of the Congo. In response to a query from another expert on potential synergies in the lithium value chain among the Plurinational State of Bolivia and neighbouring countries, one panellist reiterated the importance of enhancing regional cooperation, noting that collaboration with the countries in the lithium triangle had generated valuable ideas beyond price stabilization and addressing global demand, and that the Plurinational State of Bolivia aimed to increase cooperation to participate fully in the lithium value chain. One expert addressed the issue of skill development and localization, stressing that training took time and required foresight. Another expert highlighted the potential for knowledge and skill transfer from the fields of hydrocarbons to geothermal energy, commending efforts in this area made in the Plurinational State of Bolivia. One delegate emphasized the need to include energy security in discussions on the energy transition. One expert stressed the importance of regional integration, particularly in southern Africa, to address challenges related to climate change, providing examples of regional collaboration between Zimbabwe and other countries in Africa on projects related to minerals and renewable energy and noting that financial

support was needed to operationalize such initiatives on the continent. Another expert emphasized that electricity demand would increase in order to meet energy needs, and noted the need to depoliticize energy discussions, to facilitate productive dialogues. Finally, one expert raised the issue of emissions trading, seeking to enhance understanding of how these systems operated, and another expert noted the potential of industrial hemp for carbon sequestration and biofuels.

D. Conclusion

55. In her concluding remarks, the Director, Division on International Trade and Commodities, highlighted the quality of the discussions and noted requests made by the experts for UNCTAD to continue its work on commodities and development issues.

56. The representative of a regional group underscored the importance of UNCTAD in addressing the multifaceted challenges faced in developing countries related to commodity dependence and sustainable development, expressing concerns about the disproportionate burden placed on developing countries in monitoring and reporting carbon frameworks, emphasizing that the right to development needed to remain central in global policy discussions and stating that UNCTAD could enhance technical assistance and capacity-building programmes, to help developing countries manage natural resources; continue its analysis and guidance on critical energy transition minerals, highlighting emerging opportunities and rapid advancements in the sector, while emphasizing the need for technology transfer and capacity-building in green technologies; work towards collective action, to address tariffs and non-trade barriers that undermined the potential of developing countries; and explore and support regional integration initiatives that could help lower costs and improve competitiveness. Another delegate emphasized the need for developing countries to reduce commodity dependence, to ensure sustainable development; the importance of international cooperation, to improve technology access, human capital development and financing; the need to strengthen and expand global value chains, to empower developing countries and ensure they benefited from international trade growth; and the commitment of Indonesia to the work of UNCTAD in anticipation of the sixteenth session of the United Nations Conference on Trade and Development, as part of achieving the Sustainable Development Goals. Another delegate highlighted the discussions on the energy transition and the challenges faced in developing countries, stating that UNCTAD could continue its work in these areas. Finally, the Chair noted that she looked forward to further collaboration on the topics discussed during the session.

II. Organizational matters

A. Election of officers
(Agenda item 1)

57. At its opening plenary meeting on 14 October 2024, the Multi-year Expert Meeting on Commodities and Development elected Ms. Sofia Boza (Chile) as its Chair and Mr. Paul Empole Losoko Efambe (Democratic Republic of the Congo) as its Vice-Chair-cum-Rapporteur.

B. Adoption of the agenda and organization of work
(Agenda item 2)

58. Also at its opening plenary meeting on 14 October 2024, the Multi-year Expert Meeting on Commodities and Development adopted the provisional agenda for the session (TD/B/C.I/MEM.2/60). The agenda was thus as follows:

1. Election of officers.
2. Adoption of the agenda and organization of work.

3. Recent developments, challenges and opportunities in commodity markets.

4. Structural transformation through domestic value addition in commodity-producing developing countries.

5. Adoption of the report of the meeting.

C. Adoption of the report of the meeting

(Agenda item 5)

59. At its closing plenary meeting on 16 October 2024, the Multi-year Expert Meeting on Commodities and Development authorized the Vice-Chair-cum-Rapporteur, under the authority of the Chair, to finalize the report on its fifteenth session after the conclusion of the meeting.

Annex

Attendance*

1. Representatives of the following States members of the Conference attended the session:

Bangladesh
Barbados
Belarus
Belgium
Bolivia (Plurinational State of)
Brazil
Cameroon
Chile
China
Comoros
Congo
Democratic Republic of the Congo
Egypt
Ethiopia
Gabon
Guinea
Guyana
Holy See
India
Indonesia
Iran (Islamic Republic of)
Iraq
Jamaica
Libya
Malaysia
Mali
Mauritius
Morocco
Namibia
Nepal
Niger
Nigeria
Pakistan
Panama
Russian Federation
Senegal
Spain
Thailand
Togo
Trinidad and Tobago
Tunisia
Türkiye
Uganda
Venezuela (Bolivarian Republic of)
Zambia
Zimbabwe

2. The following intergovernmental organizations were represented at the session:

African Union
Common Fund for Commodities
Commonwealth Secretariat
International Coffee Organization
International Grains Council
International Rubber Study Group
Organisation for Economic Co-operation and Development
Organisation of African, Caribbean and Pacific States
Organization of Islamic Cooperation

3. The following United Nations organs, bodies and programmes were represented at the session:

Economic Commission for Europe
Economic and Social Commission for Western Asia
Office of the United Nations High Commissioner for Human Rights
United Nations Development Programme
United Nations Environment Programme
United Nations Institute for Training and Research
United Nations Office at Geneva

* This attendance list contains registered participants. For the list of participants, see TD/B/C.I/MEM.2/INF.15.

4. The following specialized agencies and related organizations were represented at the session:

Food and Agriculture Organization of the United Nations
World Health Organization
World Intellectual Property Organization
World Trade Organization

5. The following non-governmental organizations were represented at the session:

General category

Institute for Agriculture and Trade Policy
International Chamber of Commerce
International Institute for Sustainable Development
International Network for Standardization of Higher Education Degrees