

**STATEMENT BY AMBASSADOR SHEIKH MOHAMMED BELAL
MANAGING DIRECTOR OF THE COMMON FUND FOR
COMMODITIES AT THE OPENING OF THE 72nd MEETING OF
THE EXECUTIVE BOARD
TELECONFERENCE, 7 OCTOBER 2021**

Madame Chairperson

Excellencies

Distinguished Executive Directors and Alternates,

Distinguished observers and participants

Ladies and Gentlemen,

I am very pleased to welcome you all to this 72nd Meeting of the Executive Board of the CFC. Despite the challenges of the ongoing pandemic, I am glad that this meeting takes place on schedule and with the regular full Agenda. We remain deeply grateful to all of you. Particularly to those of you who had to make additional effort to defy the inconvenience of time zone.

I am pleased to recognize the kind presence of

H.E. Ms. Mirjam Blaak Sow, Ambassador of Uganda.

H.E. Maria Isabel Encoge, Ambassador of Angola.

H.E. Mr. Roberto Ochoa Madrid, Ambassador of Honduras.

H.E. Mr. Pradeep Kumar Rawat, Ambassador of India.

H.E. Ms. Aruni Ranaraja, Ambassador of Sri Lanka.

And all members of the board.

I am also pleased to acknowledge the kind presence of the Chairperson of the Consultative Committee (CC), Ms. Jie Chen of China. Ms. Chen was kind enough to circulate her Report of the 68th Meeting of the CC, in advance, so that only a summary will be presented, and she will be available to answer any question the Board may have.

Excellencies:

The ongoing devastating pandemic continues to claim lives around the world. We're mourning the loss of more than 4.5 million people. Each death is an act of emotional and physical devastation we wish no one endure anymore. We join all of you in our shared grief and reassuring you of our doing the best to make our collective future better than what it was.

Distinguished delegates,

During this Executive Board, defying this lockdown, we are very pleased to report to you that we made the highest number of disbursements during this period. By year end, our disbursement may surpass USD 8.5 million, while making

significant efforts for savings in our administrative cost. So, our disbursement is already four times higher than the amount disbursed in 2019 or twice more than what we disbursed in 2020.

This year, with your support, we have been able to make the highest number of project approvals in last ten years. You all, in your capacity as agent of impacts are part of this drive to touch the lives and livings of as many as 1,85,000 smallholders should we approve all five projects that will be placed before this Board.

To make the best use of our limited resources, we have been trying our best to innovate process and measures so that we may response to those who need us the most. We are happy to report that our venture into trade finance project model proved promising. Indeed, quite successful. I am deeply grateful to my team who have been working beyond their routine to respond to call of stress.

We are also happy to report as well as registering our gratitude to you for your prompt approval of the Emergency Liquidity Facility (ELF). We learnt a lot during administration of our ELF and came to see that existing cap of Fast Track project barred us to be of more helpful to those who endured the most because of the COVID-19, with losses like unsold inventories to not continuing advance payment to the smallholders. Therefore, we seek your approval of a proposal at agenda item 4.12 titled: Guidance on adjustment in the

amount of Fast Track Projects from USD 120, 000.00 to USD 300,000.00.

While we have been trying to stretch ourselves to reach the furthest, we came to experience a steep decline in our investment income due to prevailing almost near-zero or negative interest rate climate. We had an investment income of almost 8 million USD in 2011, which now shrunk to only 3.6 million USD. I would urge you to take note of the report made by our external Advisor on Investment MR. Melchert van Boheemen and see how best you can act on his advice vide CFC/EB/72/29 under agenda item 5.5.

As much as we practice our belt tightening to reduce our cost, but this COVID-19 ravaged world only added to the numbers of poverty-stricken people. In recent research conducted by the London School of Economics and Political Science, the University of Oxford and the World Bank convincingly showed that the poverty consequences of the pandemic should be given as much importance by policymakers as its mortality consequences.

The paper reflects on likely outcomes for 2021, with poorer countries expected to do even worse due to the unequal access to vaccines. By end of September, more than 6,24 billion doses of COVID-19 vaccine have been administered globally and 45% of the world population has received at least one dose. However, only 2,3% of people in low-income countries have received at least one dose. When breaking down the doses per group of countries the numbers are even

more shocking: while 78% of shots that have gone into arms worldwide have been administered in high- and upper-middle-income countries, only 0,5 percent of doses have been administered in low-income countries. Unfortunately, the highly unequal distribution of vaccine availability seems certain to further skew the distribution of the burden of the pandemic toward poor countries in 2021.

As we seek to build back better through a process of green recovery, we wish to echo the sentiments expressed by Secretary-General António Guterres in his statement in the UNGA recently. Indeed, it is deeply unfair that rich countries can borrow cheaply and spend their way to recovery, while low and middle-income countries struggle to keep their economies afloat. Taking note of this pressing situation, again we remain grateful to this august body for their foresight and initiative to form an open-ended Working Group on Sustainable Fund to study the formation of the Commodity Impact Investment Facility (CIIF) back in 2019.

The Executive Board in its 68th Meeting in October 2019 requested to develop this facility as a public-private partnership to invest in commodity value chains for the purpose of advancing the sustainable development goals under the management of the CFC.

I would like to take this opportunity to thank the Chair of the WG, Mr. Herbert Ndahiro (Rwanda), who has so ably conducted the meetings. We remain grateful to all 390 participants who invested 26 hrs. of their time and helped us

to develop a formidable pile of about 445 pages of documents on CIIF. The Chair of the Working Group Mr Ndahiro will report its recommendation for action on CIIF under agenda item 5.6.

Madame Chair:

CFC always remained focused on smallholders and SMEs in the commodity dependent developing world. Because of their segregated and hard to consolidate structure, innovative approaches are required to increase efficiency.

Innovative interventions as you have seen in our presentation on MERCON COFFEE yesterday could be placed along the commodity value chains, poverty will surely take a step back. If not removed entirely. Allow me to invite you to attend to our second presentation of projects during lunch break today and see for yourself how commodity dependency is kept so many developing countries trapped into poverty.

Distinguished Members of the Board:

With my upbringing, like many of you, in a rural village of a developing country, I have had the experiences of war, famine, flood and what's not in my formative years. But over the years, primarily in last few years, my country has been able to make a turnaround making use of, among other things, the forces of women energy and entrepreneurship. We learned how giving a micro loan to a woman can positively impact her family, society and ultimately the whole country.

But, to our regret, although women make-up, on average, 43% of the agricultural labour force in emerging markets, labour force participation rates, on record, for women are the second lowest in the world (33.4 per cent in 2012, right after the Middle East). Women perform 76.2% of the total hours of unpaid care work globally, more than three times as much as men.

But things are changing slowly but surely. In Asia Pacific alone, 50 million women-led SMEs provide employment to over 100 million people as stated by Ms Durreen Shahnaz, Founder and CEO of world's first impact investment Exchange in Asia. This is no wonder that CFC have been on the lookout for more projects with elements of women empowerment in-built in it.

Ladies and Gentlemen:

We learned many lessons from the COVID-19 pandemic, but none more important than Climate Action i.e., SDG 13. Being convinced that we must change the way we run our businesses and economies to work with nature, not against it, we placed at agenda item 4.15.

We are convinced that unsustainable consumption and production is driving climate change, biodiversity loss and pollution. To break this cycle, and ensure long-term prosperity, we must move to circular economies in which we eliminate waste and pollution by keeping products and materials in use and regenerating natural systems.

The Executive Board (EB), at its 66th Meeting, held in October 2018, considered, and approved four SDGs (SDG 1: No

Poverty, SDG 2: Zero Hunger, SDG 5: Gender Equality and SDG 8: Decent Work and Economic Growth, and SDG 10: Reduced inequality) as our CORE SDGs. While we aspire to form CFC in a shape that will help towards achieving all 17 SDGs, we, at this time, seek your approval for one more core SDGs i.e., Climate Action -SDG-13 under agenda item 4.15.

Distinguished Members of the Board,

Another important agenda item to be discussed today is the application of additionality, partnership, and innovation (API) to enhance project selection and assessment under agenda item 4.16. This is our search for creativity in all that we do. We encourage our colleagues to get out of their desk and grab as many good ideas as they can. We strive to bring more diversity in our team and encourage everyone to think outside the box with empathy for those people that we left behind.

Please take your time to peruse our October newsletter or explore our newly launched much improved website, for a full list of training courses that our colleagues undertook ranging from climate and renewable energy finance to impact Measurement to anti-money laundering even during this time of lockdown.

We are also working to put in place policy measures to address complain mechanisms and building more partnerships with not only United Nations system and the likes, also with entities that will help us to make the value chain more transparent.

We already committed over 16 million USD to the Vienna Program of Action for the LLDCs (Landlocked Developing countries) managed by the Office of the High Representative of LDCs, LLDCs and SIDs (UNOHRLLS). Now we are also working to make the forthcoming UNCTAD's 5th United Nations Conference on the Least Developed Countries (LDC5) - Doha, 23-27 January 2022 a success.

Our strategic ambition through 2025 is to re-emphasize the depth and contours of the impact landscape with the lens of what works and doesn't work, and why? And the need to equip our impact agents with knowledge from the field to record impact evidence, by building deep partnerships.

We have been working to put in place significant new measures from 2022 onwards to make commodity value chain not only more productive and climate friendly, also to make the value chain as much transparent as possible.

Our goal is to make the value chain so transparent to the conscious consumers, like the millennials, so that they can ask not only for its carbon footprint, and other socio-economic impurities, but also the income that farmers, at the origin of the value chain, are getting.

Distinguished members of the Board:

With our base in world's one of the most innovative countries like the Netherlands, our host, we remain always eager to be a conduit for transfer of innovative ideas and technologies to the developing world. This is not only our conscious effort to bring global North closer to the global South, but also our heartfelt request to OECD countries to

invest in us, not simply to their own and the bigger ones under the UN system.

Please visit us and see for yourself how our impact agents are not only implementing projects to bring impacts, but there also you will meet a mass of experts who are providing Technical Assistance to globally renowned impact enterprises like Africa Agriculture and Trade Investment Fund (ATAF), Moringa Agroforestry etc. Our Technical Assistance team not only brought for us an income of over 400,000.00 USD last year, but they also remained a formidable force with all those innovative ideas to bring more impacts for our people and the planet.

Here we wish to pause to thank our host, the Netherlands, for their excellent support and assistance. We remain also thankful to the OPEC Fund for their trend setting support during our formative years and hope to continue partnership with the OPEC Fund in the future as well.

Distinguished Members of the Board,

Ladies and Gentlemen,

In the interest of time, as usual, I have not commented on all items on the agenda. I would like to thank all Members who have taken time from their pressing engagements for participating in this Executive Board meeting.

Before I conclude, allow me to be very candid. You will surely not be in a headline tonight for attending this meeting. But I can echo Philosopher Adam Grant to assure you that in life, it is better to be valued by few than to be known by many. The life and livings of those smallholders that you are poised to touch, will surely be your legacy. Your contribution

is not the scope of your reach to millions of dollars, it is the depth of your impact as an agent of change. Your legacy won't be measured by how many footprints you left; it is how long they last. Welcome to the eternity of impacts.

I thank you for your kind attention.