

May 2012



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para la
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Agricultura

COMMITTEE ON COMMODITY PROBLEMS

Sixty-ninth Session

Rome, 28–30 May 2012

REPORT OF THE OPEN-ENDED WORKING GROUP ON THE CCP REFORM

Executive Summary

Following the Sixty-eighth Session of the CCP (Rome, 14-16 June 2010), the Open-Ended Working Group (OEWG) was established under the chairpersonship of the Committee to review the roles and working arrangements of the CCP and its subsidiary bodies. This document reports on the conclusions reached by the OEWG and puts before the Committee the various recommendations for decision.

Suggested action by the CCP

- Take note of the work of the Open-Ended Working Group on the CCP Reform.
- The Committee may wish to:
 - a) Confirm that the terms of the reference of the CCP are appropriate and remain valid.
 - b) Underline the importance of the CCP to maintain the current balance between the market review and outlook work and the policy work.
 - c) Recognize the usefulness of consultation with the Regional Groups in preparing the provisional agenda, and agree on the process for this.
 - d) Recognize that increased time should be allocated to allow Members to deliberate on priorities for trade and commodity markets work.
 - e) Recognize the importance of timely circulation of documents and allowing adequate time for substantive discussions of the topics by Members.
 - f) Agree to the recommendation to maintain the current practice of designating a drafting committee to draft the report of the meeting.
 - g) Endorse the recommendation to maintain the status quo as regards the duration of sessions, with the possibility to revisit the matter in the future.
- The Committee is invited to decide on the following proposals:

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- a) Enlargement of the CCP Bureau: Decide on the recommendation to enlarge the CCP Bureau from three to seven Members, with one representative from each Regional Group.
- b) Rules of Procedure: Agree to the proposed amendments to the Rules of Procedure of the Committee (Annex I) reflecting the decision made under a) above.
- c) Establishing a steering committee: Agree that the enlarged Bureau undertake the steering committee functions with a view to improving the continuity of activities and raising the profile of the Committee.
- d) Changing the name of the Committee: Agree whether the name of the Committee should be changed, and if so decide on the new name. The two proposed names are "Committee on Agricultural Commodities" and "Committee on Commodities and Trade".
- e) Participation of civil society and the private sector: Advice on possible measures to increase the participation and involvement of civil society and the private sector in the CCP sessions.
- f) Review of the CCP Subsidiary Bodies: Provide guidance on the required action for each of the CCP subsidiary bodies based *inter alia* on the review document prepared by the Secretariat.

1. At its Sixty-eighth Session, held in Rome from 14 to 16 June 2010, the Committee considered the roles and working arrangements of the CCP itself and of its Intergovernmental Commodity Groups (IGGs) in the light of the IEE recommendations and the discussions in the *Open-ended Working Group on Measures Designed to Increase the Efficiency of Governing Bodies, including Representation*. While noting that review of the roles and working arrangements of the CCP and IGGs required detailed consideration, Members expressed their views on a number of the issues raised in the document *Roles and working arrangements of the Committee on Commodity Problems and the intergovernmental commodity groups* (CCP 10/6) prepared by the Secretariat to support this agenda item.

2. While Members agreed that the CCP's terms of reference remained valid, they also agreed to establish an open-ended working group to consider issues such as, *inter alia*, timing and duration of sessions, working methods, the role and the working arrangements of the IGGs, bureau representation, linkages with other technical committees and international organizations, the role of the Consultative Sub-Committee on Surplus Disposal (CSSD), drafting committee including the possibility of a Rapporteur, and the relations between the IGGs and the Committee.

3. The Council, at its Hundred and Fortieth Session (Rome, 29 November - 3 December 2010), "welcomed the establishment of an Open-Ended Working Group (OEWG) under the chairpersonship of the Chairperson of the CCP to review the roles and working arrangements of the CCP and its sub-committees, and looked forward to defining the modalities of its work and to participating in the OEWG discussions."

4. The OEWG met three times, on 13 December 2010; 22 November 2011; and 8 February 2012. Participation in the three meetings was, respectively, as follows: 26, 40 and 57 Member Nations. It is encouraging to note the increasing participation of member countries in the work of the Group. The number of participants in the last meeting was twice larger than in the first and contributed to a richer discussion and analysis of proposals.

5. Following the first meeting, and at the request of the Group, the Secretariat prepared two documents: *Review of the CCP Intergovernmental Commodity Groups* (CCP 12/INF/7), providing an analysis of the role and functioning of the IGGs in relation to member country expectations; and *International Commodity Bodies* (CCP 12/INF/8), reviewing the terms of reference and activities of other relevant commodity-related bodies. In addition, in preparation for the second meeting of the Group, the Chairperson of the CCP, Ms Gothami Indikadahena, prepared a non-paper and a

background note to the non-paper in an effort to facilitate more focused and structured discussions by the OEWG.

6. The present document reports on the outcome of the OEWG discussions, presenting the conclusions reached by the Group on the main topics debated and putting before the Committee the various recommendations for decision. The report is presented under the name of the Chairperson of CCP.

A. How the CCP could do more to highlight new developments and their implications, and how it could be more proactive

7. The OEWG confirmed that the terms of reference (ToR) of the CCP in its present context are appropriate and remain valid. It was noted that every effort should be made to avoid potential overlaps between the work of the Committee and that of other organizations. The Group also noted the view of the IEE that technical committees should drive a global policy agenda and, therefore, the importance for the CCP to maintain the current balance between its market assessment and policy work.

8. GRULAC has proposed to enlarge the CCP Bureau to seven Members. In light of the IPA recommendations and in order to provide ways for guaranteeing FAO's institutional health, as well as motivating individual countries to partake in the governance processes (including the facilitation of administrative work between sessions, priority-setting, drafting of agendas, etc.) and allowing for all Regional Groups to be represented directly and permanently in the Bureaus of FAO's Technical Committees, GRULAC supports the enlargement of the CCP Bureau and hopes that the issue would be discussed and decided at the Sixty-ninth Session of the Committee in May. The Group deliberated on the proposal, and after further consultation by the Chairperson, the Members agreed to present it to the CCP for decision. If approved, this would require amendments to the existing Rules of Procedure of the Committee.

9. Regarding the question of changing the name of the CCP, several Members expressed a preference to have it changed. Of particular concern was the word "Problems" in the name which was viewed as giving a negative message about commodities and a restrictive scope of the Committee's work. It was felt that the name should reflect the Committee's ToR better. The Group agreed to put forward for the consideration of the Committee three options: i) change the name to Committee on Agricultural Commodities; ii) change the name to Committee on Commodities and Trade; or iii) leave the name unchanged.

10. The Group recognized the importance of membership involvement in setting the agenda of the CCP sessions, which was seen as key to ensuring ownership by Members and promoting their active participation, especially of capital-based experts. There was an agreement on the usefulness of consultations with the Regional Groups of FAO. A proposal would be for the CCP Chairperson to share the draft agenda with the Chairpersons and Vice-Chairpersons of the Regional Groups of FAO, who should be responsible for discussing it with their respective Regional Groups and for communicating comments and suggestions to the CCP Chairperson. The Secretariat will, in consultation with the CCP Bureau, finalize the draft agenda taking into account the feedback received from the various Regional Groups and submit it to the Director-General for approval.

11. About the programme of work and priority setting in the area of trade and commodity markets, Members agreed that increased time should be allowed for delegations to discuss and agree on priorities for work on trade and commodity markets. It was noted that work priorities relevant to the CCP were discussed for the first time at the last session, and identified areas had been reflected in the programme of work of the Trade and Markets Division. The Group also stressed the importance of the Regional Conferences in informing the Division's programme of work as well as in identifying possible agenda items for the Committee's sessions. This was seen as a means to promote interest and participation in the CCP sessions. Members also noted that a Multi-Year Programme of Work (MYPOW) of the CCP would be prepared for discussion at its next session.

12. Members stressed the importance of timely circulation of documents and allowing adequate time during CCP sessions for substantive discussions of the topics.

13. Members had divergent views regarding the procedures for drafting the Committee's report for the Plenary. While some Members expressed concern about the time spent by the drafting Committee to prepare the report, especially in view of resource constraints, others noted that when a Rapporteur is appointed the Plenary turns into a drafting Committee. The Group agreed to maintain the status quo.

14. Recognizing that enhancing cooperation with other international commodity bodies was important, the Group urged that measures be undertaken to invite relevant organizations to hold their meetings or organize side events during or back-to-back with the CCP sessions. It was noted that most of the relevant commodity bodies hold an "observer" status in the CCP, and space had been given in the past to other organizations to organize side events.

15. The OEWG has also agreed on the need to encourage increased participation and involvement of civil society and the private sector in the CCP sessions, within the rules and regulations of FAO. The Committee may wish to advise on the way forward as regards this specific proposal.

B. What factors hinder the scope of the CCP to be more current, responsive and proactive in dealing with latest market development

16. On the subject of the timing and duration of CCP sessions, timing was seen as crucial to ensuring topicality and proactivity of the Committee's work. It was agreed that inflexibility of the current scheduling arrangements, the biennial sessions and the limited inter-sessional activity of the CCP constrained the scope to be current, responsive and proactive in dealing with the latest market developments.

17. One possible measure to enhance the continuity and relevance of the CCP work would be to establish a steering committee as in the case of the Fisheries and Forestry Committees (COFI and COFO). This could work with the Secretariat in steering the CCP's agenda and its inter-sessional work programme with a view to improving the continuity of activities and raising the profile of the Committee. These steering committee functions could be undertaken by the proposed enlarged Bureau as identified in paragraph 8 above.

18. Regarding the duration of sessions, it was noted that it was increased by half day. In addition, the CCP would be held in a separate week from the Committee on Agriculture (COAG) and thus additional events could be organized during the week. The Group recommended to maintain the status quo until experiencing the new arrangement, and possibly revisit the matter in the future.

C. CCP's relationship with its own subsidiary bodies and functioning of the subsidiary bodies

19. As regards the sub-committees of the CCP and their functioning, the Intergovernmental Commodity Groups (IGGs) were regarded as potentially very important but their performance was seen as variable. Some concern was expressed about certain IGGs in terms of frequency and regularity of meetings, value added and relevance of work. It was noted, however, that some IGGs are very active, have ambitious work programmes and address relevant issues.

20. The Group also highlighted the important role played by the IGGs in the international commodity architecture, including their role as International Commodity Bodies (ICBs) for the Common Fund for Commodities (CFC) commodity development projects, in providing commodity-specific market and policy information and in serving as neutral fora for dialogue and exchange of views and experience.

21. While Members agreed on the need for a thorough assessment for each subsidiary body, based on clear evaluation parameters, they noted the exercise could be complex and attendance at meetings should not be the only criterion to judge performance. Members underlined that the different sub-committees should be approached on a case-by-case basis as there is no "one size fits all".

22. As the way forward, the Group requested the Secretariat to prepare a report reviewing each of the IGGs against clear criteria and proposing recommendations for consideration by the CCP. The

recommendations should look at how the IGGs can be improved, restructured, suspended or abolished. The results of the review exercise are presented in information document CCP 12/INF/11.

D. Recommendations for the consideration of the Committee

23. The Committee may wish to:
 - a) Confirm that the terms of the reference of the CCP are appropriate and remain valid.
 - b) Underline the importance of the CCP to maintain the current balance between the market review and outlook work and the policy work.
 - c) Recognize the usefulness of consultation with the Regional Groups in preparing the provisional agenda, and agree on the process for this.
 - d) Recognize that increased time should be allocated to allow Members to deliberate on priorities for trade and commodity markets work.
 - e) Recognize the importance of timely circulation of documents and allowing adequate time for substantive discussions of the topics by Members.
 - f) Agree to the recommendation to maintain the current practice of designating a drafting committee to draft the report of the meeting.
 - g) Endorse the recommendation to maintain the status quo as regards the duration of sessions, with the possibility to revisit the matter in the future.

24. The Committee is invited to decide on the following proposals:
 - a) Enlargement of the CCP Bureau: Decide on the recommendation to enlarge the CCP Bureau from three to seven Members, with one representative from each Regional Group.
 - b) Rules of Procedure: Agree to the proposed amendments to the Rules of Procedure of the Committee (Annex I) reflecting the decision made under a) above.
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ANNEX I

Proposed Amendments

H. RULES OF PROCEDURE OF THE COMMITTEE ON COMMODITY PROBLEMS

Rule I

Officers

1. At the first session in each biennium, the Committee shall elect a Chairperson and six Vice-Chairpersons, a first Vice-Chairperson and a second Vice-Chairperson from among the representatives of its Members, who collectively shall constitute the Bureau of the Committee. The Bureau shall, between sessions, represent the membership of the Committee, perform functions related to the preparation of sessions of the Committee, and perform such other functions as may be delegated to it by the Committee. ~~shall remain in office until the election of a new Chairperson and new Vice-Chairpersons.~~

2. The Chairperson and the Vice-Chairpersons shall be elected for a period of two years and remain in office until the election of a new Chairperson and new Vice-Chairpersons at the end of the next session of the Committee. The Chairperson and six Vice-Chairpersons shall be elected from the following regions: one representative each from Africa, Asia, Europe, Latin America and the Caribbean, Near East, North America, and South West Pacific.

~~4.3.~~ The Chairperson, or in their ~~his~~ absence, one of the Vice-Chairpersons, shall preside at meetings of the Committee and exercise such other functions as may be required to facilitate its work. In the event of the Chairperson and the Vice-Chairpersons not being able to preside at a meeting, the Committee shall appoint one of its Members to take the chair.

~~2.4.~~ The Director-General of the Organization shall appoint a secretary, who shall perform such duties as the work of the Committee may require.

Rule II

Sessions

1. The Committee shall hold sessions as provided in Rule XXIX, paragraphs 4 and 5 of the General Rules of the Organization.

2. The Committee shall normally hold two sessions during each biennium, to be convened by the Director-General in consultation with the Chairperson of the Committee, taking into account any proposals made by the Committee.

3. Any number of separate meetings may be held during each session of the Committee.

4. The sessions of the Committee shall normally be held at the seat of the Organization. A session may be held at another place in pursuance of a decision taken by the Committee in consultation with the Director-General or a request submitted in writing to the Director-General by a majority of the Members of the Committee.

5. Notice of the date and place of each session shall normally be communicated at least two months in advance of the session to all Member Nations and Associate Members of the Organization, and to such non-member States and international organizations as may have been invited to attend the session.

6. Each Member of the Committee may appoint alternates and advisers to its representative on the Committee.

7. Presence of representatives of a majority of the Members of the Committee shall constitute a quorum for any formal action by the Committee.

Rule III

Attendance

1. Participation of international organizations in an observer capacity in the work of the Committee shall be governed by the relevant provisions of the Constitution and the General Rules of the organization,¹ as well as by the general rules of the Organization on relations with international organizations.

2. Attendance by non-member States of the Organization at sessions of the Committee shall be governed by the principles relating to the granting of observer status to nations adopted by the Conference.

3.

(a) Meetings of the Committee shall be held in public, unless the Committee decides to meet in private for discussion of any items on its agenda.

(b) Subject to the provisions of subparagraph (c) below, any Member Nation not represented on the Committee, any Associate Member or any non-member nation invited to attend in an observer capacity a session of the Committee may submit memoranda and participate without vote in any discussion at a public or private meeting of the Committee.

(c) In exceptional circumstances, the Committee may decide to restrict attendance at private meetings to the representative or observer of each Member Nation of the Organization.

Rule IV

Agenda and Documents

1. The Director-General, in consultation with the Chairperson of the Committee, shall prepare a provisional agenda and shall normally circulate it at least two months in advance of the session to all Member Nations and Associate Members of the Organization and to all international organizations invited to attend the session.

2. All Member Nations of the Organization and Associate Members acting within the limits of their status may request the Director-General normally not less than 30 days before the proposed date of the session to insert an item in the provisional agenda. The Director-General shall thereupon circulate the proposed item to all Members of the Committee, together with any necessary papers.

3. The first item on the provisional agenda shall be the adoption of the agenda. The Committee in session may by general consent amend the agenda by the deletion, addition or modification of any item, provided that no matter referred to it by the Council or on the request of the Conference may be omitted from the agenda.

¹ It is understood that in this context the terms "Constitution" and "the General Rules of the Organization" are to be taken to include all general rules and policy statements formally adopted by the Conference and intended to supplement the Constitution and the Rules, such as the "Statement of principles relating to the granting of observer status to nations", and the general rules regarding relationships between the Organization and governmental and non-governmental organizations.

4. Documents not already circulated shall be dispatched with the provisional agenda, or as soon as possible thereafter.

Rule V

Voting

1. Each Member of the Committee shall have one vote.
2. The decisions of the Committee shall be ascertained by the Chairperson, who shall resort, upon the request of one or more Members, to a vote, in which case the pertinent provisions of Rule XII of the General Rules of the Organization shall apply *mutatis mutandis*.

Rule VI

Records and Reports

1. At each session, the Committee shall approve a report to the Council embodying its views, recommendations and decisions, including, when requested, a statement of minority views. Any recommendation adopted by the Committee which affects the programme or finances of the Organization or concerning legal or constitutional matters shall be reported to the Council with the comments of the appropriate subsidiary committees of the Council.
2. Reports of sessions shall be circulated to all Member Nations and Associate Members of the Organization and to non-member States invited to attend the session, as well as to interested international organizations entitled to be represented at the session.
3. The comments of the Committee on the report of any of its subsidiary bodies and, if one or more Members of the Committee so request, the views of those Members shall be incorporated into the Committee's report. If any Member so requests, this part of the Committee's report shall be circulated as soon as possible by the Director-General to the States or international organizations which normally receive the reports of the subsidiary body in question. The Committee may also request the Director-General, in transmitting the report and records of its proceedings to Members, to call particular attention to its views and comments on the report of any of its subsidiary bodies.
4. Whenever a private meeting of the Committee is held, the Committee shall, at the beginning of that meeting, decide whether a record of the meeting shall be kept and, if so, what circulation, not exceeding that provided for in paragraph 2 above, shall be given to it.
5. The Committee shall determine the procedures in regard to press communiqués concerning its activities.

Rule VII

Subsidiary Bodies

1. In accordance with the provisions of Rule XXIX, paragraph 10 of the General Rules of the Organization, the Committee may, when necessary, establish subcommittees, intergovernmental commodity groups and *ad hoc* subsidiary bodies, subject to the necessary funds being available in the relevant chapter of the approved budget of the Organization. It may include in the membership of such subcommittees and *ad hoc* subsidiary bodies, Member Nations that are not members of the Committee and Associate Members. Membership of intergovernmental commodity groups established by the

Committee shall be open to all Member Nations and Associate Members of the Organization and the Council may admit to membership of such groups States which, while not Member Nations or Associate Members of the Organization, are members of the United Nations, any of its specialized agencies or the International Atomic Energy Agency.

2. Before taking any decision involving expenditure in connection with the establishment of subsidiary bodies, the Committee shall have before it a report from the Director-General on the administrative and financial implications thereof.

3. The Committee shall determine the terms of reference of its subsidiary bodies who shall report to the Committee. The reports of the subsidiary bodies shall be made available for information to all members of the subsidiary bodies concerned, all Member Nations and Associate Members of the Organization, non-member States invited to the sessions of the subsidiary bodies, and to interested international organizations entitled to attend such sessions.

Rule VIII

Suspension of Rules

The Committee may decide to suspend any of the foregoing Rules of Procedure, provided that 24 hours' notice of the proposal for the suspension has been given and that the action contemplated is consistent with the Constitution and the General Rules of the Organization.²

Such notice may be waived if no Member objects.

Rule IX

Amendment of Rules

The Committee may, by a two-thirds majority of the votes cast, amend its Rules of Procedure, provided that such amendment is consistent with the Constitution and the General Rules of the Organization. No proposal for the amendment of these Rules shall be included in the agenda of any session of the Committee unless notice thereof has been dispatched by the Director-General to Members of the Committee at least 30 days before the opening of the session.

² See footnote to Rule III, paragraph 1.