

**Draft statement by Ambassador Sheikh Mohammed Belal, Managing Director of the  
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*Director-General, Mr. QU Dongyu  
Excellencies,  
Colleagues,  
Ladies and gentlemen,*

Let me begin thanking FAO for organizing this meeting, providing us with the proper forum to discuss the latest developments in food and agricultural markets and examine market outlook, including medium-term projections. We came to discuss our future at a time where we are baffled by the insanity of the pandemic.

The unfolding COVID-19 pandemic is a crisis with many faces. It is a socio-economic crisis, a humanitarian crisis, a security crisis, and a human rights crisis. It has affected us all, no matter where you were born or where you currently live. However, its effects are not felt evenly across the globe. Although all countries in the world are currently fighting against this terrible pandemic, the magnitude and extent of its impact varies among the different countries and regions.

Based on the painful realizations due to the ongoing pandemic, in this statement, we, on behalf of CFC, would like to seek your understanding on the following propositions. In this statement, we would like to draw your attention on some of the initiatives that we think are required to begin a post pandemic green recovery.

First, the pandemic proved that we all are in this together. At the same time, as we already highlighted, it also proved that it is not the same for each of us. Meaning, this pandemic proved to be much more fatal to those who were already vulnerable, the poor, women and girls.

So, we came here with a humble appeal to all of you, to take a walk back to the root of the problem. Let us take a walk back, along the value chain and ask ourselves why still a cocoa or coffee or cotton farmer gets a silly fraction of what the end users are paying for. How long we will continue to tolerate value chain that continue to add to the burden of the producers, instead of liberating them from their hard core poverty.

Put aside developing countries. Even a rich country like United States, where farm employers reported paying their hired, seasonal harvest workers—the folks picking and sorting everything from grapes to peaches to tomatoes—an average wage of \$10.19 an hour in 2014. I am using this information now for lack of better information.

As harvest work is seasonal, many farmworkers only find employment for part of the year. It is estimated that due to seasonal nature, a farm labourer may report to working about 1,000 hours a year, the equivalent of six months of full-time work. And that brings their annual salary to just \$10,200—notably less than the United States’ federal poverty line of \$11,670 for one person in 2014. I am not going to ask you to contrast this with what CEO’s are making. We used farm laborers to quote you data from the likes of National Geography, but you can substitute that farm laborers for farm producers, farmers, smallholders, cooperative members, and the likes in the commodity producing developing countries (CDDS). The situation remains that of rising inequality and falling social mobility, leading to people feeling as though the world is rigged against them.

Given its enormity, it is easier to resign in the hopelessness with the excuse that this is not ours to do. Not even by the United Nations.

This leads me to make the following proposition.

Secondly, while it is appealing to call for a reboot of present system, it is never going to happen. The best way to recovery is to unleash the force of conscious consumers asking for businesses with a purpose. Market needs to be rebalanced, with businesses becoming more purpose-driven, creating shared value, cooperate, to rewire finance and capital markets to fix the share inequality that we all are forced to get exposed to. We need to remind ourselves that having a purpose can increase creativity and does not have to conflict with generating a profit.

Indeed, businesses need to step in where they see basic parameters of human rights being subverted, and withdraw their money from the political process, in order to try and fix societal issues. Although it is primarily led by the purpose driven impact fund, it is more than that. It is where we will have to go back to the basics of who is doing what? Whether they are doing it best or not?

Here we need organisations like FAO to be our mentor, to be our hub to bring us to a common platform to guide resources for food and agriculture based on its greenness, innovations and more importantly, tailored to meet SDGs with targeted projects. Not everyone has to do everything. FAO is our hub spoke to make us collaborate and make the best use our shared but finite resources for our shared journey.

One new initiative that CFC is now recalibrating itself is to make its projects fit for API i.e. additionality, partnership and innovations. We are working to make our projects are duly vaccinated with API before we incubate them in the wild wilderness of the Commodity producing developing countries. Here we would like to seek FAO’s leadership to make innovations far more targeted using your system wide practices that you have been so successfully doing with the member states.

We are aware that FAO assists member countries in unlocking the potential of innovation to drive socio-economic growth, ensure food and nutrition security, alleviate poverty and improve resilience to climate change, thereby helping to achieve the Sustainable Development Goals. Because innovation is a complex process where governments and other key stakeholders play different roles, we wish to gain from your system wide approach and their outcomes.

Thirdly, for organizations like CFC, because of our modest size, it is imperative that we collaborate and devise mechanisms to make the best use of our resources. Such partnerships and collaborations are easier

when we pass through a hub like that of FAO. The economic concept of micro and macro needs to be applied so that micro doesn't end at the stomach of macro. Rather micro gets to have its go, with R&D and innovative strategy-based support from macro's likes that of FAO, WTO, UNCTAD etc.

Finally, time has come for all of us to devise strategies dedicated for the least developed countries and their variants like Land locked developing countries and Small Island Developing countries. For far too long, our services towards the hardcore poor didn't match our rhetoric. We must ask ourselves loud why after fifty years of classifications of LDC since 1971, why only six countries managed to escape this vicious cycle? Why we have as many as 46 countries are still languishing there? If we are serious about delivering the SDGs by 2030, the coming decade should be that of partnership and collaborations based on science and innovations.

Current projections from the World Bank estimate that between 119 and 124 million people were pushed into extreme poverty in 2020. Even if these people are not contracting COVID-19, measures to control virus outbreaks are disrupting global supply chains and affecting the poorest. Although the development of vaccines brings new hopes, the projections for 2021 are still pessimistic, with between 143 to 163 million more people expected to fall into extreme poverty. While the estimates for 2021 are still preliminary, it shows that for the most vulnerable people this crisis will not be short-lived. So, we would like to see organizations like FAO plays a leading role as the world is getting ready to replace Istanbul Program of Action with that of the Doha program of Action that will be drawn during United Nations LDC Five Conference in Doha, Qatar in 2022.

We, therefore, hope to see FAO be a hub for this partnership for private sector led impact investments and provide us more access to its high road of FAO's Research and Extension Unit (AGDR), the Technologies and Practices for Small Agricultural Producers (TECA) Platform so that we can make use of science and innovations in a meaningful way.

With your support, we hope to be of assistance to the commodity-dependent countries who, otherwise, are unable to convert their natural endowment into sustained economic development. This condition results in great vulnerabilities, generating macroeconomic instabilities, income inequality, hindering economic development, especially in moments of great uncertainty.

Recognizing this situation and in line with its mission of promoting sustainable development in the CDDCs, during this pandemic the CFC reinforced its commitment to support the Small and Medium Enterprises working in the commodities value chains in developing countries. In this regard, since the outbreak of COVID-19, the CFC has introduced two important initiatives providing additional support to the agri-SMEs.

In June 2020, CFC's Executive Board approved an Emergency Liquidity Facility (ELF) of up to two million USD to offer additional support to the CFC projects that have been impacted by the pandemic. The ELF can provide immediate working capital to qualifying SMEs who are at risk of terminating their operations. With the ELF, the CFC aims to give healthy businesses access to short-term liquidity to help them endure the immediate effects of the crisis.

The ELF builds on the long-term experience of the CFC with the Fast-Track Facility, which provided financing through simplified procedure to commodity sector development projects below the limit of

USD 120,000. Due to the unique design of the ELF, building on the decades of CFC experience, qualifying companies can access ELF financing within the shortest time.

The quick operationalization of this new Facility reflects the primary concern of the CFC about the short term and long-term impact of the pandemic on CDDCs. The demand shock followed by disruption of the global supply chains and supply shock can erase decades of achievements towards the SDGs. The ELF will allow the CFC to support the vitality of SMEs in the commodity sector of CDDCs, so that they can overcome the pandemic, and expand their presence in the global markets once the recovery sets in.

Another important measure taken by CFC's Executive Board in supporting the SMEs to overcome the pandemic is offering more flexible terms for companies facing difficulties because of the pandemic. This allows the CFC to quickly accommodate the short-term needs of the good projects by for example postponing repayments during moments of crisis.

On the whole, one fundamental lesson of COVID-19 is the realization that unless poverty is addressed globally, with a renewed sense of urgency, the spread of killing viruses like COVID-19 could always run the risk of wreaking havoc in both developing and developed world. This is why we have to start preparing now and encourage ourselves to herald a return to normal in a post pandemic world.

There will, however, be no normal if we forsake the idea of humanity and turn our backs on those forgotten people, near and far. Therefore, CFC would remain on the lookout for being a part of a good ecosystem of business support actors, with shared objectives and complementary strengths, with priority for the more vulnerable at the margin, to deploy solutions for resilience and recovery.

Being in the business of impact, it turns out, is not about any checklist; it is, instead, a process, one you can get progressively better at over time—becoming more comfortable with uncertainty and gaining the knowhow to keep going. Once you begin to practice it, as you continue to touch people's lives and livelihood, the work become a passion one may find abundantly rewarding. We invite FAO to be our guide and mentor into this shared journey and be a part of this passion and reward of uplifting humanity.

I thank you for your kind attention.