



General Assembly

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Macroeconomic policy questions: international financial system and development

Argentina:* draft resolution

Excessive international financial market speculation and extreme price volatility of food and related 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 Declaration of the World Food Summit: five years later, adopted in Rome on 13 June 2002,⁴

Recalling its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for

* On behalf of the States Members of the United Nations that are members of the Group of 77 and China.

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, *Report of the World Food Summit: five years later, 10-13 June 2002*, part one, appendix; see also A/57/499, annex.



Development,⁵ and recalling also the Plan of Implementation of the World Summit on Sustainable Development (“Johannesburg Plan of Implementation”),⁶

Recalling further 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 the Outcome of the Conference on the World Financial and Economic Crisis and Its Impact on Development,⁸

Taking note with appreciation 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,

Recognizing the need to support a comprehensive and coordinated response in order to address the multiple and complex causes of the global food crisis, including excessive volatility of food commodity prices,

Emphasizing that the financial and economic crisis has demonstrated the need for more effective government involvement so as to ensure an appropriate balance between the market and the public interest, and recognizes the need to better regulate financial markets,

Deeply concerned by the recent extreme volatility of commodity prices and subsequent busts and 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 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,

Recognizing the importance of an enabling international and national environment for the agriculture sector of developing countries and the creation of a more level playing field in agriculture in accordance with the mandate from the Doha Development Agenda⁹ of the World Trade Organization,

Taking note of the report of the Secretary-General on Implementation of the Second United Nations Decade for the Eradication of Poverty (2008-2017), in which the Secretary-General states that surging food prices and global food insecurity are sparking concerns again over increased poverty and hunger, noting that, since poor people spend large shares of their income on food, even short-lived price increases

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.

⁷ Resolution 63/239, annex.

⁸ Resolution 63/303, annex.

⁹ See A/C.2/56/7, annex.

can have a significant impact on their income levels, and that therefore poverty tends to increase when food prices rise,¹⁰

Taking note also 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 states that the financialization of commodity markets has increased significantly since about 2004, as reflected in rising volumes of financial investments in commodity derivatives markets and 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 consumers,¹¹

1. *Welcomes* 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 discourage market-distorting financial speculation on food commodities, inter alia, through adequate regulatory systems for financial commodity markets and improved transparency and oversight mechanisms;

3. *Requests* the President of the General Assembly at its sixty-sixth session, to establish a special open-ended working group to promote an exchange of views and present recommendations by the end of the sixty-sixth session towards reducing excessive price volatility and speculation in food commodity markets, including derivatives such as futures and over-the-counter transactions, taking into account relevant work done at national, regional and international levels, including efforts undertaken by the specialized agencies of the United Nations;

4. *Requests* the United Nations Conference on Trade and Development, the Food and Agriculture Organization of the United Nations, the United Nations Development Programme and the regional economic commissions, in collaboration with relevant international organizations, to continue their research and analysis on this matter and submit a joint report, including a compilation of existing research, with recommendations to the working group, within three months of the adoption of the present resolution;

5. *Recognizes* the importance of considering, in this exercise, the needs of developing countries;

6. *Stresses* that, in addressing excessive price volatility and speculation in food commodity markets, special attention should be given to the need of net-food-importing developing countries to achieve food security;

7. *Requests* the Secretary-General to submit to the General Assembly at its sixty-seventh session a report on the implementation of the present resolution;

8. *Decides* to include in the provisional agenda of its sixty-seventh session under the item entitled “Macroeconomic policy questions” a sub-item entitled “Excessive international financial market speculation and extreme price volatility of food and related commodity markets”.

¹⁰ A/66/221, para. 18.

¹¹ A/66/227, para. 10.