CONFERENCE

Thirty-ninth Session

Rome, 6–13 June 2015

Report of the 70th Session of the Committee on Commodity Problems (7–9 October 2014)

Executive Summary

The Committee on Commodity Problems (CCP) held its 70th Session on 7-9 October 2014 and wishes to bring to the attention of the Council and Conference the results of its deliberations as well as its recommendations on:

1) Report of the Ministerial Meeting on Governance and International Commodity Markets
2) State of World Agricultural Commodity Markets
3) Policy Developments
4) Reform of the CCP and Subsidiary Bodies
5) International Action on Agricultural Commodities

Matters requiring the attention of the Council

- Report of the Ministerial Meeting on Governance and International Commodity Markets, paragraphs 7, 8 and Appendix B
- Major market developments and short-term outlook, paragraphs 9 to 11
- Medium-term agricultural outlook: trends and emerging issues, paragraphs 13 and 14
- Update on WTO agricultural negotiations, paragraph 16
- Food stocks and price volatility, paragraphs 17 and 19
- Import surges and special safeguard mechanism, paragraph 22
- Review of the CCP Subsidiary Bodies - 6.2.2 Intergovernmental Commodity Groups (IGGs), paragraph 30 a), b) and c)
- FAO’s work programme in trade and markets under the Reviewed Strategic Framework, paragraph 33 b)
- Progress report on the Agricultural Market Information System (AMIS), paragraph 37
**Matters requiring the attention of the Conference**

- *Report of the Ministerial Meeting on Governance and International Commodity Markets*, paragraphs 7, 8 and Appendix B
- *Major market developments and short-term outlook*, paragraph 11 a) and b)
- *Update on WTO agricultural negotiations*, paragraph 15
- *Food stocks and price volatility*, paragraph 18
- *Import surges and special safeguard mechanism*, paragraph 21
- *Proposed amendments to the Rules of Procedure of the Committee on Commodity Problems*, paragraphs 23, 24, 25, Appendix C and 27
- *Review of the CCP Subsidiary Bodies - 6.2.1 Consultative Sub-Committee on Surplus Disposal (CSSD)*, paragraph 29
- *Review of the CCP Subsidiary Bodies - 6.2.2 Intergovernmental Commodity Groups (IGGs)*, paragraph 30 a), b) and c)
- *OECD-FAO partnership on medium-term projections*, paragraph 35
- *Progress report on the Agricultural Market Information System (AMIS)*, paragraph 37 b)

**Suggested action by the Council and Conference**

The Council and Conference are invited to:

- Endorse the Report of the 70th Session of the Committee on Commodity Problems

*Queries on the substantive content of this document may be addressed to:*

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I. Introduction

1. The Committee on Commodity Problems held its 70th Session from 7 to 9 October 2014 at FAO Headquarters, Rome. Of the 110 Members of the Committee for the biennium 2014-2015, 98 were present at the session, including fourteen ministers. Fourteen Member Nations of the Organization, including 9 ministers; the Holy See; one UN organization; four specialized agencies; 10 intergovernmental organizations; and 1 non-governmental organizations participated as observers. The list of countries and organizations represented at the Session (CCP 14/INF/2) is available at http://www.fao.org/bodies/ccp/ccp70/en/.

2. The Bureau composed of Mr Eric Robinson (Canada), Chairperson; Mr Matthew Worrell (Australia); Ms Alejandra Guerra (Chile); His Excellency Seyed Aminollah Taghavi Motlagh (Islamic Republic of Iran); Mr Lupiño Lazaro, Jr. (Philippines); Mr Luís Henrique Pessoa de Amorim Durão (Portugal); and Her Excellency Mary S. Mubi (Zimbabwe) continued their term until the election of the new Bureau at the end of the Session.

3. The Committee was informed that the European Union was participating in the Session in accordance with paragraphs 8 and 9 of Article II of the FAO Constitution.

4. The Committee adopted the Agenda and Timetable for the Session. The Agenda is reproduced in Appendix A.

5. The 70th Session was assisted by a Drafting Committee composed of Argentina, Chad, Estonia, European Union, Haiti, Libya, Malaysia, Morocco, New Zealand, Pakistan (Chair), Qatar, the United States of America and Zambia.

II. Statement by the Director-General

6. The Director-General, Mr José Graziano da Silva, delivered an opening statement. He stressed the importance of the work of the Committee to FAO’s reviewed Strategic Framework and expressed the commitment of the Organization to raising the profile of the CCP and making it an authoritative body on all issues involving agricultural commodities and trade.

III. Report of the Ministerial Meeting on Governance and International Commodity Markets

7. The Committee welcomed the Chair’s summary of the Ministerial Meeting on Governance and International Commodity Markets presented by His Excellency Lassaad Lachaal, Minister for Agriculture of Tunisia, and Chair of the 28th Regional Conference for Africa. A copy of the summary is attached to this report as Appendix B.

8. The Committee underlined the importance of the issues reflected in the Chair’s summary, in particular the significant role played by the CCP, and urged FAO to give due consideration to it.

IV. State of World Agricultural Commodity Markets

1. Major market developments and short-term outlook

9. The Committee reviewed the major market developments and short-term outlook for basic food commodities and for raw materials, horticulture and tropical products (CCP 14/2), including recent developments in production, exports, imports and prices.

10. The Committee underlined the importance of these developments for world food security and commended the important role played by FAO in providing up-to-date market information and assessment, including with respect to value addition, and in promoting market transparency.

11. Recognizing the importance of timely and good data for credible market review and assessment and for informing decisions, the Committee:
1) recommended that governments increase their efforts to improve the quality and timeliness of data and estimates for production, utilization, trade, stocks and prices as a way to enhance market transparency and allow for timely, efficient and coordinated action;

2) asked governments to improve the response rate and quality of the data provided through the regular questionnaires issued by FAO; and

3) encouraged FAO to enhance its capacity building role in this area, in collaboration with other relevant stakeholders as appropriate.

2. Medium-term agricultural outlook: trends and emerging issues

The Committee reviewed the document on Medium-term agricultural outlook: trends and emerging issues (CCP 14/3) and assessed market projections for the period 2014-2023 for production, utilization, trade and prices of the major food commodities.

The Committee discussed the trends and main emerging issues facing food and agricultural commodities over the next ten years and called for close monitoring of those challenges. In particular, the Committee drew attention to issues related to food labelling and standards and encouraged expansion to include additional commodities when possible.

The Committee stressed the importance of medium-term commodity market projections as an essential tool for policy debate and planning and welcomed the OECD-FAO collaboration on the medium-term outlook work as an example of a successful partnership.

V. Policy Developments

1. Update on WTO agricultural negotiations

The Committee took note of the latest developments in the WTO agricultural negotiations on the basis of the document CCP 14/INF/6 and underlined the importance of agreeing on a post-Bali work programme as foreseen in the Bali agreement.

The Committee also took note of FAO’s technical assistance to the negotiations on agriculture, namely the provision of analysis on key negotiating issues, capacity development to countries and the facilitation of fora for open debate away from the negotiating table.

2. Food stocks and price volatility

The Committee reviewed the information on food stocks and price volatility provided in the document CCP 14/4 and welcomed the attention given to this topic.

Members agreed that attempts to use buffer stocks to stabilize prices had proved ineffective and costly. However, they agreed that emergency reserves had an important contribution to food security.

The Committee recognized that FAO should continue to research the relationship between stocks and prices in the context of a comprehensive analysis of all factors influencing price volatility.

3. Import surges and special safeguard mechanism

The Committee took note of the analysis provided in the document Import surges and special safeguard mechanism (CCP 14/5), namely that the incidence of import surges has declined significantly since the early 2000s reflecting the changes in market contexts from low and relatively stable prices to higher and more volatile prices.

The Committee noted in this regard the importance of considering the implications of changing global markets in formulating global trade agreements, including the risk to food supplies and impact for consumers.
22. As follow up, the Committee recommended the following:
   1) Continued assistance should be provided to developing countries in understanding the implications of increasing food imports in the context of higher global food prices.
   2) Discussion and analysis on appropriate trade policy actions in the face of increasing imports should be facilitated.

VI. Reform of the CCP and Subsidiary Bodies

1. Proposed amendments to the Rules of Procedure of the Committee on Commodity Problems

23. The Committee reviewed and approved, with immediate effect, the proposed amendments to its Rules of Procedure set out in Annex I to the document CCP 14/6, with the addition of the two amendments to Rule I on Officers as specified in paragraphs 24 and 25 below.

24. The Committee agreed that the following sentence be added to Rule I, paragraph 3, of the Rules of Procedure as set out in Annex I to the document CCP 14/6: “Each Member of the Bureau shall exercise its functions in close consultation with the Regional Group that it represents”.

25. The Committee also agreed to introduce a new paragraph in Rule I as set out in Annex I to the document CCP 14/6 on Officers, reading as follows: “The Member Nations through their Regional Groups may submit nominations for the office of Chairperson of the Committee. The nominations shall be submitted at least 30 days before the beginning of the session of the Committee in which the election shall take place”.

26. The revised Rules of Procedure, as adopted by the Committee, are attached in Appendix C.

27. The Committee further agreed that the next Bureau of CCP should examine the name of the Committee as well as review and clarify Rule 1.7 of the revised Rules of Procedure and present its conclusions to the next session of the CCP.

2. Review of the CCP Subsidiary Bodies

6.2.1 Consultative Sub-Committee on Surplus Disposal (CSSD)

28. The Committee considered the results of the review of the Consultative Sub-Committee on Surplus Disposal (CSSD) as presented in document CCP 14/10/ Rev1 and took note of the recommendations therein.

29. The Committee agreed to mandate the Bureau of the CCP through the creation of an Open-Ended Working Group to carry out the required work on the CSSD, including considering the option of its elimination, and to present its recommendations for consideration by the Committee at its 71st Session in 2016.

6.2.2 Intergovernmental Commodity Groups (IGGs)

30. The Committee reviewed the recommendations presented in the document CCP 14/INF/7 on the Review of the Intergovernmental Commodity Groups (IGGs) and agreed that:
   a) the IGG on Tea should continue to meet on a regular basis;
   b) the IGG on Hard Fibres and the IGG on Jute, Kenaf and Allied Fibres should continue to hold regular joint meetings;
   c) the remaining IGGs (Grains; Rice; Oilseeds, Oils and Fats; Meat and Dairy Products; Bananas and Tropical Fruits; and Citrus) should only meet on a “when required” basis;
   d) wherever possible, meetings of the IGGs should be combined for efficiency savings.
31. With regard to recommendation in paragraph 30 (c) above, the Committee mandated the Bureau with the responsibility to decide if and when an IGG meeting should be called.

3. International Rice Commission (IRC)

32. The Committee:
   a) noted that the International Rice Commission suspended all of its activities and operations in June 2013;
   b) agreed that a standing item on rice be included in the Committee on Commodity Problems’ regular sessions agenda, when appropriate.

VII. International Action on Agricultural Commodities

1. FAO’s work programme in trade and markets under the Reviewed Strategic Framework

33. The Committee:
   a) agreed with the trends and emerging issues identified as part of the global development context;
   b) endorsed the main priorities for work in the area of trade and markets to be taken into account in the review and implementation of action plans and programmes during 2014-17 to achieve the FAO’s Strategic Objectives, taking into consideration national and regional specificities.

2. CCP Multi-Year Programme of Work (MYPOW)

34. The Committee adopted the progress report on the implementation of the approved MYPOW 2012-16 (CCP 14/8) and recommended improvements to be considered for the development of the Committee’s MYPOW for the period 2016-19.

3. OECD-FAO partnership on medium-term projections

35. The Committee:
   a) reviewed the state of collaboration between FAO and OECD on the medium-term projection work as presented in the document CCP 14/9 and welcomed and supported this successful partnership;
   b) recognized the importance of, and the need for, the continued collaboration between FAO and OECD on the medium-term outlook for agricultural commodities and encouraged the further strengthening of this partnership to better serve the FAO membership, including collaboration with regional and national partners.


5. Progress report on the Agricultural Market Information System (AMIS)

37. The Committee:
   a) welcomed the progress made with regard to the implementation of AMIS and noted its high relevance to the activities of the Committee;
b) recognized the importance of the initiative as an innovation in governance and encouraged its further strengthening.

VIII. Other Matters

1. Election of the new Bureau Members of the CCP

38. The Committee elected by acclamation Her Excellency Ambassador Maria Laura da Rocha, Permanent Representative of the Federative Republic of Brazil to FAO, as the new Chairperson of the Committee.

39. The Committee elected by acclamation the following six Members of the incoming Bureau of the Committee: Australia (South West Pacific); Estonia (Europe); Gabon (Africa); Jordan (Near East); Malaysia (Asia); and the United States of America (North America).

2. Arrangements for the 71st Session

40. The Committee noted that the 71st Session of the Committee on Commodity Problems would take place in Rome in 2016 and that the exact date would be determined by the Director-General in consultation with the Chairperson of the Committee, according to the appropriate procedures and bearing in mind the overall calendar of other meetings.
APPENDIX A

Agenda for the 70th Session of the CCP

1. Organizational Matters
   1.1 Adoption of the Agenda and Timetable
   1.2 Designation of the Drafting Committee

2. Statement by the Director-General

3. Report of the Third Ministerial Meeting on Governance and International Commodity Markets (6 October 2014) by the Ministerial Meeting Chairperson

4. State of World Agricultural Commodity Markets
   4.1 Major market developments and short-term outlook
   4.2 Medium-term agricultural outlook: trends and emerging issues

5. Policy Developments
   5.1 Update on WTO agricultural negotiations
   5.2 Food stocks and price volatility
   5.3 Import surges and Special Safeguard Mechanism

6. Reform of the CCP and Subsidiary Bodies
   6.1 Proposed amendments to the Rules of Procedure of the Committee on Commodity Problems
   6.2 Review of the CCP Subsidiary Bodies
   6.3 International Rice Commission

7. International Action on Agricultural Commodities
   7.1 FAO’s work programme in trade and markets under the Reviewed Strategic Framework
   7.2 CCP Multi-Year Programme of Work (MYPOW)
   7.3 OECD-FAO partnership on medium-term projections
   7.4 Report of the Joint Meeting of the 37th Session of the Intergovernmental Group on Hard Fibres and the 39th Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres and the 18th Session of the Sub-Group of Sisal Producing Countries
   7.5 Progress report on the Agricultural Market Information System (AMIS)

8. Other Matters
   8.1 Election of the new Bureau Members of the CCP
   8.2 Arrangements for the 71st Session

9. Adoption of the Report
APPENDIX B

CHAIR’S SUMMARY OF THE OUTCOME OF THE MINISTERIAL MEETING ON GOVERNANCE AND INTERNATIONAL COMMODITY MARKETS

Presented by His Excellency Lassaad Lachaal, Minister for Agriculture of Tunisia, and Chair of the Regional Conference for Africa

Mr José Graziano da Silva, FAO Director-General,
Mr Eric Robinson, Chairperson of the Committee on Commodity Problems,
Honourable Ministers and Ambassadors,
Distinguished Delegates and Guests,
Members of the CCP Secretariat,
Excellencies, Ladies and Gentlemen,

It is with real pleasure that I am reporting to you today on the outcome of the Ministerial Meeting on Governance and International Commodity Markets, which was held yesterday here at FAO.

The meeting saw the participation of about 30 Ministers and Vice Ministers, which reflects the importance of the discussed subject.

I would like to thank FAO and the Director-General, Mr Graziano, for convening this meeting which has provided all of us with a platform to exchange views and debate on a number of critical issues on agricultural commodities and trade.

The agricultural commodity sector remains an essential source of job creation, income generation and government revenues for the majority of countries.

More than 100 developing countries depend on primary commodities, and particularly agricultural commodities, for the bulk of their export earnings. The majority of the Least Developed Countries (LDCs), while dependent on agricultural commodity exports, are food importers and increasingly so over the last 15 or 20 years.

A number of important points have emerged from our fruitful debate yesterday. I would like to highlight some of them in my report to you.

First – it seems we all agree that the governance of agricultural commodities is still framed by the institutional set up of the 1970s. Commodity markets today are very different. There have been structural changes in both the demand and supply sides that will have lasting effects. We need to consider the new conditions and realities of commodity markets.

Second – the issue of price volatility. While volatility has decreased recently, it continues to represent a threat to the commodity sector and global food security more generally. Commodity markets are expected to remain more volatile over the medium term. We should not drop it from our priorities.

Third – it is important to improve market information for better market transparency. We need more timely and credible data on commodity markets and on prices. AMIS, the Agricultural Market Information System, has been mentioned many times during the intervention. Maybe we should look at ways to expand and replicate this initiative.

Fourth – the issue of smallholders. The majority of interventions highlighted the importance of smallholders, calling for the need to give room for their voices to be heard and reflected in policy and development strategies. They are the people in the front line of our fight against hunger and poverty. According to FAO, about 85 percent of the world’s farms are smaller than 2 hectares.
Fifth – another important point that emerged is the need for risk management tools that are tailored for smallholder and vulnerable producers. These farmers have very limited access to financial mechanisms to contain the impacts of fluctuating prices and low or negative returns. Social protection and safety nets are important tools.

Sixth – we all agree that only a rules-based international trading system that is open, non-distorted, non-discriminatory, equitable and fair can promote agricultural and rural development and contribute to world food security.

Seventh – partnerships. With more modern and globalized commodity value chains, we need to develop strong and more inclusive partnerships in which all concerned actors come together to find the proper solutions and overcome the challenges. We need more public-private partnerships, but also better partnerships that are built on equity and shared objectives.

It is clear from all this that we need strengthened collaboration among the commodity institutions.

I think it is critical that the Committee on Commodity Problems (CCP) becomes a central pillar of the new governance system of agricultural commodities. I would recommend that the CCP takes all these issues in its programme of work and gives them priority in its agenda.

I would also like to report to you on an interesting comment about the name of the Committee. It was seen that the Committee should not only be concerned with commodity problems, but should identify solutions. One proposal was to change the name to the Committee on Commodity Perspectives. I would leave this suggestion with you and the Chair of the Committee.

Another very interesting suggestion that was proposed at the meeting is the elaboration of a Global Agenda for Commodity Development. I hope this can be considered by this Committee.

I would also encourage the continuation of convening the Ministerial Meetings on commodity markets and prices. We need to create space for dialogue between the technical and scientific side and the political side at the highest possible level. It is only by doing so that we reach our common goals.

I trust that this Committee will play an important role in this regard.

Last, and not least, I would like to commend FAO, and namely Mr Graziano for the great organization of the Ministerial Meeting.

Mr Director-General,

Mr Chairperson of the CCP,

Excellencies, Ladies and Gentlemen,

Thank you for giving me the opportunity to report to you on the outcome of the Ministerial Meeting.

I wish you a fruitful and successful session of the CCP. Thank you for your kind attention.
APPENDIX C

REVISED RULES OF PROCEDURE (AS ADOPTED BY THE COMMITTEE)\(^1\)

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 Members Vice-Chairpersons, from among the representatives of its Members, which collectively shall constitute the Bureau of the Committee. The representatives of the elected Members shall act as Vice-Chairpersons.

2. The Member Nations through their Regional Groups may submit nominations for the office of Chairperson of the Committee. The nominations shall be submitted at least 30 days before the beginning of the session of the Committee in which the election shall take place.

3. When electing the Chairperson, the Committee should ensure the equitable rotation of the office among the regions. The Chairperson shall not be eligible for election for two consecutive terms in the same office. The term of office shall expire at the end of the Committee meeting session where the election of a new Chairperson is held.

4. 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. Each Member of the Bureau shall exercise its functions in close consultation with the Regional Group that it represents.

5. The Chairperson and the Members Vice-Chairpersons shall be elected for a period of two years and remain in office until the election of a new Chairperson and new Members Vice-Chairpersons at the end of the next session of the Committee. The Chairperson and six Members 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.

6. The Bureau shall appoint a first Vice-Chairperson from among its six Members. S/he shall remain in office until the election appointment of a new first Vice-Chairperson. If due to any reason, the Chairperson is prevented from exercising her or his functions for the remainder of the term of office, these functions shall be exercised by the first Vice-Chairperson for the remainder of the Chairperson’s term of office. The Bureau shall appoint a new first Vice-Chairperson from among its Members for the remainder of the Vice-Chairperson’s term of office.

7. The Chairperson or, in his or her absence, the first Vice-Chairperson 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 first Vice-Chairperson being unable to preside at a meeting, the Bureau shall appoint one of the other five Vice-Chairpersons to take the chair, or failing this, the Committee shall appoint a representative one of its Members to take the chair.

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

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\(^1\) In the text of the draft amendments reproduced, the proposal regarding deletions are indicated using **stripped out text** and the proposals for insertions are indicated using *underlined italics*. 
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, 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.

(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.

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2 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.
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.

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. The Committee shall make every effort to ensure that its recommendations are precise and can be implemented. Programme and budgetary matters shall be referred to the Council, whereas policy and regulatory matters shall be referred to the Conference. 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. 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.

\[3\] See footnote to Rule III, paragraph 1.