

Annual Report 2025



CFC common
fund for
commodities



FEATURING

The Human Cost of Capital

Why sovereign ratings matter far beyond bond markets

Unlocking the Potential of ASM

Why artisanal and small-scale mining is important
for critical raw materials



Common Fund for Commodities

Annual Report 2025



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Photo: Climate change adaptation. Côte d'Ivoire © FAO/Candida Villa-Lobos



Photo: Adobe Stock



Foreword by the Managing Director

Dear friends, partners, and all those committed to a more equitable and just world,

The year 2025 marked a turning point for the Common Fund for Commodities. It was a year in which the transformation **we have come to call CFC 2.0 moved decisively from vision to implementation**. More agile, partnership-oriented, and investment-ready, the CFC is positioning itself to respond more effectively to the realities of commodity-dependent developing countries, where global shocks are often felt most acutely by farmers, cooperatives, SMEs, processors, women entrepreneurs, and rural communities.

After years in which commodities often occupied the margins of development discourse, the international community is once again recognizing that commodity policy is development policy. This transformation is already taking practical form.

Paragraph 46(d) of the Sevilla Commitment, adopted in July 2025, explicitly called for increased voluntary contributions to the Common Fund for Commodities (CFC). This was a significant signal from the international community, recognizing that the commodity agenda cannot remain merely a matter of analysis, dialogue, or aspiration. It requires practical financing instruments capable of reaching producers, SMEs, cooperatives, and value-chain enterprises on the ground.

That message was reinforced on 21 May 2026 when the Group of 77 and China, during the United Nations General Assembly's Informal Interactive Dialogue on Commodity Markets, specifically "invited countries to increase voluntary contributions to the CFC" and recognized the Fund "as one of the most enduring institutional achievements of the G77". Together, these developments reflect a growing recognition that commodity-dependent economies need more than policy discussions – they need investment, productive capacity, and access to finance.

The Sevilla Outcome opened the door. The Group of 77 and China have now invited the international community to walk through it.

Following more than a decade of negotiations among our Member States, the amended Agreement establishing the Common Fund for Commodities entered into force on 10 January 2026. At its Thirty-Seventh Meeting, the Governing Council adopted the Strategic Framework 2025-2035 and endorsed Humanizing the Value Chains (HVC) as a strategic priority, reaffirming the Fund's commitment to ensuring that commodity value chains work better for the people and communities at their foundation.

The Executive Board approved 21 projects in 2025, a record high. Six of these became operational, while fifteen advanced



Managing Director, H.E. Sheikh Mohammed Belal

through implementation. Overall, ten projects became operational during the year, the highest annual total in recent years. This strong pipeline reflects both the growing demand for development finance and the increasing relevance of the CFC as a catalyst for value addition, enterprise development, and resilient commodity economies.

Africa continued to account for the majority of the CFC's investments in 2025 and is expected to remain a strategic priority for years to come. This is not simply because Africa needs investment, but because the world increasingly needs Africa – for food security, critical minerals, climate resilience, biodiversity, and future economic growth. For the CFC, investing in Africa is therefore not an act of charity, but an investment in our shared future. **Africa is not merely the continent of the future; it is increasingly the continent upon which the future depends.**

Another important milestone was the deployment of the CFC's Technical Assistance Facility in direct support of our own investment operations, made possible through the generous support of **Germany** and other partners. While technical assistance has long been an integral part of CFC-supported projects, this marks an important step in strengthening support for our own portfolio and investees. Experience has shown repeatedly that helping producers move up the value chain can be just as important as providing capital itself.

At the same time, the world continues to confront a troubling paradox. *The recent G20 report on inequality, prepared under the leadership of Nobel Laureate Joseph Stiglitz*, reminds us that despite extraordinary advances in technology, productivity, and wealth creation, the benefits of growth remain distributed unevenly both within and among countries. Few sectors illustrate this contradiction more clearly than commodities. The farmers who grow our food, the workers who harvest our crops, the cooperatives that organize production, and the SMEs that create local jobs often capture only a modest share of the value generated across global supply chains. Unless more value is retained at origin, commodity-producing communities will continue to struggle to translate their hard work and natural resources into lasting prosperity.

CFC 2.0 was born in an age when many questioned the future of multilateralism and development finance. Yet 2025 demonstrated that renewal is possible. **The Philippines** responded to the Sevilla Outcome's call for voluntary contributions; **the United Kingdom** pioneered the **FCDO-CFC Graduation Fund**; **Germany** supported the ACT Fund's Technical Assistance Facility; **The Netherlands**, our host country's Invest International became a pioneering investor in the ACT Fund; and **the Central African Forest Initiative (CAFI)** entrusted the CFC with a leading role in advancing nature-based solutions.

Our first investment through the Agricultural Commodity Transformation (ACT) Fund in Just Know Your Coffee Cup (JKCC) Uganda reflects this philosophy. What began as support for a coffee enterprise is evolving into support for thousands of farming families connected through a **cooperative model** that seeks to create value closer to where coffee is grown. Equally important, the ACT Fund achieved its first close of approximately **USD 40 million** in 2025, demonstrating that commodity finance can attract serious investment when development impact and commercial discipline go hand in hand. This achievement signals an important evolution for the CFC – from project-by-project financing toward larger and more catalytic investment platforms capable of mobilizing capital at scale.

The CFC Graduation Fund, established in partnership with the **United Kingdom's Foreign, Commonwealth & Development Office (FCDO)**, offers another important model for the future. By combining finance, technical assistance, and investor-readiness support, the Fund helps promising commodity enterprises graduate from early-stage financing toward larger pools of capital. In a world where many SMEs remain trapped in the "missing middle" between microfinance and commercial investment, such graduation-oriented approaches can play a transformative role.

Nature-based solutions also emerged as an important pillar of CFC 2.0. Commodity sectors are deeply connected to forests, land, water systems, biodiversity, and rural livelihoods. Through partnerships such as CAFI and others, the CFC is exploring financing models that connect sustainable production, restoration, biodiversity protection, and livelihood improvement. These approaches have the potential not only to strengthen commodity value chains but also to help communities adapt to climate change while creating new income opportunities.

This Annual Report also highlights several themes that will increasingly shape the future of development finance. One is the persistent **mispricing of credit** and risk affecting developing countries and their enterprises. As explored in the **feature article by Mr. Igor Zelezetskii**, inaccurate risk perceptions affect investment flows, financing costs, and the ability of SMEs and cooperatives to access affordable capital. Correcting these distortions is not merely a financial challenge, it is a development imperative.

CFC 2.0: From Reform to Results

How institutional strengthening is translating into partnerships, innovative finance, and impact for commodity-dependent communities.



Another theme is the growing importance of **critical raw materials**. The global transition to renewable energy, battery storage, electric mobility, advanced computing, and artificial intelligence is driving unprecedented demand for a range of minerals and metals. Yet a truly sustainable transition requires that the communities supplying these materials also benefit from the opportunities created. As highlighted in this year's **feature article on artisanal and small-scale mining**, responsible value chains must combine traceability and sustainability with inclusion, local value creation, and economic opportunity.

For the CFC, development is ultimately about income and opportunity. Poverty is reduced most sustainably not through perpetual assistance but through expanding economic participation, entrepreneurship, and productive investment.

One promising avenue we are exploring through **Humanizing the Value Chains (HVC)** is how technology, consumer engagement, and innovative financing can help reconnect value creation with value distribution. Global commodity value chains generate enormous wealth, yet only a small share reaches the smallholder farmers, workers, cooperatives, and SMEs at their foundation. There is an African proverb that says, *"The best time to plant a tree was twenty years ago. The second-best time is now."* We believe the time has come to explore voluntary, transparent, and traceable mechanisms that enable a small fraction of the value generated across global supply chains to flow back to the communities that sustain them.

We envision a world where a cup of coffee in Paris carries the story of Beatrice and her two-hectare farm in Uganda; where a family in Tokyo can trace its tea to Nimal's hillside plot in Sri Lanka; where chocolate lovers in New York recognize the work of José's cocoa-growing family in Colombia; where shea butter purchased in Berlin reflects Amina's labour in northern Ghana; and where milk consumed in Bengaluru reflects the dedication of Shyamala and her four cows in Karnataka, India. In such a world, value chains cease to be anonymous supply chains and become chains of human connection. Producers and consumers, though separated by oceans and continents, become connected through a shared understanding of how value is created, how livelihoods are sustained, and how prosperity can be more fairly distributed. This is the aspiration of Humanizing the Value Chains (HVC): to strengthen the connection between those who produce and those who consume, and to ensure that global trade serves not only markets, but people.

As we look ahead, CFC 2.0 is about far more than finance.

It is about offering Member States, partners, investors, and citizens a practical opportunity to participate in a shared

mission: building a world in which prosperity is more widely shared, value is created closer to where resources originate, and economic opportunity reaches those who have too often been left behind. At a time when many question the effectiveness of international cooperation, the Common Fund for Commodities demonstrates that multilateralism can still deliver tangible results for real people and real communities.

This transformation did not happen by chance. It is the result of the dedication, professionalism, and perseverance of Team CFC, whose members worked tirelessly through years of institutional reform, strategic repositioning, complex due diligence processes, and partnership building. Time and again, they demonstrated a willingness to place the mission of the institution above individual interests, working with quiet determination to ensure that the CFC emerged stronger, more relevant, and better equipped to serve its Member States. Their commitment has been instrumental in turning the vision of CFC 2.0 into a reality, and for that I extend my deepest appreciation and gratitude.

We also express our sincere thanks to our Member States, partners, investors, donors, and friends who have placed their confidence in the Fund and supported this journey. To those who continue to watch from the sidelines, we respectfully invite a fresh look at what the CFC is becoming and the unique role it can play within the international development architecture. At a time when commodity-dependent developing countries face multiple and overlapping challenges, the need for practical, field-oriented, and impact-driven institutions has never been greater.

The Common Fund for Commodities was created on the belief that international cooperation can help transform commodity wealth into human prosperity. Nearly four decades later, that mission remains as relevant as ever. The challenges may have evolved, but so too has the CFC. We stand ready to work with all who share the conviction that development is most sustainable when it creates opportunities, strengthens productive capacities, and enables people to shape their own futures. **This is the promise of CFC 2.0: a renewed institution, grounded in partnership, driven by impact, and committed to ensuring that the benefits of global commerce reach the communities where value begins.** We invite all who share that vision to join us in building a more prosperous, sustainable, and humane world.



Ambassador Sheikh Mohammed Belal
Managing Director

A smiling woman wearing a red beanie and a red shawl with a yellow and blue polka-dot pattern is cooking over an open fire. She is holding a wooden stick in a pot. The background shows a thatched hut and a chain-link fence.

I

CFC at a glance

CFC Highlights

2025 Aggregate Impacts (current loan portfolio)*

179,020

smallholder
farmers reached**



39%

smallholder farmers
reached are women,
on average



148,104

hectares of additional
land cultivated for food
and cash crops



11,800

jobs supported



12

projects in LDCs

Organization



of project
experience



101
member states



9
institutional
members



7
investment
partners



9
Investment
Funds

30

staff members
of which
47%
are women



9

commodity experts,
of which **33%** are
women, form the
Consultative Committee

* Impact figures are not attributed solely to CFC financing. They are shaped by the work of investees, other financiers and partners, and broader market and environmental conditions. Within this context, CFC financing plays a catalytic role by enabling SMEs to expand, deepen their engagement with smallholders, and pursue growth that may not otherwise have been possible at the same scale or pace.

** This statistic refers to the total estimated number of smallholder farmers and their household members. This figure is extrapolated from the number of direct smallholder farmer beneficiaries multiplied by the estimated household size of 4.8.

Operations – 36 years supporting commodity producers



496

projects approved



73

commodities financed



105

countries supported
of which **34** are LDCs



1.19 billion

total project costs
(in USD)

Excluding assets under management of partner investment funds; amounts as submitted to and approved by the Executive Board.



403.6 million

total CFC financing
approved/committed

292.1 million
old operational
guidelines

111.5 million
new operational
guidelines
(in USD)



786.4 million

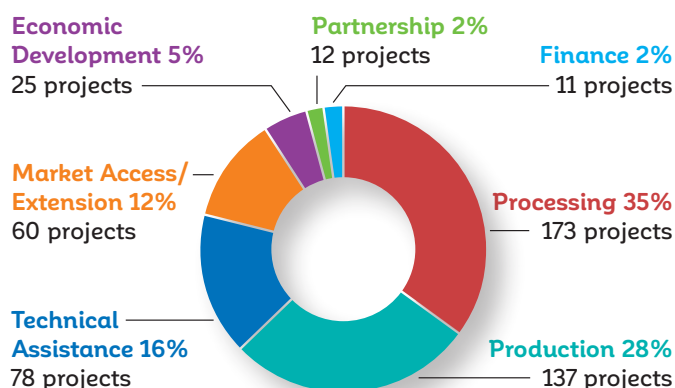
co-financing/counterpart
contributions (in USD)



342.5 million

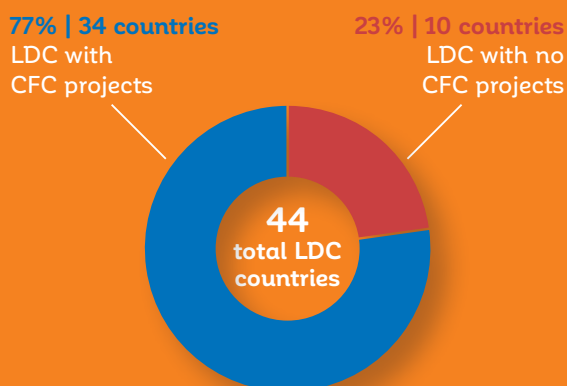
cumulative
disbursements
since 1989 (in USD)

Commodity value chain*



*Based on number of projects

CFC projects in LDC*



*Grand total since 1989

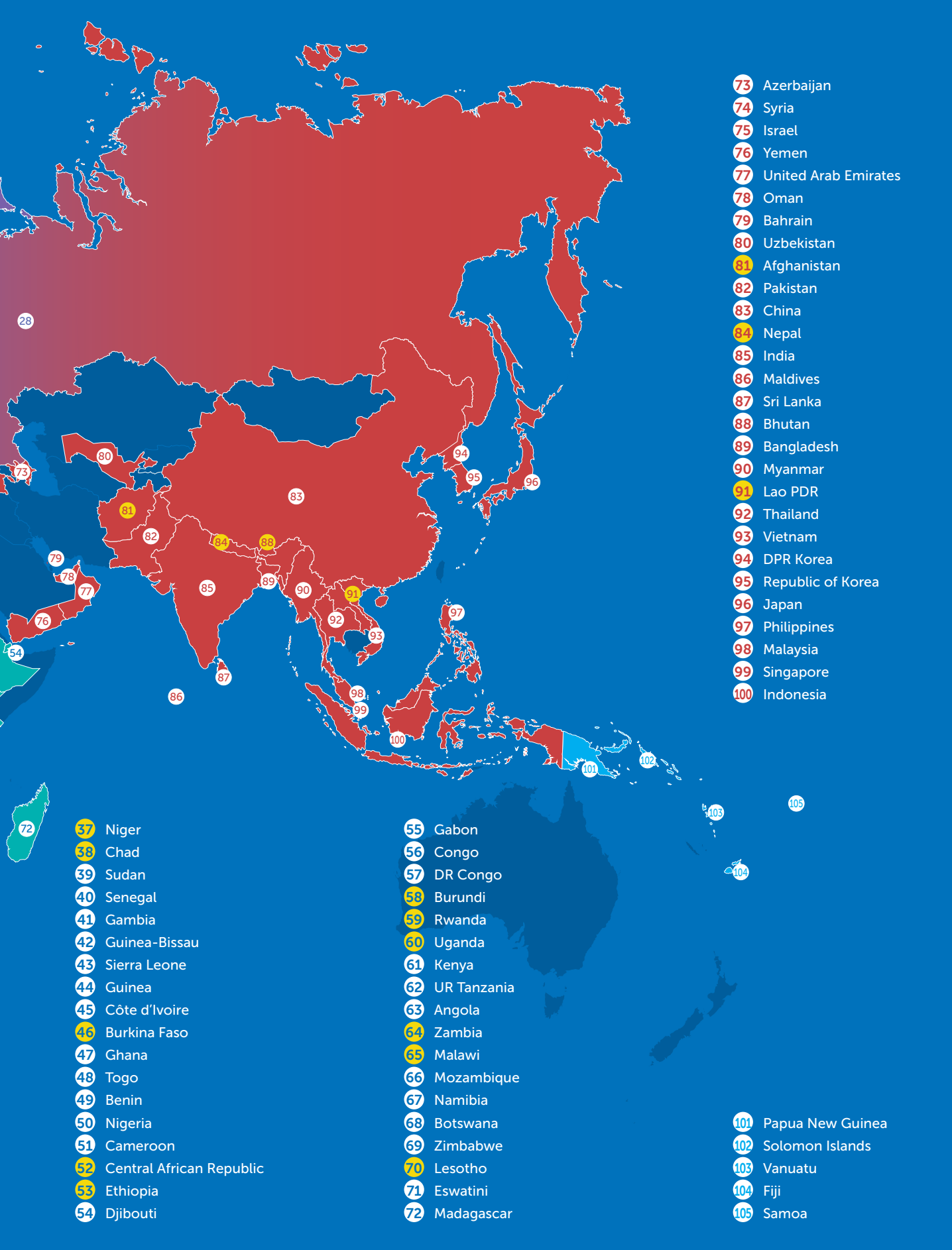
Countries participating in CFC projects since 1989

There are 16 countries classified as both LDCs and LLDCs. All are commodity-dependent, and the CFC has supported projects in 15 of them.*

- | | |
|-----------------------------|-----------|
| 81 Afghanistan | 65 Malawi |
| 46 Burkina Faso | 56 Mali |
| 58 Burundi | 84 Nepal |
| 52 Central African Republic | 57 Niger |
| 38 Chad | 59 Rwanda |
| 53 Ethiopia | 60 Uganda |
| 91 Lao PDR | 64 Zambia |
| 70 Lesotho | |

- 1 United States of America
- 2 Mexico
- 3 Cuba
- 4 Haiti
- 5 Guadeloupe
- 6 Jamaica
- 7 Honduras
- 8 Guatemala
- 9 Nicaragua
- 10 Costa Rica
- 11 Trinidad and Tobago
- 12 Venezuela
- 13 Colombia
- 14 Ecuador
- 15 Peru
- 16 Bolivia
- 17 Brazil
- 18 Paraguay
- 19 Argentina

- 20 Uruguay
- 21 United Kingdom of Great Britain and Northern Ireland
- 22 The Netherlands
- 23 Germany
- 24 France
- 25 Portugal
- 26 Spain
- 27 Italy
- 28 Russian Federation
- 29 Bulgaria
- 30 Turkey
- 31 Morocco
- 32 Algeria
- 33 Tunisia
- 34 Egypt
- 35 Mauritania
- 36 Mali





CFC MISSION

To contribute to poverty alleviation by strengthening the **income-generating capacity** of commodity producers and mitigating risks to their economic well-being.



CFC VISION

To **strengthen and diversify** the commodity sector in developing countries and transform it into a major contributor to poverty alleviation and **sustained economic growth and development**.

Commodity dependence has shaped the development prospects of many countries since the post-colonial era, when newly independent economies entered global markets largely as exporters of primary products with limited domestic value addition. This dependence remains widespread today: UNCTAD defines a country as commodity export-dependent when commodities account for more than 60% of its merchandise exports, and during 2021–2023, 95 of 143 developing economies (around two thirds) remained commodity dependent, including more than 80% of least developed countries.¹

Such dependence exposes countries and producers to recurring price volatility, external shocks, fiscal fragility, and delayed structural transformation, especially where exports are concentrated in a narrow range of agricultural, mineral, or energy commodities.

Direct investment for the ‘missing middle’

The CFC acts as a catalytic financier for small and medium-sized enterprises (SMEs) operating across commodity value chains in developing economies. Its financing is designed to address a persistent structural gap: the shortage of appropriately sized, flexible, and impact-oriented capital for enterprises that are too large for microfinance, yet too small or too risky for traditional banks and most development finance institutions.

Growth-stage agri-SMEs frequently require financing in the range of approximately USD 50,000 to USD 2 million to expand operations, invest in processing capacity, strengthen supply chains, or access new markets. However, this segment remains part of the so-called ‘missing middle’ of finance. These enterprises often have viable business models and strong development potential, but lack sufficient collateral, formal track records, or risk profiles that fit conventional lending requirements.

Climate change is further intensifying the financing gap. Farmers and agri-SMEs require capital to adopt climate-resilient practices such as drought-resistant crops, irrigation systems, agroforestry, improved soil management, and adaptation infrastructure. Yet climate finance for small-scale agricultural adaptation remains limited. Much of the available climate finance continues to focus on mitigation or large-scale energy investments, leaving locally tailored adaptation measures for agricultural commodity systems significantly underfunded.

In response, the CFC deploys a flexible mix of financial instruments, including trade finance, working capital facilities, capital expenditure loans, and technical assistance. By financing agri-SMEs that connect smallholders to higher-value markets, the Fund helps stabilize farmer incomes, smooth enterprise cash flows, and reduce vulnerability to market fluctuations.

In this way, CFC advances its impact mission of contributing to poverty alleviation by strengthening income-generating opportunities and mitigating economic risks for smallholder commodity producers.

CFC’s catalytic role in mobilizing impact

A key measure of CFC’s catalytic role is whether its support leads to larger transformations beyond the immediate project. This includes the amount of follow-on investment mobilized and the number of pilot models scaled up as a result of CFC engagement. For example, a CFC-supported enterprise may later attract a larger loan from a development finance institution, secure commercial investment, or have its model replicated by governments, private investors, or other development partners.

When successful, CFC’s initial investment can unlock additional capital, influence market norms, and support broader adoption of inclusive and sustainable commodity development models. All CFC investments are guided by measurable impact objectives

¹ <https://unctad.org/topic/commodities/state-of-commodity-dependence>

aligned with the Sustainable Development Goals, with particular focus on its core priorities: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), and SDG 13 (Climate Action). For more details about how we measure our impact see page 87.

Bridging SMEs to International Markets

Beyond financing, CFC plays an important role in linking SMEs to international markets, offtakers, and value-chain partners. Many agri-SMEs require pre-financing to aggregate produce, meet quality standards, and fulfil export contracts. Without such financing, enterprises may be unable to capture market opportunities even where demand exists.

CFC can help bridge this gap by supporting financing structures that connect SMEs, international buyers, and financial partners. Tripartite arrangements involving SMEs, offtakers, and financiers can reduce market risk, strengthen buyer confidence, and improve access to working capital. These structures are particularly relevant for enterprises supplying European food markets, specialty commodity buyers, and responsible brands seeking traceable and sustainable sourcing relationships.

By combining finance with market access, CFC helps SMEs move beyond local trading constraints and participate more effectively in higher-value regional and international markets.

sized enterprises in developing economies. Furthermore, allows CFC to support enterprises from early catalytic financing through to commercial scale, while maintaining a consistent focus on development impact, resilience, and sustainable commodity value chains.

The CFC Core Fund

The CFC Core Fund remains the foundation of the Fund's investment activity. Through its established Call for Proposals mechanism, it supports small and medium-sized investments, typically in the range of USD 0.5 million to USD 2 million.

The Core Fund serves as CFC's catalytic entry point for growing enterprises, cooperatives, processors, and aggregators seeking to expand value addition, processing capacity, and market access in sustainable commodity chains.

The CFC Graduation Fund

The CFC Graduation Fund, initially capitalized by the United Kingdom's Foreign, Commonwealth & Development Office and the CFC, is designed to evolve into a multi-donor trust structure. It targets smaller catalytic investments below USD 0.5 million, especially for early-stage **local food-system enterprises** and inclusive agribusinesses requiring concessional capital to become investment-ready.

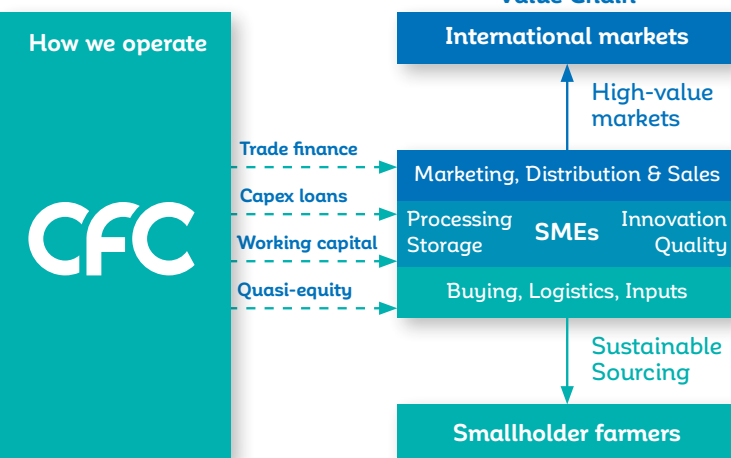
This vehicle fills an important gap at the earliest stage of enterprise development, helping businesses strengthen their operations, governance, and financial systems before progressing to larger investment facilities.

By combining tailored financial instruments with complementary technical assistance, the Fund enables enterprises to progress from early growth to commercial scale while amplifying their developmental and environmental impact. For more details about our CFC Graduation Fund see page 23.

The ACT Fund

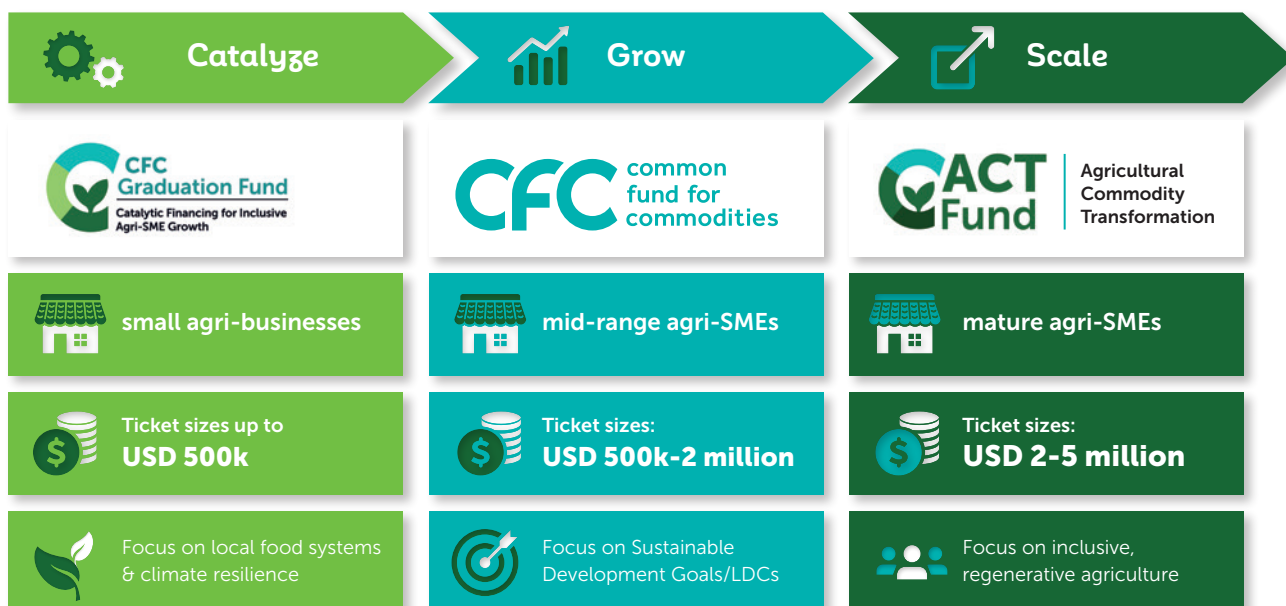
The ACT Fund is CFC's flagship blended-finance vehicle, focused on larger investments in the range of USD 2 million to USD 5 million. It enables CFC to provide risk-adjusted financing to growth-stage enterprises while leveraging partnerships with institutional investors and development finance partners.

The ACT Fund's blended structure is designed to combine financial sustainability with development additionality. Its focus on regenerative agriculture allows CFC to support enterprises with strong potential for climate resilience, smallholder inclusion, and environmental impact. For more details about our ACT Fund see page 19.



CFC Graduation Pathways

Building on the foundation of the CFC Core Fund and strengthened through strategic partnerships, CFC's financing architecture is designed to accompany enterprises across their growth journey. It offers a continuum of funding options tailored to the evolving needs, scale, and risk profiles of small and medium-



Strengthening growth through technical assistance

Technical assistance in the agricultural sector provides targeted advisory support, technical expertise, and capacity development alongside investment capital. It helps investee companies and value-chain actors strengthen operations, improve efficiency, manage environmental and social risks, build climate resilience, and enhance both commercial performance and development impact.

CFC's Technical Assistance Facility (TAF) works with CFC-managed and partner investment funds in the agricultural commodities sector, adapting support to the evolving needs of investees across different value chains and geographies. The TAF team brings multidisciplinary expertise in tropical agriculture, agroforestry, project management, ESG risk, gender inclusion, climate adaptation, GIS and spatial data, and impact assessment. Its support is structured around four areas:

- **Pre-investment support**, strengthen business operations, governance, financial systems, and environmental and social practices, while also supporting the due diligence process.
- **Post-investment support**, works closely with investee companies to improve core business performance, operational systems, management capacity, and financial controls. It also extends inclusive support to smallholder farmers, producer groups, women, youth, and rural communities linked to the enterprise.
- **Impact measurement and learning**, supports impact objectives through assessments, case studies, rapid appraisals,

and outcome-harvesting approaches that document social, economic, and environmental results.

- **Sector knowledge and dissemination**, contributes to wider sector learning by generating value-chain studies, thematic research, and knowledge products that share lessons and advance inclusive, climate-resilient, and sustainable commodity development.

For more details about our TA Facility see page 83.

Advancing innovative financing

CFC is expanding its role in performance-based and results-based financing, adding an incentivizing pillar to its strategic model alongside its capitalizing and capacitating functions. This approach rewards measurable environmental and social outcomes by channelling payments to enterprises and communities that deliver verified ecosystem services.

Performance-based financing helps address a persistent market failure: the public-good value of ecosystem services, such as carbon sequestration, biodiversity protection, watershed protection, sustainable land management, and forest conservation, is often not adequately remunerated. By linking payments to verified outcomes, CFC can help create financial incentives for enterprises and communities that protect and restore natural capital.

This approach is aligned with Payment for Ecosystem Services and Results-Based Payment models. Under such schemes, financing is tied to independently verified outcomes rather than

inputs. This provides donors and investors with a transparent and results-oriented mechanism to support ecosystem integrity, climate resilience, and sustainable land use.

Several technical protocols have already been developed under CFC's coordination, covering agroforestry systems, sustainable forest management, and related land-use models. These protocols enable private-sector entities and local organizations to access funding for verified contributions to ecosystem services.

The Central African Forest Initiative (CAFI) supports CFC's innovative finance agenda by contributing to performance-based financing approaches that reward verified environmental and social outcomes. This support includes the cassava-acacia project in Kinshasa, Democratic Republic of Congo, announced at COP30 and now under implementation, for more details see page 25, as well as a broader regional programme for the Congo Basin that is currently under development. These initiatives reflect growing donor interest in results-based mechanisms that link financing directly to measurable impact.

Strengthening the global agenda for sustainable commodities

Humanizing Value Chains: transparency and fair pricing

The Humanizing Value Chains model responds to this challenge by placing fairness, dignity, and transparency at the centre of commodity transactions. It is built on three core principles:

- every transaction carries moral weight
- technology must serve humanity
- and living incomes and producer dignity are non-negotiable.

The model enables brands, consumers, and producers to see how much value actually reaches farmers. In doing so, it transforms traceability from a compliance requirement into a tool for justice. It allows producer dignity to meet consumer conscience through data-verified and technology-enabled transparency.

Younger generations are increasingly value-driven and attentive to sustainability, justice, and responsible consumption. This creates a significant opportunity for responsible brands to demonstrate leadership by working with CFC to pilot Humanizing Value Chains models. Even small price premiums, when transparently channelled to producers, can contribute to fairer incomes and more resilient communities.

Supporting Landlocked Least Developed Countries, LDCs, LLDCs, and SIDS

There are 16 countries that are both Landlocked Developing Countries (LLDCs) and Least Developed Countries (LDCs), as these countries face some of the most acute structural barriers to private sector development, export diversification, and value addition. Within this group, 13 countries are in sub-Saharan Africa (Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, South Sudan, Uganda², Zambia) and 3 in Asia (Afghanistan, Lao PDR, Nepal).

The Organization of the Common Fund for Commodities

Establishment and Membership

The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution, focusing on impact investment, within the framework of the United Nations. The Agreement Establishing the CFC was negotiated in the United Nations Conference on Trade and Development (UNCTAD) from 1964 to 1980 and came into effect in 1989. Financing for the first development project was approved in 1991.

The Common Fund for Commodities is a partnership of 101 member states and nine institutional members. Membership of the Fund is open to all states that are members of the United Nations and its specialised agencies, the International Atomic Energy Agency, and intergovernmental organisations that focus on regional economic integration and have expertise in our areas of operation.

Governing Bodies

The governing bodies of the Fund are its Governing Council and the Executive

Board. The Managing Director is the Chief Executive Officer of the Fund with the rank of Under Secretary General (USG). The Executive Board is advised by a Consultative Committee, composed of nine independent experts, on technical and economic aspects of proposals submitted to the Fund. The Governing Council meets annually, and the Executive Board and Consultative Committee twice a year.

Headquarters

The CFC is based in Amsterdam, the Netherlands.

² Uganda met the graduation criteria for the first time in March 2024, with potential formal graduation expected around 2032 after review processes.



Photo: CFC

These nations confront deep structural vulnerabilities stemming from both poverty and geographical isolation. Landlocked countries face higher transport costs and slower imports, and despite having 7% of the world's population, they account for just 1.2% of global trade³. For LLDCs, every border crossed adds expense, and every kilometre to port raises barriers. This structural disadvantage has long constrained their participation in global trade.

In 2022, average fertilizer use among the Absolute Sixteen countries was approximately 21 kg/ha, representing only about 13% of the global average of 158.7 kg/ha (2021, across 189 countries).⁴ Some areas in sub-Saharan Africa used as little as 0.02 kg/ha.⁵ These countries also experience high poverty rates, averaging around 54%, and very low per capita nominal GDP, at USD 997 – approximately 7% of the global average of USD 14,217.⁶

Being both landlocked and among the world's poorest, these countries face overlapping vulnerabilities. Geographic isolation

increases transport costs and limits trade opportunities, while many grapple with fragile infrastructure, and limited market integration.

These overlapping disadvantages create a 'perfect storm' of structural barriers: high transit costs, limited infrastructure, low agricultural productivity, climate vulnerability, weak access to finance, and entrenched poverty. As a result, these countries remain among the furthest behind in global development.

CFC actively advocates for the recognition of these compound constraints within the global development agenda. The Fund seeks to direct financing and policy attention toward countries where investment is most needed, including Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States. Through targeted financing, technical assistance, and advocacy, CFC supports inclusive commodity development in countries facing the highest barriers to market participation and sustainable growth.

Rooted in the pursuit of fairness in global trade, CFC combines catalytic finance, technical assistance, innovative financing, market linkages, and advocacy to strengthen agri-SMEs and smallholder producers. In doing so, it helps transform commodity value chains into engines of resilience, dignity, shared prosperity, and sustainable development.

³ <https://unctad.org/news/turning-geography-opportunity-new-priorities-landlocked-economies> (accessed on 10 September 2025)

⁴ Calculated average for the Absolute Sixteen based on World Bank country-level data, 2022 – Fertilizer consumption per hectare of arable land

⁵ World Bank, 2022 – Global fertilizer uses per hectare

⁶ World Bank, latest available data – Poverty rate at USD 3 a day; IMF, 2025 – Nominal GDP per capita

II

II.1 ACT Fund: catalytic capital advancing regenerative agriculture and resilient food systems



Agricultural Commodity Transformation

Across emerging markets, agricultural SMEs remain essential drivers of food security, rural employment, and economic resilience. Yet many continue to struggle to access the long-term, flexible financing needed to scale sustainably and support smallholder farmers. The Agricultural Commodity Transformation (ACT) Fund was established to help close this gap by mobilizing catalytic capital for businesses advancing inclusive regenerative agriculture. In 2025, the Fund reached a major milestone with its first close slightly above USD 40 million – an important step toward building stronger and more resilient agricultural value chains across Africa, Latin America, and Asia.

Agriculture remains central to livelihoods, food security, and economic development across much of the Global South. However, many agri-SMEs that connect smallholder farmers to markets continue to face significant barriers to accessing appropriate financing. Many are considered too large for microfinance institutions but too small or too risky for commercial banks and private equity investors. Seasonal production cycles, climate volatility, fragmented supply chains, and commodity price fluctuations further limit access to capital. This 'missing middle' continues to constrain the growth of

businesses capable of transforming agricultural value chains and rural economies.

The ACT Fund was specifically designed to bridge this gap. Through trade finance, working capital, long-term debt financing, and selective quasi-equity investments, ACT provides tailored financial solutions aligned with the realities of agriculture and commodity markets. The Fund invests in agri-SMEs that demonstrate strong commercial potential alongside measurable environmental and social impact.

At the core of ACT's strategy is a commitment to inclusive regenerative agriculture. Through practices such as soil restoration, agroforestry, crop diversification, water conservation, biodiversity protection, and reduced dependence on chemical inputs, regenerative agriculture seeks to rebuild natural systems while improving farmer livelihoods and long-term food security. ACT's nature-positive investment approach is designed to increase farmer productivity while restoring soils, biodiversity, and carbon stocks, helping agricultural systems become more resilient to climate change and environmental degradation.

Importantly, ACT places inclusivity at the center of regenerative agriculture. The Fund's strategy focuses on supporting smallholder farmers who are often excluded from global climate finance despite being among the most vulnerable to climate shocks. Through investments in agri-SMEs working directly with smallholder supply chains, ACT aims to improve incomes, strengthen rural livelihoods, create formal employment, and build more equitable agricultural markets.

In line with the Common Fund for Commodities' evolving concept of Humanizing the Value Chains (HVC), the ACT Fund seeks to ensure that commodity value chains work not only for markets, but also for the people who sustain them – particularly smallholders, workers, cooperatives, women entrepreneurs, and rural SMEs. ACT therefore goes beyond traditional financing by supporting fairer value distribution, stronger local value addition, environmental sustainability, resilience, and greater value capture at origin.

As **ACT Fund Investment Committee Chair Mark Paper** explained:



“ACT addresses the ‘missing middle’ – viable agri-SMEs that are underserved by both banks and private equity. These businesses need flexible, growth-oriented capital aligned to agricultural cycles.”

Photo: Mark Paper

The Fund's blended finance structure is designed to mobilize additional private capital into agricultural sectors that have historically been underfinanced. CFC's catalytic USD 20 million first-loss investment helped de-risk the vehicle and attract further investment from institutional partners. Invest International's cornerstone dual-currency investment of USD 10 million plus EUR 10 million enabled the Fund to surpass its first-close target and move more than halfway toward its overall fundraising goal of USD 75 million.

Alongside the Fund itself, ACT is mobilizing an additional USD 10 million Technical Assistance Facility to support agri-SMEs and smallholder farmers in adopting regenerative and climate-resilient agricultural practices. In December 2025, the ACT Fund became operational with additional support for its Technical Assistance Facility through a EUR 500,000 grant from the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN) of Germany. Implemented by CFC's in-house Technical Assistance Facility team, the grant supports a three-year programme (2025–2028) aimed at strengthening operational capacity, sustainability performance, and climate resilience of agri-SMEs and their smallholder farmer networks, particularly in Sub-Saharan Africa.

The programme delivers tailored technical assistance and capacity-building support to accelerate the adoption of regenerative, agroecological, and climate-resilient agricultural practices. Key focus areas include soil restoration, biodiversity conservation, sustainable land management, agroforestry systems, climate adaptation, traceability, and improved environmental and social standards across agricultural commodity value chains.

Particular relevance may emerge for the 'Absolute Sixteen' (A16) – the sixteen countries simultaneously categorized as both Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs). These economies often face compounded structural disadvantages arising from geography, commodity dependence, climate vulnerability, weak infrastructure, and limited access to affordable finance. ACT's blended finance and technical assistance model can help support local processing, climate-resilient production systems, SME formalization, and stronger integration into regional and global markets, thereby creating greater value and opportunity for some of the world's most vulnerable populations.

The ACT Fund builds on CFC's extensive experience in agricultural impact investment and commodity finance. Over the past decade, CFC has developed a strong pipeline of investment-ready agricultural SMEs across Africa, Asia, and Latin America,



Photo: Adobe Stock

creating the foundation for ACT's regional investment strategy. This experience enables the Fund to identify businesses capable of delivering both strong commercial performance and transformational development impact.

Michael van den Berg, Director of the ACT Fund, emphasized the importance of combining strategic discipline, strong governance, and long-term partnership in delivering sustainable impact:



"Strong governance is fundamental to ACT's success... we are confident that each investment will be assessed with strategic insight and disciplined scrutiny, supporting long-term value creation."

Photo: Michael van den Berg

Reflecting on the Fund's first close, he further noted: *"The strong support of CFC and Invest International as cornerstone investors has made this first closing possible. We have a strong team with experience in executing a debt mandate, backed by CFC's unique platform, delivering investment-ready*

pipeline we are excited to implement the ACT investment strategy. Not only will we produce an attractive financial return for our investors, but our investments will improve livelihoods and generate real, measurable environmental and social impact across our portfolio."

The ACT Fund represents more than a financing vehicle – it reflects a broader shift in how capital can be mobilized to support sustainable development and resilient agricultural systems. By combining catalytic finance, technical assistance, strong governance, and long-term partnerships, ACT is helping reshape agricultural value chains to deliver economic opportunity, environmental restoration, and climate resilience simultaneously.

As global food systems face increasing pressure from climate change, biodiversity loss, and economic instability, the ACT Fund demonstrates how innovative blended finance solutions can help unlock sustainable growth while improving livelihoods, restoring ecosystems, and building more resilient and inclusive agricultural futures.

CFC and the ACT Fund invite member states, development partners, philanthropic institutions, responsible businesses, impact investors, sustainability-focused brands, and private sector leaders to help scale this important initiative. At a time when climate change, biodiversity loss, and food insecurity are placing unprecedented pressure on global agricultural systems, regenerative agriculture and inclusive commodity finance can no longer remain niche discussions. Strategic partnerships and catalytic investments are urgently needed to help smallholders and agri-SMEs transition towards more resilient, nature-positive, and human-centered value chains capable of delivering long-term economic, social, and environmental impact.



“Commodities are far more than tradable goods – they are the foundation of livelihoods, food security, economic resilience, and human dignity for billions of people around the world. Without sustainable commodity systems, there can be no meaningful fight against poverty, hunger, inequality, or climate vulnerability. Yet the smallholders, women, youth, and SMEs who sustain global value chains too often remain excluded from prosperity itself. As the world moves towards a post-SDGs era, the challenge is no longer identifying the problems but building institutions capable of acting with urgency, conscience, and measurable impact. Through its commitment to sustainability, value addition, and inclusive development, the CFC represents that kind of institution – helping to humanize commodity value chains and empower producers to shape a more equitable, resilient, and prosperous global future.”

Governing Council Chair- Amb. Caroline Chipeta (Tanzania)



II.2 Investing in the missing middle: how the CFC Graduation Fund is building more resilient African food systems

Across sub-Saharan Africa, small and growing agribusinesses play a vital role in feeding communities, supporting rural livelihoods, and connecting millions of smallholder farmers to markets. Yet despite their importance, many of these enterprises remain trapped in a financing gap: too large for traditional microfinance support but still considered early stage and risky for commercial and impact investors.

The newly launched CFC Graduation Fund seeks to change that.

Established through a partnership between the Common Fund for Commodities (CFC) and the UK Foreign, Commonwealth & Development Office (FCDO), the Fund supports agri-SMEs operating within domestic and regional food systems, as well as export-oriented commodity value chains, with a focus on generating development impact and strengthening smallholder livelihoods. By combining catalytic investment capital with tailored technical assistance, the initiative helps promising enterprises strengthen operations, improve resilience, and address key capacity constraints. In doing so, it seeks to bridge the gap between early-stage support and commercial investment, enabling businesses to become investment-ready and attract larger pools of capital over time.

For FCDO, the rationale behind the partnership was clear.

FCDO partnered with CFC to address a persistent financing gap facing early-stage, smaller and riskier agri-SMEs in sub-Saharan Africa that are too large for grant funding but not yet ready for

commercial or concessional finance from DFIs and IFIs. The CFC Graduation Fund is designed to support these businesses to 'graduate' towards investability by combining patient capital with targeted technical assistance, strengthening both their commercial viability and development impact.

Building resilience where it matters most

The CFC Graduation Fund launches at a critical moment for African food systems. Climate shocks, rising food insecurity, and volatile global markets continue to place pressure on farmers and local supply chains. At the same time, domestic food markets are becoming increasingly important for economic stability, nutrition, and employment across the continent.

The CFC Graduation Fund prioritises enterprises embedded in local food economies – businesses involved in food crop production, aggregation, processing, distribution, and agri-services that directly support regional markets and smallholder farmers.

This approach aligns closely with FCDO's broader development priorities.

The Fund supports agri-SMEs that sit at the heart of food systems and smallholder supply chains in most countries in Africa. By strengthening climate-smart production, sourcing and processing models, it helps build resilience to climate and market shocks while contributing to food security, better market access, jobs, and incomes.

Climate resilience is therefore not treated as a separate objective, but as an integrated part of every investment. Enterprises supported through the CFC Graduation Fund will be encouraged to adopt practices that strengthen productivity and sustainability across supply chains, including improved soil management, crop diversification, agroforestry, and climate-adaptive sourcing models.

Beyond capital: Why Technical Assistance matters

One of the defining features of the CFC Graduation Fund is its blended approach. In many agricultural markets, access to finance alone is not enough to unlock sustainable growth. Agri-SMEs often require support to strengthen governance, improve financial systems, professionalise operations, and deepen engagement with smallholder suppliers.

Recognising this, the CFC Graduation Fund incorporates a dedicated Technical Assistance Facility designed to accompany investments both before and after financing is deployed. This integrated model is essential in higher-risk agricultural markets.

Evidence consistently shows that capital alone is often insufficient in high-risk and information-constrained agri-markets. Technical assistance helps agri-SMEs de-risk operations, improve governance and financial management, deepen smallholder inclusion, and adopt climate-resilient practices. This blended approach aims to protect investment outcomes while maximising development impact.

The technical assistance component will also support smallholder farmers and value chain actors more broadly, helping improve access to knowledge, inputs, services, and markets. In doing so, the CFC Graduation Fund seeks not only to strengthen individual businesses, but also to reinforce the wider ecosystems in which they operate.

A pathway toward investability

The CFC Graduation Fund is ultimately designed as a stepping stone, helping enterprises move from early-stage growth into long-term financial sustainability and commercial investability.

Over the next several years, both the CFC and the FCDO hope to demonstrate that smaller agri-SMEs can become viable investment opportunities while delivering measurable development impact. Success would mean a strong pipeline of agri-SMEs accessing affordable capital, progressing toward sustainable profitability, and eventually securing follow-on investment from CFC and other investors. From a development perspective, this would translate into stronger and more resilient food value chains, improved smallholder livelihoods, and ultimately crowding in private capital into underserved segments of African agriculture.

“Sustainable transformation of food systems requires more than financing alone. It requires long-term partnership, patient capital, and confidence in the entrepreneurial potential that already exists across Africa.”

Beyond the financing itself, the CFC Graduation Fund also aims to generate practical lessons for the broader impact investment community. By documenting how targeted capital and technical assistance can work together effectively, the initiative may help shape future approaches to financing resilient and inclusive food systems across emerging markets.

“Sustainable transformation of food systems requires more than financing alone. It requires long-term partnership, patient capital, and confidence in the entrepreneurial potential that already exists across Africa,” adds the Managing Director of the Common Fund for Commodities. “Through the CFC Graduation Fund, we are investing not only in businesses, but in the resilience of communities, the strength of local food systems, and the future of inclusive economic growth.”

At its core, the CFC Graduation Fund reflects a growing recognition that building resilient food systems requires investing not only in production, but also in the enterprises that connect farmers, markets, and communities. With patient capital, technical support, and long-term partnership, these businesses can become powerful drivers of inclusive growth and climate resilience across Africa.



Photo: Climate change adaptation in Côte d'Ivoire. © FAO/Candida Villa-Lobos



II.3 Growing forests, food and futures: CFC's outcomes-based agroforestry model in the Congo Basin

In the vast supply basin that feeds and fuels Kinshasa, one of Africa's largest cities, rural families face a daily balancing act. Cassava and charcoal are essential to livelihoods and urban markets. Yet the demand for food and fuel also places growing pressure on forests and degraded savannah landscapes. For smallholders in Kwango and Mfimi, the challenge is not simply to protect nature, but to find a way to produce more, earn more, and restore the land at the same time.

The Kwango-Nioki Agroforestry Project, developed and implemented by the Common Fund for Commodities (CFC) together with FRM Ingénierie (FRMi), responds to that challenge with a practical proposition: support farmers to grow cassava and trees together, and reward them when verified results are achieved.

The model is rooted in a simple but powerful idea: degraded savannahs can become productive landscapes. Farmers establish agroforestry plots combining fast-growing acacia trees with cassava and other food crops. Cassava provides food and income in the early years. Acacia improves soil fertility, stores carbon, and later provides a sustainable source of wood-energy. Instead of expanding into forests, production is directed toward managed agroforestry systems.

The project aims to establish 8,000 hectares of acacia-cassava agroforestry systems across two strategic zones: Mfimi and Kwango, both linked to the wider Kinshasa supply basin. These areas were selected because of their market relevance, accessibility and potential to build on existing local dynamics.

In 2025, the project was selected to be part of the joint effort of the Government of the Democratic Republic of the Congo and the Central African Forest Initiative (CAFI), to reduce deforestation in the Congo Basin through its Payments for Environmental Services Programme for the Kinshasa Supply Basin (PROBAK). Implementation is underway in 2026 and will run for a minimum of five years.

Paying for verified results

At the heart of the project is the use of Payments for Environmental Services, or PSE. In practice, this means that farmers are not treated as passive beneficiaries. They are recognised as providers of environmental services. When they adopt agreed land-use practices – planting, maintaining and protecting agroforestry plots – they lower pressure on natural forests and generate broader environmental benefits such as carbon sequestration, soil restoration, and reduced erosion.

The difference with conventional grant-based development is clear: payments are linked to verified performance. Farmers receive PSE payments after results are checked against agreed criteria.

A partnership built for the last mile

Delivering this model requires a broad partnership. CAFI provides the financing framework and standards for PSE. The Government of the DRC, through the Ministry of Environment, Sustainable Development and New Climate Economy, provides national ownership. The CFC serves as the accredited implementing organisation, responsible for fund management, reporting to the CAFI Secretariat, consortium coordination and results monitoring.

FRMi acts as the principal aggregator, responsible for mobilising eligible communities, supporting local land governance, coordinating technical assistance, and collecting data for the monitoring, reporting and verification (MRV) system.

The last mile delivery takes place through local partners and public extension services. AMAR supports governance, free, prior and informed consent, and land-use planning. GTDR, based in Pont Kwango, supports the establishment of agroforestry plots in the Kwango zone. NVD, based in Nioki, performs a similar role in the Mfimi zone. Government extension workers help supervise activities, support training, monitor field implementation, and ensure consistency with public policies.

From field data to payment

On the ground, the work begins with consultation. Communities, local development committees, and customary authorities are informed about the project, eligibility rules and payment conditions. Candidate plots are identified, mapped and screened. Land rights are clarified, local plans are prepared, and farmers are supported to meet the prerequisites for participation.

Once contracts are in place, agroforestry plots are established and monitored. Field teams track planting, survival rates, maintenance and firebreaks. Data are collected using mobile tools and geolocation. Finally, the results on the ground are verified by the CFC through a combination of geo-spatial data and in-field verification, and smallholders receive mobile money payments for the environmental services delivered.

Food, energy, carbon and income

The expected impact is significant. The project estimates carbon saving potential at approximately 1.7 million tonnes of CO₂. It also expects the agroforestry plots to produce around 56,000 tonnes of cassava per rotation, enough to support the annual consumption of more than 400,000 people.



Photo: Congo-Kinshasa, Adobe Stock

The wood-energy value chain is also central. Expected revenues from the wood-energy chain are estimated at around USD 8.5 million annually, with an additional transport and distribution market estimated at around USD 1.4 million per year.

These figures represent far more than technical outputs. They represent food on tables, income for farmers, work for transporters, opportunities for local service providers and a pathway toward a more sustainable energy supply for Kinshasa.

A new financing frontier for CFC

For CFC, the Kwango-Nioki Agroforestry Project also marks an institutional step forward. The project is implemented through the CFC Outcomes Facility, which is designed and hosted by the CFC to receive and manage contributions, conclude outcomes-based contracts and make payments on the basis of verified results, where possible in combination with loans and technical assistance.

This adds a new leg to CFC's emerging '*Capacitate, Capitalise and Incentivise*' strategy. CFC has long supported commodity producers through investment and technical assistance. The Outcomes Facility expands that toolkit by adding a direct incentive mechanism: farmers are rewarded when they deliver verified environmental services.

If successful, the project could provide a scalable model for other forest and commodity-producing regions. It demonstrates how climate finance, sustainable commodity systems, and rural livelihoods can be aligned through measurable, outcomes-based approaches. More broadly, it reflects an important shift in development finance: from funding activities to rewarding verified outcomes, and from protecting forests around communities to protecting forests with communities.

In the Congo Basin, the future of forests will depend on the future of rural livelihoods. The Kwango-Nioki Agroforestry Project's promise is that both can grow together.



II.4 From energy crisis to commodity resilience

A shock that travels through value chains

The disruption of fossil fuel trade through the Strait of Hormuz is first felt in energy markets, but its effects do not remain there. They travel quietly through the real economy: into the cost of transport, the price of fertilizer, the availability of working capital, the reliability of shipping schedules, and the margins of the enterprises that connect smallholder farmers to markets.

The lesson is clear and lasting: commodity value chains need resilience before the next shock arrives. A higher fuel bill for a processor, a delayed export shipment, or a sudden increase in input costs can quickly become a farmer income problem. Agri-SMEs often sit at the point where these pressures converge. They buy from farmers, arrange transport, process crops, meet buyer requirements, and wait for payment. When costs rise or shipments slow, these enterprises need liquidity not only to protect their own operations, but also to keep purchasing from smallholders at the moment when rural households need cash most.

Growing resilience from the ground

This is where the type of investment activity carried out by the CFC becomes especially important. Patient and appropriately structured finance can help agri-SMEs bridge the gap between harvest and payment, absorb temporary cost increases, and avoid passing all the pressure back to farmers. Working capital can allow a company to continue buying crops even when freight, fuel or storage costs become more unpredictable. Trade finance can help maintain export relationships. Longer-term loans can support investment in more efficient processing, storage, drying, or logistics infrastructure, reducing exposure to future energy shocks.

Examples of this approach are already emerging across CFC-supported value chains. Through the CFC Graduation Fund in Sub-Saharan Africa, smaller agri-SMEs are starting to receive patient capital and working capital support that enables them to continue purchasing crops from smallholders during periods of market uncertainty and liquidity stress. Similarly, CFC financing has helped enterprises strengthen their operational capacity and



Photo: Intercropping: maize, sweet potatoes and cassava. Adobe Stock.

maintain market linkages during periods of disruption, helping to protect both business continuity and farmer incomes.

Finance alone, however, is not enough. Smallholder resilience also depends on how production systems are organized. Regenerative agriculture is one of the most practical ways to literally grow this resilience from the ground up. Practices such as mulching, intercropping, crop rotation, cover cropping and agroforestry can help improve soil health, conserve moisture, diversify income sources and reduce dependence on costly external inputs. Diversifying across different cash and staple crops also helps soften the blow when one market is particularly hard hit. In Cameroon, CFC-supported agribusiness initiatives such as West End Farms demonstrate how integrated local production systems can further strengthen resilience by combining livestock production with feed crop cultivation, reducing dependence on imported inputs and helping to cushion the impact of volatile feed prices and supply disruptions.

The CFC's Kwango-Nioki Agroforestry Project (implemented under the CAFI-funded PROBAK programme) initiative in the Democratic Republic of Congo offers one such example. By supporting agroforestry systems combining acacia and cassava cultivation, the project helps smallholders improve soil conditions, diversify incomes, and reduce pressure on forests, while strengthening resilience against both climate and market shocks.

From crisis response to long-term resilience

The current energy crisis may evolve, ease or intensify. Prices will move, shipping routes will adjust, and markets will search for alternatives. But the deeper lesson will remain: smallholder-based commodity systems are exposed when they depend on fragile logistics, expensive imported inputs, and undercapitalized SMEs. The answer is not withdrawal from trade, but better

trade-value chains with stronger enterprises, more diversified farms, more efficient infrastructure, and fairer sharing of risk.

CFC investments can help turn volatility into a reason to build differently. By providing liquidity where commercial finance is scarce, supporting agri-SMEs that serve smallholders, and promoting regenerative practices that reduce vulnerability over time, the CFC helps commodity producers move from crisis response to long-term resilience.

Through initiatives such as the Graduation Fund, Kwango-Nioki Agroforestry Project, agroforestry investments, and technical assistance facilities supporting operational resilience and sustainability, the CFC is already helping enterprises and farming communities build stronger foundations before the next global shock arrives.

Energy shocks may begin far from the farm, but resilience begins in the soil, in the enterprise, and in the financial relationships that allow both to endure. In an interconnected world, a disruption in an energy corridor can quickly become a livelihood crisis for a farmer thousands of kilometers away. Building resilience therefore requires investment not only in markets and infrastructure, but also in the smallholder-centered enterprises that keep commodity value chains functioning during periods of global uncertainty.



Photo: Transport at West End Farms. Julius Manjoh



III

III.1 Mispricing development: sovereign ratings and the human cost of capital

Executive Summary

This article examines the challenges posed by the existing global credit-rating system for developing countries, arguing that sovereign mispricing extends far beyond international bond markets and ultimately affects entire commodity value chains, including the livelihoods of smallholders and SMEs. Building on discussions initiated at the Fourth International Conference on Financing for Development (FfD4) in Sevilla, Spain, in June 2025, and subsequently advanced at the Third United Nations Conference on Landlocked Developing Countries (LLDC3) in Awaza, Turkmenistan, in August 2025, the article explores how current rating methodologies influence borrowing costs, investment flows, and development prospects across the Global South.

The article concludes by assessing the case for a multilateral credit-rating agency as a complementary mechanism to support a more balanced, transparent, and inclusive global financial architecture capable of better serving the needs of developing economies.

This article is contributed to the Common Fund for Commodities (CFC) by Mr. Igor Zelezetskii, a leading expert in sovereign risk, credit-rating methodologies, and sustainable development finance.

1. Introduction

In 2022, the thirty-two landlocked developing countries paid a conservatively estimated USD 86.7 billion in avoidable costs¹. The figure combines higher coupon payments on existing debt, costlier imports after currency depreciation linked to rating actions, capital flight after downgrades, asset-base losses, and related fiscal effects. It is equal to about 8.5 per cent of the group's combined GDP, larger than the annual output of all but two of its members, and roughly three times the official development assistance they received in the same year. The unwanted billions are not inevitable. They are the price of inaccurate information.

On 30 March 2026, the Economic and Social Council of the United Nations returned to credit ratings for the first time

¹ The estimate is the article's own application of a six-channel damage model to the thirty-two landlocked developing countries for reference year 2022. The channels are debt servicing (0.25 per cent per notch applied to public debt), future borrowing (0.3 per cent of GDP), capital outflow (0.3 per cent of GDP), import-cost increases (5 per cent applied to imports), asset depreciation (5 per cent of GDP), insurance premia (0.4 per cent of GDP), and budget-deficit widening (0.5 per cent of GDP). The parameter set is more conservative than the one used for the twelve-country African sample in Section 4. Two of the thirty-two countries (South Sudan and Turkmenistan) lack 2022 import-share data, and totals are reported on a conservative basis. The figure was first presented at The Unwanted Billions: Inaccurate Credit Ratings, Stranded Capital, and a Blended-Finance Solution, side event of the Third United Nations Conference on Landlocked Developing Countries (LLDC3), Awaza, 6 August 2025. Comparative orders of magnitude in the same paragraph draw on World Bank International Debt Statistics for 2022 external public-debt service, UN-OHRLLS estimates of the LLDC infrastructure financing gap, and OECD-DAC data on official development assistance to LLDCs in 2022. Underlying dataset on file with the authors.

since 2014². The meeting was convened under the Sevilla Commitment³, which asked Member States to establish a recurring high-level dialogue on credit ratings, to improve transparency and forward-looking methodology, to revise the sovereign ceiling rule, to improve the treatment of restructurings, and to reduce mechanistic reliance on ratings. The Deputy Secretary-General opened the meeting with a call to reimagine the credit rating system, including the sovereign ceiling⁴. Avinash Persaud, speaking as special advisor to the President of the Inter-American Development Bank, described the current rating mechanism as a symptom of a broken international financial system⁵. That was not another seminar complaint. It was a UN platform, a formal development finance mandate, and a senior multilateral voice saying that the rating architecture itself had become a reform subject.

This article brings together three lines of analysis that have usually travelled separately. The first is empirical and measures the damage that current rating practices impose on developing economies through borrowing costs, asset depreciation, capital outflow, import costs, and fiscal consequences. The second is methodological and asks why ratings come out the way they do, with particular attention to the qualitative overlay, time horizons, currency conventions, the sovereign ceiling, and the special treatment of the reserve-currency issuer. The third is institutional and tests whether domestic rating agencies can realistically become the answer. The conclusion is that the viable reform path is not another local agency acting alone, but a multilateral credit rating institution operating on the global scale, with a defensible methodology, regulatory credibility, and governance insulated from both private capture and political interference.

The argument is revisionist, but the revisionism is not ornamental. It rests on the claim that rating methodology has become part of public financial infrastructure. Once ratings determine bank capital treatment, investment-grade eligibility, central bank collateral treatment, and index inclusion, an error in methodology is no longer just an opinion with a letter attached. It becomes a pricing machine. If the machine misreads developing economies, the bill is paid in debt service, lost investment, and development projects that never become financeable.

This article does not claim that all developing-country ratings are wrong, or that market spreads are invented by rating agencies. It claims something narrower and more damaging for the current system. Where rating methodology applies developed-market assumptions, short-horizon liquidity filters, hard-currency penalties, and broad sovereign-linkage rules to economies with different structures, it can convert incomplete information into a lower rating. Because the rating is then embedded in regulation and mandates, the lower rating becomes part of the cost of capital. The problem is therefore not merely analytical. It is institutional.

The implications of sovereign mispricing are especially acute for the group of sixteen countries that are simultaneously classified as both Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs), referred to in recent Common Fund for Commodities (CFC) and UN-OHRLS policy discussions as the 'Absolute Sixteen (A16)'⁶. These countries combine multiple structural disadvantages: geographic isolation, high logistics costs, low productive capacity, commodity dependence, climate vulnerability, shallow domestic financial markets, and constrained access to international capital.

In such contexts, sovereign rating distortions do not merely increase borrowing costs; they reinforce existing structural exclusion from trade, investment, and value-addition opportunities. The resulting financing penalties can become self-reinforcing, limiting the very infrastructure, SME development, and productive transformation investments required to improve underlying credit fundamentals.

The 'Absolute Sixteen' therefore illustrates how sovereign ratings can interact with geography, commodity dependence, and development asymmetries to produce a cycle of persistent undercapitalization. In these economies, sovereign mispricing is not only a financial issue; it becomes a structural development constraint.

The argument also avoids the easy but weak claim that domestic agencies can solve the problem if governments simply support them. Domestic agencies matter, but the capital that prices sovereigns, infrastructure, banks, securitisations, and

² United Nations General Assembly, Resolution A/RES/68/304 (2014); General Assembly thematic debate, 'The role of credit rating agencies in the international financial system' (10 September 2013); Economic and Social Council follow-up meeting, 'The Impact of Credit Rating Agencies on Financing for Sustainable Development' (2014); UN Department of Economic and Social Affairs, Concept Note: Special Meeting of ECOSOC on Credit Ratings (30 March 2026).

³ Compromiso de Sevilla, Outcome of the Fourth International Conference on Financing for Development, A/RES/79/323 (2025), ¶ 55(a). The Sevilla Commitment mandates a recurring special high-level meeting on credit ratings under the auspices of ECOSOC, calls for more transparent and forward-looking methodologies, fairer treatment of debt restructurings, revisions to the sovereign ceiling rule, and reduced reliance on ratings, and creates a UN-led dialogue to guide appropriate use and regulation of credit ratings. See also UN Department of Economic and Social Affairs, Concept Note: Special Meeting of ECOSOC on Credit Ratings (30 March 2026).

⁴ Remarks by H.E. Ms. Amina J. Mohammed, Deputy Secretary-General of the United Nations, opening of the 2026 ECOSOC Special Meeting on Credit Ratings, ECOSOC Chamber, 30 March 2026 (transcript). The phrase used was a 'global call to reimagine the credit rating system,' including a review of the sovereign ceiling concept.

⁵ Keynote address by Mr. Avinash Persaud, Special Advisor on Climate Change to the President of the Inter-American Development Bank, 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026 (transcript). The current rating mechanism was characterized as a 'symptom of a broken international financial system.'

⁶ The concept of the 'Absolute Sixteen,' developed by the Common Fund for Commodities (CFC), identifies the sixteen countries simultaneously categorized as both Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs). The framework builds upon broader literature concerning structurally disadvantaged and 'artificial' states, including countries affected by geographic fragmentation, externally imposed borders, commodity dependence, and constrained state formation. See, inter alia, Alberto Alesina, William Easterly, and Janina Matuszeski, *Artificial States* (Harvard University, 2006), which argues that externally imposed and structurally fragmented state formations often correlate with weaker political and economic outcomes. The 'Absolute Sixteen' framework extends this discussion by emphasizing the compounded interaction of landlockedness, least-developed-country status, commodity dependence, climate vulnerability, and restricted access to affordable development finance.

cross-border debt normally moves on the global scale. The real question is who can produce a credible global-scale assessment that investors and regulators can use without waiting for permission from the same three firms whose methodologies are being challenged.

2. The ECOSOC moment

The institutional weight of the 30 March meeting matters before its substance. ECOSOC is one of the six principal organs of the United Nations, and its return to credit ratings placed the issue on a Member State track rather than leaving it in the world of expert papers and side events. Proposals that looked like advocacy before Sevilla can now be treated as follow-up to a mandate that Member States have adopted.

The 2014 ECOSOC discussion had placed ratings on the development finance agenda, but it did not create an operational path. The 2026 meeting was different because the Sevilla Commitment had already named the rating issues that matter. It called for more transparent and forward-looking methodologies, fairer treatment of debt restructurings, revision of the sovereign ceiling, reduced reliance on ratings, and a recurring dialogue among governments, agencies, regulators, standard setters, long-term investors, and public institutions that publish independent debt sustainability analysis. That list is unusually concrete. It points directly to methodology, regulation, and institutional use.

Brazil placed the public and multilateral rating agency idea on the intergovernmental record. Its intervention stated that a case could be made for creating a public and multilateral rating agency that would serve as a benchmark for comparison with private ratings⁷. The Third World Network then endorsed the proposal from the official civil society slot⁸, and the Children and Youth Constituency called for a universal intergovernmental process under ECOSOC auspices⁹ for governance of the credit rating system. These interventions did not create an institution by themselves. They changed the status of the idea. A proposal that had mostly circulated in expert and academic settings now had a Member State sponsor and support from recognised constituencies inside the financing for development process.



Photo: Adobe Stock

China's closing intervention shifted the map further. Its earlier remarks had stayed within the familiar frame of better methodology, stronger supervision, and improved rating quality. After Brazil and the Third World Network had spoken, China encouraged developing countries to build their own rating and assessment systems and to accelerate the pace at which their agencies go global, with the aim of strengthening global influence and competitiveness¹⁰. In rating language, going global means moving onto the international scale, which is where sovereigns are compared across jurisdictions and where the Big Three operate almost exclusively. China did not announce a multilateral agency, but it did indicate that direct competition on the global scale had entered the range of acceptable outcomes.

A parallel academic line has formed close to the United Nations system. Publications since 2024 from the Columbia Center on Sustainable Investment, led by Lisa Sachs and supported by the work of Professor Jeffrey Sachs as President of the UN Sustainable Development Solutions Network and adviser to three UN Secretaries-General, have argued that sovereign risk in developing countries is overstated, that per-capita GDP receives disproportionate weight, that the sovereign ceiling should be revisited, and that a public or multilateral rating platform should be considered¹¹.

⁷ Statement by the Delegation of Brazil, 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026, transcript at pp. 32–33: in the ultimate analysis, an argument could be made for the creation of a public and multilateral rating agency that would serve as a benchmark for comparison with private ratings.

⁸ Statement by the Third World Network (TWN), speaking under the official civil society slot coordinated by the Civil Society Financing for Development Mechanism, 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026, transcript at p. 55: greater plurality of agencies is necessary, and in this respect, in line with Brazil's statement made earlier this morning, the creation of a multilateral rating agency is a viable proposal. The Civil Society Financing for Development Mechanism (CS FFD Mechanism) is a recognized structure for civil society participation in the FFD process operating under the mandate of paragraph 132 of the Addis Ababa Action Agenda. TWN is an independent expert and policy network founded in 1984 in Penang, Malaysia, with regional secretariats and a Geneva office, and accreditation with several UN bodies.

⁹ Statement by Constituency Children and Youth (FFD), 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026, calling for a 'universal intergovernmental process under the auspices of ECOSOC for governance of the credit rating system.'

¹⁰ Closing intervention by the Delegation of China, 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026, transcript at p. 76: encouraging and supporting developing countries in building their own rating and assessment systems, and accelerating the pace at which their rating agencies go global with a view to continuously strengthening their global influence and competitiveness. Compare with the earlier intervention by China within the Group of 77 statement, which had focused on rating-quality improvement, methodological optimization, and stronger CRA supervision.

¹¹ Columbia Center on Sustainable Investment (CCSI), Columbia Climate School and Columbia Law School, 'The Cost of Capital in Developing Countries' (2024), and follow-up publications. CCSI is led by Professor Lisa Sachs (Director), Professor Jeffrey D. Sachs, President of the UN Sustainable Development Solutions Network (UN SDSN), has served as advisor to three United Nations Secretaries-General. CCSI's methodological position aligns with the critical core of the current discussion: systematic overstatement of sovereign risk for developing countries, disproportionate weight on per-capita GDP, the need to revisit the sovereign ceiling concept, and support for a public multilateral rating platform as an alternative to the private Big Three.

That line matters because it gives the political opening a methodological vocabulary. The policy window therefore is not a loose mood. It has a mandate, a Member State proposal, civil society support, a signal from China, and a body of technical work that can be converted into an institutional proposal.

The window will not stay open indefinitely. The next contour of reform will be shaped by whoever arrives first with a proposal that is both politically usable and methodologically ready. The wrong response would be to arrive with slogans about fairness. The right response is to arrive with a rating architecture that can survive the questions of regulators, investors, MDB credit officers, and former rating committee chairs.

The 30 March meeting should therefore be read as a hinge, not as a climax. The Sevilla Commitment has therefore altered the institutional status of sovereign credit ratings within the international development architecture. Prior to Sevilla, credit ratings were often treated primarily as technical market instruments or private-sector analytical tools. Post-Sevilla, they increasingly form part of the broader Financing for Development agenda, particularly where sovereign ratings shape fiscal space, access

to capital, infrastructure investment, climate finance, and the cost structure of commodity-dependent economies.

The significance of the ECOSOC process lies not only in its critique of existing methodologies, but in its implicit recognition that sovereign ratings now operate as a form of global financial infrastructure with direct developmental consequences. The debate has therefore moved beyond questions of market efficiency into questions of developmental equity, institutional legitimacy, and systemic resilience.

The 30 March meeting did not solve the rating problem, and it did not bind Member States to create a new agency. Its significance lies in changing what can now be proposed without sounding institutionally premature. Before the meeting, a multilateral CRA could be treated as an interesting but remote idea. After the meeting, it can be presented as one possible implementation route for a live UN mandate.

3. The rating architecture and what it produces

Three privately owned agencies sit at the centre of global credit assessment. S&P Global Ratings, Moody's Investors Service, and



Photo: Rice farmers. Adobe Stock

Fitch Ratings account for about 92 per cent of rating revenues in the European Union¹² and issued more than 94 per cent of outstanding ratings in the United States¹³ as of the end of 2024. The regional figures understate their global role because the same agencies determine sovereign ratings, define the investment-grade threshold for benchmarked portfolios, and sit inside regulatory frameworks that shape bank capital, insurer treatment, central bank collateral rules, and securitisation eligibility.

Their sovereign coverage is also decisive. S&P rates around 137 sovereign governments, Moody's around 140, and Fitch around 122. At the end of 2025, roughly three-quarters of United Nations Member States held a sovereign rating, while 51 countries had no rating from any of the three agencies, including 22 African countries¹⁴. A sovereign that wants regular access to international capital markets normally needs at least one of these ratings, and often needs all three. The commercial opinion therefore becomes a public gateway. The same ratings shape the G20 financial-stability agenda, Basel implementation¹⁵, and the operational frameworks through which the IMF and the World Bank engage with debt sustainability, market access, and financial-sector regulation.

The architecture reproduces itself through consolidation. Moody's completed the acquisition of South Africa's Global Credit Rating in 2024, acquired Peru's Class & Asociados in 2022, holds a majority stake in India's ICRA, and announced in 2025 that it intended to secure a majority equity stake in Egypt's MERIS¹⁶. S&P Global has held India's CRISIL as a wholly owned subsidiary for years. This is not ordinary geographic expansion. It is the absorption of alternative analytical capacity in markets where alternative perspectives are most needed. Each acquisition reduces the chance that a domestic methodology will mature into an independent global voice.

The post-2008 regulatory regime improved procedure but did not solve this architecture. The International Organization of Securities Commissions revised its Code of Conduct Fundamentals for Credit Rating Agencies in 2015, requiring methodology disclosure, conflict management, and separation of analytical and commercial functions. The European Union's CRA Regulation of 2009 centralised supervision under the European Securities and Markets Authority. In the United States, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 reinforced the role of the SEC's Office of Credit Ratings. The Financial Stability Board adopted its Principles for Reducing Reliance on CRA Ratings in 2010 and tracked their implementation through successive peer reviews¹⁷. Those reforms improved governance. They did not change the fact that three private firms remain embedded in the rules that determine capital costs for sovereigns and for the institutions that finance them.

The consequences become visible during stress. Negative watches, reviews, and outlooks have been linked in the empirical literature to larger increases in borrowing costs for developing countries than for advanced economies¹⁸. During the COVID period, developed economies suffered a larger output contraction in 2020 than developing economies, but developing countries absorbed more than 95 per cent of sovereign downgrade notches^{19,20}. That asymmetry is difficult to reconcile with output contraction alone, and it cannot be explained by the headline growth shock without importing precisely the methodological assumptions that this article later examines, including fiscal headroom, external liquidity, institutional scores, monetary flexibility, and the treatment of currency risk.

Once a downgrade crosses the investment-grade threshold, the rating action can trigger forced selling by funds with mandate

¹² European Securities and Markets Authority, CRA Market Share Calculation 2025, ESMA84-900617762-2652, https://www.esma.europa.eu/sites/default/files/2025-12/ESMA84-900617762-2652_CRA_Market_Share_Calculation_2025.pdf. The market share figure attributable to the three dominant agencies in the European Union is reported in the Calculation as approximately 92 per cent of rating revenues. The earlier 2024 Calculation reported a comparable figure of 90.26 per cent, with S&P at 47.81 per cent, Moody's at 30.59 per cent, and Fitch at 11.86 per cent. See ESMA, CRA Market Share Calculation 2024, table p. 8.

¹³ U.S. Securities and Exchange Commission, Office of Credit Ratings, Staff Report on Nationally Recognized Statistical Rating Organizations (April 2026), <https://www.sec.gov/files/2025-ocr-staff-report-compliant-4-24-26.pdf>.

¹⁴ Sovereign Ratings List, S&P Global Ratings (Sept. 30, 2024), <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourcelid/13212613> (137 sovereigns); Deep Dive Africa, Moody's Events (June 25, 2024), <https://events.moody.com/2024-mie22273-deep-dive-africa> (approximately 140 sovereigns); Sovereign Data Comparator, Fitch Ratings (Dec. 18, 2024), <https://www.fitchratings.com/research/sovereigns/sovereign-data-comparator-december-2024-pdf-18-12-2024> (122 sovereigns). At the end of 2025, approximately 74 per cent of United Nations Member States had been issued sovereign credit ratings; 51 countries did not have ratings from any of the three dominant agencies, including 22 African countries. UN Department of Economic and Social Affairs, Background Paper on the Special Meeting of ECOSOC on Credit Ratings, 23 March 2026.

¹⁵ Basel Committee on Banking Supervision, Basel Framework, Calculation of RWA for Credit Risk, CRE 21 (External credit assessment institutions) and CRE 20 (Standardised approach), https://www.bis.org/basel_framework/chapter/CRE/21.htm. For the European mapping process by which agencies are recognized as External Credit Assessment Institutions and their ratings become usable for bank capital, insurance, and securitization purposes, see European Banking Authority, ECAI Mapping (final report, Nov. 2023), <https://www.eba.europa.eu/sites/default/files/2023-11/40ede181-a0be-4cb7-a555-4c866860cb0b/Final%20report%20Amendment%20ITS%20ECAs%20mapping.pdf>.

¹⁶ Moody's Corporation, Moody's Completes Acquisition of GCR Ratings (Oct. 11, 2024), <https://ir.moody.com/news-and-events/news-releases/news-release-details/2024/Moodys-Completes-Acquisition-of-GCR-Ratings>; Moody's, Moody's to Acquire Class & Asociados, Expanding Presence in Peru's Domestic Credit Market (2022), <https://ir.moody.com/press-releases/news-details/2022/Moodys-to-Acquire-Class-Expanding-Presence-in-Peru-Domestic-Credit-Market/default.aspx>; S&P Global, 2024 Form 10-K at 17 (CRISIL held as a 100 per cent subsidiary). Moody's announced the acquisition of Egypt's MERIS in 2025.

¹⁷ International Organization of Securities Commissions, Code of Conduct Fundamentals for Credit Rating Agencies (revised 2015). The Code complements regulatory regimes including the EU CRA Regulation (Regulation (EC) No 1060/2009), <https://eur-lex.europa.eu/eli/reg/2009/1060/oj/eng>, and the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (2010). Supervision of CRAs in the European Union has been centralized under ESMA. The Financial Stability Board's Principles for Reducing Reliance on CRA Ratings (2010, with subsequent peer reviews) complement these regimes.

¹⁸ UN Department of Economic and Social Affairs, Background Paper on the Special Meeting of ECOSOC on Credit Ratings 4–6 (23 March 2026). The Background Paper notes that negative warning announcements (reviews, watches, and outlooks) have been linked to increases in borrowing costs, with the increase for developing countries reported at approximately 160 basis points compared with approximately 100 basis points for advanced economies, citing Kiff and others.

¹⁹ Griffith-Jones, S. and Kraemer, M. (2021); UN Department of Economic and Social Affairs (UN DESA) (2022), Policy Brief No. 131, https://www.un.org/development/desa/dpad/wp-content/uploads/sites/45/publication/PB_131_final.pdf. The figure of 95 per cent of sovereign downgrade notches absorbed by developing countries during the COVID-19 period contrasts with macroeconomic data showing that developed economies contracted by approximately 4.9 per cent in 2020 while developing economies contracted by approximately 2.4 per cent.

²⁰ The term 'notch' is commonly used in credit rating publications to refer to a minimal single step increase or decrease of credit rating.

restrictions, higher bank capital charges, loss of collateral eligibility, larger haircuts, and weaker repo access. The cliff effect is not a metaphor. It is the mechanism through which a rating letter becomes a cascade. Ratings therefore do not merely report risk. In a system that embeds them into regulation and mandates, they construct part of the risk they then claim to observe.

The concentration would matter less if ratings remained purely private opinions. They do not. A rating can determine whether an exposure receives a particular risk weight under the standardised approach, whether a security is eligible for a central bank operation, whether an insurer or pension fund can hold it within mandate, whether it qualifies as a high-quality liquid asset for repo and central bank refinancing²¹, and whether a bond enters a benchmark. The agencies therefore sit at the junction between private judgement and public rulemaking. That junction is where methodological error becomes development damage.

The consolidation of domestic agencies reinforces the point. A domestic agency may start with local knowledge, different data, and a methodology better adapted to the market it serves. Once acquired by a dominant firm, that local knowledge may remain useful, but the institution no longer provides a genuinely independent global alternative. It becomes part of the same family of methodology, governance, branding, and regulatory recognition that already dominates cross-border capital allocation.

4. Quantifying the damage

The damage analysis treats rating distortion as a counterfactual notch gap. The gap is measured between the observed long-term foreign-currency issuer rating and the rating the same country would receive under the developed-market benchmark model used in the underlying working paper. The estimate is not a forensic tracing exercise that attributes every dollar of market movement to a rating action alone. It asks what annual macro-financial cost follows when a specified notch gap is transmitted through six channels that are known to connect ratings to financing conditions, with each channel scaled to the size of the rating distortion in the country concerned²².

The reference year is 2022, chosen to reduce exposure to the data revisions that affect more recent IMF and World Bank series, and the model is presented as non-exhaustive. It captures six specified channels and does not claim to trace every

macroeconomic effect, every private-sector response, or every mitigating policy action taken by affected governments. The six channels are higher debt-servicing costs on outstanding public debt, higher cost of new borrowing, capital outflow and currency-driven import-cost increases, asset-base depreciation under market turmoil, higher trade-related insurance premiums, and wider fiscal deficits. The model is conservative because it does not capture every channel through which rating distortions affect public finances and private activity. It is also more demanding than the conventional approach because it makes visible the channels that do not appear in the narrow debt-service line, especially asset depreciation and capital-outflow effects.

The original eleven-country African sample showed notch differences ranging from one notch for Mauritius and Morocco to five notches for South Africa. The refreshed twelve-country sample adds Egypt and produces a total estimated annual damage of USD 507.9 billion. Asset depreciation is the largest channel, at USD 263.7 billion. Capital outflow and import-cost effects follow at USD 108.2 billion. Higher debt servicing on outstanding public debt contributes USD 73.9 billion, trade insurance premiums contribute USD 39.6 billion, budget-deficit widening contributes USD 17.6 billion, and the cost of future borrowing contributes USD 5.3 billion. The ranking of channels is as important as the total. It shows that the largest rating damage does not always appear where non-specialists expect to find it.

The assumptions matter because the numbers are large enough to invite attack. Sovereign ratings can therefore operate as procyclical amplifiers rather than neutral measurements of risk. Downgrades increase financing costs precisely when countries experience stress, thereby weakening fiscal space, reducing investment capacity, intensifying exchange-rate pressure, and worsening the macroeconomic indicators that rating methodologies subsequently observe. The mechanism risks becoming self-reinforcing.

For commodity-dependent economies, the procyclical effect can be especially severe because external shocks – including commodity-price volatility, shipping disruptions, fertilizer inflation, and climate-related production losses – can simultaneously weaken sovereign metrics and increase the financing needs of producers and SMEs. Under such conditions, sovereign downgrades may amplify rather than merely reflect economic vulnerability.

²¹ Bank for International Settlements, Basel III: The Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools (2013); Daniel Cash, Private Credit Rating Agencies Shape Africa's Access to Debt. Better Oversight Is Needed, The Conversation (Feb. 3, 2026), <https://doi.org/10.64628/AAJ.ua6wxagun>. The cliff effect operates through institutional investment guidelines that distinguish investment-grade from speculative-grade securities, and through the loss of high-quality liquid asset (HQLA) eligibility under Basel III when an asset is downgraded.

²² All six channels are scaled to the country's notch distortion. The per-notch coefficients are: (i) debt servicing, 1.5% per notch applied to outstanding public debt; (ii) future borrowing, 0.079% of GDP per notch (derived from a 0.3% of GDP estimate at the sample's GDP-weighted average notch gap of 3.78, reflecting issuance of approximately 5% of GDP and a per-notch surcharge of approximately 160 basis points); (iii) capital outflow and import cost, 1.65% of GDP per notch (derived from a 6.25% of GDP estimate at the average notch gap, comprising capital flight effects and currency-driven import-cost increases on imports of 30–60% of GDP); (iv) asset depreciation, 3.97% of GDP per notch (derived from a 15% of GDP estimate at the average notch gap, reflecting a market-stress decline in an asset base equal to 150% of GDP); (v) insurance premium, 0.59% of GDP per notch (derived from a 2.25% of GDP estimate at the average notch gap, reflecting trade volumes of approximately 1.5x GDP and a per-notch insurance loading); (vi) budget deficit widening, 0.26% of GDP per notch (derived from a 1% of GDP estimate at the average notch gap). The calibration anchor is the GDP-weighted average notch distortion across the twelve-country sample (3.78), so that a country at that notch gap reproduces the original flat-coefficient damage and aggregate magnitude is preserved. Reference year 2022; dataset on file with the authors.



Debt-service effects are the most familiar channel, but they are not the largest. Capital outflow, currency depreciation, and asset-base loss are more difficult to measure and easier for critics to challenge, yet they are central to the way rating actions operate in stress. A downgrade can change not only the coupon on a bond, but also the behaviour of residents, foreign holders, trade insurers, banks, and portfolio managers. The model therefore follows the chain of transmission rather than stopping at the sovereign yield curve.

The consequences of sovereign mispricing do not end at the level of sovereign spreads, debt sustainability metrics, or institutional portfolio allocations. They cascade through commodity value chains and ultimately reach smallholders, workers, cooperatives, and SMEs operating at the lowest end of global production systems.

In many commodity-dependent developing countries, particularly in agriculture, sovereign ratings shape the cost of trade finance, warehouse financing, crop insurance, fertilizer imports, transport guarantees, and SME lending conditions. When sovereign risk is overstated, the resulting increase in capital costs is transmitted through the chain, often reaching producers who have no participation in sovereign borrowing decisions themselves.

This creates a structural asymmetry in which smallholders absorb the downstream consequences of financial risk perceptions generated far above them in the international financial architecture. The issue is therefore not merely one of sovereign

finance, but of what the Common Fund for Commodities has increasingly described as the need to implement the 'Humanizing Value Chains (HVC)²³' concept – ensuring that global financing systems do not systematically transfer disproportionate adjustment costs onto the most vulnerable participants in trade and production systems.

In this sense, inaccurate sovereign ratings can become part of a wider mechanism through which value extraction, rather than value creation, is embedded into commodity-dependent economies. Sovereign mispricing therefore does not stop at the bond market; it travels through value chains until it reaches the smallholder.

The asset-depreciation channel deserves particular attention. It does not mean that a rating action mechanically destroys every affected asset. It means that a rating shock, when transmitted through confidence, currency, and financing conditions, can reduce the market value of the domestic asset base. In countries with shallow markets and limited foreign-exchange buffers, this channel can be much larger than the direct cost of new borrowing. Ignoring it would make the estimate look safer, but less realistic.

The same logic applies to import costs. If a rating action contributes to capital outflow and currency depreciation, the cost of imported fuel, machinery, medicine, fertiliser, and intermediate goods rises. Those increases then feed public budgets, corporate margins, household welfare, and project economics. A rating action that begins in a committee room can therefore end inside a power tariff, a farm input price, or a delayed infrastructure procurement. That is why the channel approach is necessary.

The twelve-country sample is best read as an evidentiary bridge rather than the final universe. It connects the LLDC estimate that opens the article to the broader methodological sections that follow. The purpose is not to produce a global invoice down to the last dollar. The purpose is to demonstrate that rating distortion has a dollar scale large enough to justify institutional reform, and on that test the evidence easily clears the bar.

The treatment of rating actions as notch differences also has a practical advantage. Investors, regulators, and rating committees think in notches. A one-notch, three-notch, or seven-notch gap is the language in which capital charges, index eligibility, and committee decisions are normally understood. Expressing the counterfactual in that language makes the damage model legible to the people whose decisions the article

²³The concept of 'Humanizing Value Chains' (HVC), increasingly advanced in recent policy discussions by the Common Fund for Commodities (CFC), emphasizes that value chains should be evaluated not only by efficiency and profitability, but also by their distributive outcomes, resilience, fairness, and developmental impact on smallholders, workers, and SMEs. The approach argues that global trade and financing systems should function in ways that preserve dignity, strengthen local value addition, improve income distribution, and prevent disproportionate adjustment costs from being transferred onto vulnerable producers and commodity-dependent economies. In this sense, HVC extends beyond voluntary certification approaches by addressing the broader structural, financial, and governance conditions through which value is created, allocated, and retained across global production systems. See also the Common Fund for Commodities (CFC), *Humanizing Value Chains* (2024), available at: CFC Humanizing Value Chains Brochure.

seeks to influence. The channel assumptions are now expressed on a per-notch basis for all six channels, so that the dollar damage in each country tracks the size of its rating distortion rather than the size of its economy alone. The per-notch coefficients, the calibration anchor, and the underlying parameter ranges are retained in the notes and the underlying working paper. Nothing would weaken the estimate more than a large number that appears to arrive from nowhere, and nothing would strengthen it more than a large number whose assumptions are visible enough to be attacked and still survive.

Table 1. Assumed rating actions, by country

Country	Rating before	Rating after	Notch difference
Egypt	BBB	B3	7
Ethiopia	B	Caa2	3
Angola	B+	B3	2
Ghana	B	Caa2	3
Gabon	B+	Caa2	4
Kenya	BB-	B2	2
Mali	B-	Caa2	2
Mauritius	BBB	Baa3	1
Mozambique	B-	Caa2	2
South Africa	A-	Ba2	5
Nigeria	B+	B3	2
Morocco	BBB-	Ba1	1

Source: *Economic Impact Analysis of Credit Rating Downgrades, working paper. 'Rating before' uses the S&P/Fitch letter scale and 'Rating after' the Moody's scale.*

Table 2. Estimated annual damage by channel, twelve-country sample

Channel of damage	Estimated cost, USD billion
Debt servicing cost increase	73.9
Future borrowing cost increase	5.3
Capital outflow and import cost increase	108.2
Asset depreciation	263.7
Insurance premium increase	39.6
Budget deficit widening	17.6
Total	508.3

Source: *Refreshed damage dataset accompanying the working paper. Sample comprises Angola, Egypt, Ethiopia, Gabon, Ghana, Kenya, Mali, Mauritius, Morocco, Mozambique, Nigeria, and South Africa. Reference year 2022.*

The country-level pattern confirms that rating distortion operates through both scale and intensity, but it is intensity that does most of the work. Egypt absorbs the largest estimated damage, at about USD 221 billion, because a seven-notch downward distortion combines with high public debt and an economy of

USD 400 billion. South Africa follows at about USD 136 billion, where a five-notch distortion is applied to a GDP of USD 350 billion. Nigeria, despite an economy comparable to Egypt's, contributes about USD 60 billion because its notch distortion is smaller. The contrast between Egypt and Nigeria is the clearest demonstration that the damage in this model is not driven by economic scale alone. Smaller economies such as Gabon, Mali, Mauritius, and Mozambique show lower dollar totals, but their damage relative to GDP remains in the same band as the larger economies, because every channel scales with the notch gap rather than with size.

The USD 507.9 billion figure is specific to the twelve-country sample and should not be presented as a global total. It can be read alongside two external estimates. UNDP has estimated that subjective elements in rating methodologies cost African sovereigns²⁴ about USD 74.5 billion in additional borrowing costs and forgone lending. Earlier UNCTAD-related work reported losses above USD 70 billion in debt service, above USD 100 billion in capital outflow and currency depreciation, above USD 260 billion in asset devaluation, above USD 35 billion in risk-management costs, and above USD 17 billion in budget deficits. The figures differ in country coverage and channel design, but the order of magnitude is consistent. Rating distortion is not a marginal friction. It is a drain on fiscal capacity and private investment of the same scale as the development assistance that flows in the opposite direction.

The macro damage also reaches project finance and SME finance. A country rating that overstates risk raises the threshold return required for infrastructure, agricultural value chains, and small-business financing. The IFC estimates annual unmet financing needs for formal MSMEs in emerging markets at about USD 5.7 trillion. Rating distortions are not the only cause of that gap, but they are a binding constraint because they convert available impact-investor liquidity into a higher hurdle rate, a tighter mandate, or no allocation at all. Agricultural commodity value chains are precisely the kind of high-impact segment where country-risk screens can block otherwise viable private capital, because investors see the sovereign rating before they see the cash-flow structure, the collateral, the insurance, the offtake arrangements, or the development impact of the underlying SMEs and producer-linked enterprises. The CFC-ACT Fund is one example²⁵ of a vehicle designed precisely to bridge that gap, and the channel diagnosis in this section is what makes the bridge analytically necessary.

²⁴United Nations Development Programme, *Reducing the Cost of Finance for Africa: The Role of Sovereign Credit Ratings* (April 2023), <https://www.undp.org/sites/g/files/zskgke326/files/2023-04/Full%20report%20-%20Reducing%20Cost%20Finance%20Africa%20Report%20-%20April%202023.pdf>. UNDP estimated that subjective elements in rating methodologies cost African sovereigns approximately USD 74.5 billion in additional borrowing costs and forgone lending. See also UNDP, *Credit Ratings Advocacy Brief* (Aug. 2024), https://www.undp.org/sites/g/files/zskgke326/files/2024-08/credit_ratings_advocacy_brief_-_undp.pdf.

²⁵Common Fund for Commodities and ACT Fund, *Concept Note for the FfD4 Side Event, 'Agricultural Commodity Transformation (ACT) Fund: Public-Private Investment for Sustainable Transformation and Development of Agricultural Commodity Sector'*, Sevilla, 2 July 2025. International Finance Corporation, *MSME Finance Gap Database* (March 2025), <https://smefinanceforum.org/data-sites/msme-finance-gap> (estimating annual unmet financing needs of approximately USD 5.7 trillion for formal micro, small and medium enterprises in emerging markets); World Bank, *Capital Markets and SMEs in Emerging Markets and Developing Economies: Can They Go the Distance?* (Feb. 2020), <https://documents1.worldbank.org/curated/en/270221582271669731/pdf/Capital-Markets-and-SMEs-in-Emerging-Markets-and-Developing-Economies-Can-They-Go-the-Distance.pdf>.

5. Why ratings come out the way they do

The explanation is not that individual analysts at the dominant agencies are personally biased. The published methodologies are technically serious, the post-2008 governance reforms are real, and rating committees usually apply the methodologies as written. The problem is structural.

The consequences of these methodological choices extend beyond sovereign borrowing itself. Once sovereign ratings become embedded within prudential regulation, institutional investment mandates, collateral frameworks, and cross-border financing conditions, methodological assumptions begin to influence the allocation of development capital at scale.

In developing economies, particularly those dependent on commodities and agricultural exports, sovereign ratings frequently shape the financing conditions available to SMEs, producer organizations, processors, warehouse operators, exporters, and value-chain intermediaries. Methodological conservatism at sovereign level can therefore suppress productive investment throughout the wider economy, including in sectors that are essential for employment generation, food systems resilience, and local value addition.

The methodology contains choices that can be defensible in isolation but damaging in combination. This section examines those choices in three groups. The first concerns the qualitative overlay, currency conventions, and time horizons. The second concerns the sovereign ceiling rule, which the Sevilla Commitment specifically calls to revise, and the case for replacing it with a disaggregated transmission-channel framework. The third concerns the asymmetric treatment of the issuer of the global reserve currency.

5.1 The qualitative overlay, currency conventions, and time horizons

Major sovereign methodologies share a broadly similar five-pillar structure built around institutional and governance quality²⁶, economic strength, public finances, external accounts, and monetary flexibility. Quantitative indicators produce anchor scores, but the final rating still depends on qualitative judge-

ment by analysts and committees. The published methodology explains the factors²⁷. It does not fully expose the reasoning by which a committee moves an anchor score several notches in a particular case. That discretionary space is where general impressions of country risk become rating notches, and those notches then propagate through the architecture described in the previous section.

Per-capita GDP is the first pressure point. Wealthier economies do usually have deeper shock-absorption capacity, so income is not irrelevant. The problem is weight. A methodology that penalises low per-capita income too heavily can place a USD 2,000 income country growing at 6 per cent²⁸ below a stagnant USD 20,000 income country, even when default evidence does not justify the gap. UNCTAD and UNDP have both challenged the size of this penalty²⁹. The IMF's 2025 working paper on Sub-Saharan Africa³⁰ found limited evidence of rating-agency bias after controlling for governance scores, but that control is not neutral if governance indicators themselves contain the structural assumptions under review. Even on the paper's own terms, a 50 basis-point premium translates into approximately USD 250 million of extra annual debt service on USD 50 billion of debt. That is not a rounding error for a developing sovereign.

Currency conventions form the second pressure point. Foreign-currency debt is riskier than local-currency debt because a sovereign cannot print the settlement currency. That intuition is sound. It becomes crude when applied as a blanket penalty even where export receipts, reserve adequacy, swap lines, hedging arrangements, pooled reserves, or MDB guarantees materially offset the currency mismatch. A better approach would assess the foreign-currency obligation against verifiable capacity to earn, access, hedge, or insure hard currency. The instrument should not be treated as risky merely because the currency is foreign. The relevant question is whether the borrower has credible and durable access to the currency in which it must pay. A related distortion arises from the use of market exchange rates rather than purchasing power parity for parts of the economic-strength assessment. Exchange rates move with capital flows, commodity cycles, and risk sentiment. The capacity that services debt over time is the real tax base and produc-

²⁶UN Department of Economic and Social Affairs, Background Paper on the Special Meeting of ECOSOC on Credit Ratings, Box 1 (23 March 2026). The five building blocks of major-CRA sovereign methodologies are institutional and governance quality, economic growth and resilience, public finances, external accounts, and monetary flexibility. Anchor scores combine quantitative indicators with qualitative assessments, and a credit committee then applies a further qualitative overlay reflecting political and willingness-to-pay considerations.

²⁷International Organization of Securities Commissions, Code of Conduct Fundamentals for Credit Rating Agencies (revised 2015). The Code requires public disclosure of methodologies, but, as the Background Paper observes, key elements of the judgement process can appear opaque despite that disclosure.

²⁸United Nations Development Programme, Reducing the Cost of Finance for Africa: The Role of Sovereign Credit Ratings (April 2023). UNDP further documents methodological elements that penalize low GDP per capita irrespective of growth momentum, with the consequence that a country at USD 2,000 per capita growing at 6 per cent can be scored below a stagnant economy at USD 20,000.

²⁹UN Trade and Development (UNCTAD), Credit Rating Agencies, Developing Countries and Bias, UNCTAD/GDS/2024/3 (2025), https://unctad.org/system/files/official-document/gds2024d3_en.pdf.

³⁰International Monetary Fund, Sub-Saharan Africa: Sovereign Credit Ratings and Borrowing Costs, IMF Working Paper No. WP/25/139 (2025). The paper reports limited evidence of rating-agency bias against Sub-Saharan Africa, controlling for governance scores; the methodological caution noted in the present article is that controlling for governance scores that may themselves embed the very biases being tested risks predetermining the finding. Even on the paper's own terms, a 50-basis-point premium translates into approximately USD 250 million in additional annual debt service on USD 50 billion of debt.



Photo: Kalimati Vegetable Market, Kathmandu, Nepal.
© Chris Steele-Perkins/Magnum Photos for FAO

tive capacity of the economy. PPP-based scaling does not erase external risk³¹ and does not pretend to solve hard-currency constraints. It prevents internal economic strength from being overstated or understated simply because the exchange rate is temporarily moving under market pressure.

Time horizon is the third pressure point. Ratings often focus on near-term default risk, while many of the inputs that matter for solvency move over decades. Governance, demographic structure, infrastructure quality, climate adaptation, and human capital are not twelve-month variables. A framework tuned too tightly to short-term liquidity will reward reserve buffers and punish development investment, even where the investment strengthens future solvency. The ECOSOC concept note for the 30 March meeting therefore correctly calls for longer-term assessments through model-based scenario analysis, stress testing, and the integration of climate and resilience variables. The better rule is straightforward. The time horizon of the

assessment should match the time horizon of the obligation³², with twelve to eighteen months as the appropriate window for short-term sovereign issuer ratings and longer windows of three, five, and ten years used for sovereign debt instruments of the corresponding tenor. That single adjustment shifts the analytical perspective from the management of liquidity events to the assessment of solvency over the period for which capital is committed, and it is the perspective that the long-term investors named in the Sevilla Commitment require in order to allocate to developing economies at the scale that the SDGs demand.

5.2 The sovereign ceiling and the case for risk disaggregation

The sovereign ceiling deserves separate treatment because the Sevilla Commitment specifically calls for its revision³³. The classic rule caps a non-sovereign borrower's international obligations³⁴ at the rating of the relevant sovereign, on the assumption that a sovereign in crisis may restrict transfers, block conversion, or otherwise interfere with the borrower's ability to service foreign-currency debt. The risk is real. The current rule is too blunt³⁵. It often treats different entities as if the same sovereign-stress channels were equally active, equally binding, and equally unmitigated.

The public record of above-sovereign exceptions shows how narrow the current pathway is. A review of public rating actions for 2016 to 2026 identified five verified EMDE precedents³⁶, namely the Akbank diversified-payment-rights securitisation, Coca-Cola İçecek, Coca-Cola FEMSA, Hong Kong SAR, and Sura Asset Management. The enabling mechanisms included offshore structures, international revenue diversification, constitutional autonomy, regulatory ring-fencing, and hard-currency liquidity. Eight further asset classes³⁷, including banks, typical sub-sovereigns, domestic infrastructure, insurers, leasing and factoring companies, small corporates, and domestic-revenue issuers, produced no verified precedent in the same review. The absence is not proof that the underlying credits cannot survive sovereign stress. It is proof that the current methodology recognises only a narrow set of templates.

³¹ On the structural treatment of foreign-currency liabilities and the case for assessing FC risk against verifiable capacity to earn or insure hard currency rather than as an intrinsic property of the instrument, see Why Multilateral Credit Rating Agencies Have Better Odds Than Domestic Ones (working paper, 2025), section on Methodology and the dollar lens. The PPP argument follows the same source.

³² UN Department of Economic and Social Affairs, Concept Note: Special Meeting of ECOSOC on Credit Ratings, Theme 2 (Lengthening the time horizon of ratings and assessments). UN-Led Global Public Rating Platform working materials (Feb. 2025) propose matching the time horizon of assessments to the time horizon of obligations, with 12 to 18 months for sovereign issuers and longer ranges for sovereign debt instruments.

³³ Compromiso de Sevilla, Outcome of the Fourth International Conference on Financing for Development, A/RES/79/323 (2025), ¶ 55(a). The Sevilla Commitment specifically calls for revisions to the sovereign ceiling rule. See also Remarks by H.E. Ms. Amina J. Mohammed, Deputy Secretary-General of the United Nations, opening of the 2026 ECOSOC Special Meeting on Credit Ratings, ECOSOC Chamber, 30 March 2026 (transcript).

³⁴ Igor Zelezetskii, Robert Ginsburg, Waide Warner, Perrine Toledano, Ana M. Camelo Vega, and Tom Mitro, Sovereign Risk Ceilings: Rethinking Methodology Through Risk Disaggregation (Columbia Center on Sustainable Investment, May 2026), section I.A (Origin and Rationale). The paper traces the origin of the conservative sovereign ceiling policy to the EMDE bond-market reopening of the early 1990s following the Brady Plan and to the agencies' assumptions about the collateral effects of sovereign debt crises, including the likelihood that a sovereign at risk of default would husband foreign-currency reserves by interfering with non-sovereign borrowers' ability to service foreign-currency obligations.

³⁵ Igor Zelezetskii, Robert Ginsburg, Waide Warner, Perrine Toledano, Ana M. Camelo Vega, and Tom Mitro, Sovereign Risk Ceilings: Rethinking Methodology Through Risk Disaggregation (Columbia Center on Sustainable Investment, working paper v5, 29 April 2026), section I.B. Above-sovereign eligibility under S&P methodology is determined through a sovereign stress test that models debt-service capacity under sovereign default, transfer restrictions, and currency inconvertibility simultaneously. Moody's and Fitch apply conceptually similar assessments through their country-ceiling frameworks, although the terminology differs.

³⁶ Igor Zelezetskii et al., Sovereign Risk Ceilings: Rethinking Methodology Through Risk Disaggregation (Columbia Center on Sustainable Investment, May 2026), Annexes I and II. The five verified above-sovereign precedents identified for 2016–2026 are the Akbank T.A.Ş. A.R.T.S. Ltd. diversified-payment-rights securitization, Coca-Cola İçecek A.Ş., Coca-Cola FEMSA (KOF), Hong Kong Special Administrative Region, and Sura Asset Management S.A., with documented uplifts of 4, 2, 2, 1–3, and 3 notches above the relevant sovereign or country ceiling.

³⁷ Igor Zelezetskii et al., Sovereign Risk Ceilings: Rethinking Methodology Through Risk Disaggregation (Columbia Center on Sustainable Investment, May 2026), Annex III. Eight further asset classes were examined for the same period and produced no verified above-sovereign precedent: banking; typical EMDE sub-sovereigns; infrastructure operators; domestic insurers; leasing and factoring companies; small corporates; domestically focused EMDE issuers; and other domestic-revenue categories.

Table 3. Mechanisms enabling above-sovereign ratings in selected precedents

Entity or asset class	Rating and uplift	Mechanism enabling uplift
Akbank ARTS Ltd. DPR programme, future-flow securitisation	Fitch BBB, +4 versus Turkey BB-	Offshore SPV, true sale under foreign law, offshore collections, and over-collateralisation. The rated object is the structure rather than the bank, whose own issuer rating remains constrained.
Coca-Cola İçecek, Turkish-domiciled bottler	S&P BB+, +2 versus Turkey BB-	Geographic revenue diversification, strong standalone profile, offshore hard-currency liquidity, and cash generation outside the home sovereign.
Coca-Cola FEMSA, Latin American bottler	Moody's A2, +2 versus Mexico Baa1	Operations across multiple countries, foreign-law international notes, strong credit metrics, and cash generation outside the home market.
Hong Kong SAR, special administrative region	S&P AA+, +1 to +3 versus China A+ depending on reference point	Constitutional autonomy under the Basic Law, separate monetary system, independent fiscal policy with large reserves, common-law legal framework, and separate trade and customs arrangements.
Sura Asset Management, non-bank financial institution	Fitch BBB, +3 versus Colombia BB	EBITDA generated largely outside Colombia and regulatory ring-fencing of subsidiary pension assets in higher-rated jurisdictions.

Source: Adapted from Annex II of *Sovereign Risk Ceilings: Rethinking Methodology Through Risk Disaggregation*, CCSI working paper v5, 29 April 2026.

The empirical contradiction is sharper than the precedent record alone suggests. During severe sovereign crises in Argentina, Russia, and Indonesia, Moody's data cited in the *Sovereign Risk Ceilings* paper show four-year default rates of 38.8 per cent for industrial corporates, 16.9 per cent for public utilities, and 5.8 per cent for banks³⁸. The corresponding survival rates exceeded 60 per cent, 83 per cent, and 94 per cent. Sovereign stress plainly raises corporate default risk, but it does not do so uniformly. A binary ceiling test can treat an entity with a five to ten per cent conditional default probability in a sovereign-stress scenario much like an entity with a forty to fifty per cent probability. That is not conservatism. It is lost information.

The alternative is risk disaggregation³⁹. The framework moves through four steps. The first is a standalone credit assessment of the issuer or project without reference to the ceiling, evaluating intrinsic creditworthiness on the basis of fundamentals, financial structure, and counterparty quality. The second is a transmission-channel mapping, in which each of eight identified channels through which sovereign stress can become payment-relevant is examined for whether it is structurally active for the instrument, what the probability is that it becomes binding under stress, and how credible and enforceable the available mitigants are. The eight channels are regulatory interference, offtaker payment stress, convertibility restrictions on foreign-currency tranches, taxation, contract frustration, banking-system disruption, macroeconomic recession, and direct sovereign default contagion. The third step repositions the sovereign as a contextual factor inside the channel analysis rather than as a hard cap above the entity, with the output being a graduated uplift calibrated to the cumulative decoupling that the channel-by-channel mapping reveals. The fourth retains

a conservative bound where channels cannot be observed, where regulatory discretion is opaque, or where mitigants are untested, and applies it selectively rather than universally. The architecture changes the question that the methodology is asking. The current rule asks whether the entity is isolated from the sovereign through a narrow set of structural-finance templates. The proposed framework asks which specific transmission channels connect this entity to sovereign default risk, whether those channels are mitigated by contractual, structural, or institutional protections, and what the residual probability is that sovereign distress would cause this entity to default.

The framework will sometimes support above-sovereign ratings, but it will also sometimes confirm that the sovereign constraint binds. If the offtaker is a weak state utility, if tariff-setting is discretionary, if foreign-currency debt service relies on domestic collections with no convertibility protection, and if the legal framework is untested, the correct answer may still be a tight linkage to the sovereign. The difference is that the conclusion would rest on identified channels, not on a ceiling imposed before the structure is analysed. The same discipline applies to MDB guarantees and political risk insurance. These instruments should not be treated as magic words. A partial guarantee may cover scheduled debt service, a political risk policy may cover specific government actions, and preferred creditor status may affect incentives rather than legal enforceability. Each mitigant must be matched to the channel it actually addresses. A guarantee that reduces transfer risk does not automatically cure offtaker payment stress. A cash reserve that covers six months does not cure a multi-year convertibility blockade. The method must be granular enough to avoid both under-recognition and over-recognition.

³⁸Igor Zelezetskii et al., *Sovereign Risk Ceilings: Rethinking Methodology Through Risk Disaggregation* (Columbia Center on Sustainable Investment, May 2026), section I.C. Drawing on Duggar (Moody's, February 2009), the paper reports four-year cumulative default rates during sovereign crises in Argentina (2001-2002), Russia (1998), and Indonesia (1997-1998) of 38.8 per cent for industrial corporates, 16.9 per cent for public utilities, and 5.8 per cent for banks.

³⁹Igor Zelezetskii et al., *Sovereign Risk Ceilings: Rethinking Methodology Through Risk Disaggregation* (Columbia Center on Sustainable Investment, May 2026), section IV.C (A simple alternative framework). The four-step architecture comprises a standalone credit assessment without reference to the sovereign ceiling, transmission-channel mapping across the eight identified channels with assessment of activation, binding probability, and mitigant strength, repositioning the sovereign as a contextual factor inside the channel analysis rather than as a hard ceiling, and retaining a conservative bound only where channels cannot be observed or mitigants are untested.

Risk disaggregation is therefore a tougher test, not a softer one. It requires the analyst to identify the channel, prove its relevance, test its stress activation, evaluate the mitigant, and calibrate the residual linkage. A binary ceiling lets the methodology stop too early. A channel-based approach forces the rating committee to explain its work. If the conclusion is still that the sovereign constraint binds, the conclusion will be stronger because the active channel will have been identified. If the conclusion is that several channels are inactive or mitigated, the rating will be more accurate because the method will have preserved information that the ceiling would have suppressed.

5.3 The dollar exception

The asymmetric treatment of the issuer of the global reserve currency closes the methodological picture, because it shows that the structural features described in the previous two subsections do not operate uniformly across all sovereigns. The current rating mechanism contains a built-in exception for the United States, and the exception is architectural rather than incidental. The agencies' published methodologies treat sovereigns that issue debt in their own currency as inherently more creditworthy on the public-finance and monetary-flexibility pillars, since such sovereigns can in principle service local-currency obligations through their central banks. The argument is reasonable for any sovereign that issues debt in its own currency. The complication is that one particular sovereign issues debt in the global reserve currency, the same currency in which most international trade is invoiced, in which most cross-border lending is denominated, and in which most central bank reserves are held. The reserve-currency status of the dollar itself depends in part on the high credit ratings assigned to the United States, which in turn depend in part on the public-finance and monetary-flexibility advantages that flow from issuing in the reserve currency. The methodology therefore contains a circular element when applied to the United States, in which the agencies become guardians of a self-reinforcing cycle in which acknowledging United States fiscal deterioration could trigger the very instability their assessments are supposed to anticipate.

The discretionary space inside the qualitative overlay is wide even for the economy that is supposed to be the methodological reference point. The 1933 gold-clause abrogation, the 1971 closing of the gold window, and the 1979 Treasury-payment delays⁴⁰ would, on the published criteria, look very much like default events if they were to occur in an emerging-market sovereign today. None of them is treated as a United States default in the methodologies as applied. Comparable or lesser infractions by emerging-market sovereigns trigger lasting penalties,

including downgrades, watch placements, and the cliff effects discussed earlier. The selective application of the methodology, on this view, is what allows the United States to retain ratings near the top of the scale even as documented governance failures, including the USD 233 to 521 billion in annual losses⁴¹ to fraud and mismanagement reported in Congressional testimony, would severely affect the rating of any African or Latin American sovereign with comparable absolute or relative figures.

The implications of the dollar exception extend beyond the United States itself. Every notch of unwarranted elevation at the top of the scale compresses the space below it. When multilateral development banks price loans, when index providers set inclusion rules, and when bank-capital regulations embed the resulting ratings, the cumulative effect is to transfer billions of dollars from developing economies to developed economies through artificially elevated risk premia at one end and artificially depressed risk premia at the other. The methodological asymmetry is therefore not merely a matter of consistency. It is the channel through which the structural features described in subsections 5.1 and 5.2 reach their full distributional consequence. A multilateral rating institution applying consistent standards regardless of currency issued or systemic position would not produce dramatic immediate movements in the United States rating, since the United States economy remains, on most metrics, one of the most creditworthy in the world. What such an institution would change, however, is the relative position of the developing economies whose ratings have been compressed against an artificially elevated benchmark, and that change in relative position is what the dollar magnitudes recorded in Section 4 ultimately reflect.

The dollar exception should be read as an architectural point, not as a claim that the United States is not creditworthy. The United States remains one of the world's strongest sovereign credits by economic scale, institutional depth, market access, and monetary flexibility. The question is whether the same methodology that grants those strengths their full weight gives equivalent recognition to the different strengths of developing economies. If one sovereign benefits from reserve-currency circularity while others are penalised for not issuing that reserve currency, the scale is not neutral. It is structured around the centre and then applied to everyone else.

The three subsections taken together explain why ratings come out the way they do without requiring any assumption of analyst bias or institutional bad faith. The methodology produces these outcomes because of how it is built. The natural next

⁴⁰On the 1933 gold-clause abrogation, the 1971 closing of the gold window, and the 1979 Treasury payment delays, see *Why Multilateral Credit Rating Agencies Have Better Odds Than Domestic Ones* (working paper, 2025). Episodes of this kind have not been treated as United States defaults in the published methodologies, while comparable or lesser infractions by emerging-market sovereigns have triggered lasting penalties.

⁴¹Congressional testimony cited in *Why Multilateral Credit Rating Agencies Have Better Odds Than Domestic Ones* (working paper, 2025), reporting estimated annual losses of USD 233 to USD 521 billion to fraud and mismanagement in United States federal programmes.

question is institutional. If the methodology is the binding constraint, can the response be to encourage the growth of more domestic rating agencies that would, in time, develop alternative methodologies of their own? The next section explains why, on the structural features of the rating industry described in Section 3, the answer is no, and why the only viable institutional response is multilateral.

6. Why domestic agencies cannot fix this alone

Domestic agencies can improve local capital formation, deepen local-currency markets, and provide information that global agencies do not collect well. Acting alone, they cannot solve the global-scale problem. The rating industry operates through three tiers⁴². At the top sit the Big Three, with global sovereign coverage and regulatory embedding. A second tier includes agencies such as Scope Ratings and DBRS Morningstar⁴³, which operate internationally but do not yet have the reach or index presence of the dominant firms. The third tier consists of domestic agencies, some independent and some owned or controlled by the dominant groups, including S&P's wholly owned CRISIL in India, Moody's majority stake in ICRA, Moody's full ownership of GCR in Africa and Class & Asociados in Peru, and Moody's announced majority equity stake in Egypt's MERIS. Independent domestic agencies such as Indonesia's PEFINDO, Malaysia's RAM, and Thailand's TRIS⁴⁴ serve important local functions but exercise no influence on international capital allocation.

The economics are unforgiving. A domestic agency can rate only as many issuers as exist in its market, and even full domestic market share usually produces revenues that are tiny beside the global agencies. Moody's Corporation reported about USD 5.6 billion in revenue and USD 1.5 billion in net income for 2023⁴⁵. That single firm's profit exceeds the combined revenues of independent domestic agencies globally. The difference shows up in analyst depth, data infrastructure, methodology development, legal capacity, regulatory engagement, and the ability to absorb regional downturns. Domestic agencies also face a revenue-cycle problem that global agencies can diversify away. A crisis in the home country reduces new issuance, weakens existing

clients, increases surveillance burdens, and compresses fee income at the same time, while a global agency can absorb the same regional shock through revenue earned in other markets.

The scale problem is worse because national-scale ratings do not travel⁴⁶. The agencies' own definitions state that national-scale ratings rank obligors within a specific country or region and are not directly comparable across jurisdictions. Global-scale ratings compare credit risk across countries and sectors. A Kenyan corporate rated by a domestic national-scale agency cannot be compared directly with a Brazilian corporate by a foreign investor, and the rating cannot easily be used by a regulator in a third country for capital purposes. There is no organic path from national-scale relevance to global-scale authority. The path is blocked by definition.

Recognition closes the loop. A domestic agency seeking international recognition must negotiate with foreign supervisors one by one. The process is bilateral, asymmetric, slow, and expensive in management attention even where formal registration costs are modest. ESMA imposes a registration fee of approximately EUR 40,000⁴⁷ and an annual supervisory levy



⁴²Why Multilateral Credit Rating Agencies Have Better Odds Than Domestic Ones (working paper, 2025), section on the architecture of assessment; European Securities and Markets Authority, CRA Market Share Calculation 2025, ESMA84-900617762-2652, https://www.esma.europa.eu/sites/default/files/2025-12/ESMA84-900617762-2652_CRA_Market_Share_Calculation_2025.pdf; European Securities and Markets Authority, CRA Market Share Calculation 2024, table p. 8.

⁴³Scope Ratings, Sovereign Ratings Coverage (Dec. 5, 2024), <https://www.scooperatings.com/>. Scope's sovereign coverage stands at approximately forty sovereigns, less than one-third of the coverage of any of the three dominant agencies. On Scope's inclusion in the Eurosystem Credit Assessment Framework, see European Central Bank, Eurosystem Credit Assessment Framework (2025), <https://www.ecb.europa.eu/mopo/coll/risk/ecaf/html/index.en.html>.

⁴⁴S&P Global, 2024 Form 10-K at 17 (CRISIL held as a 100 per cent subsidiary); Moody's Corporation, Conditional Open Offer to Increase Ownership Stake in ICRA (2014); Moody's Corporation, Moody's Completes Acquisition of GCR Ratings (Oct. 11, 2024); Moody's Corporation, Moody's to Acquire Class & Asociados, Expanding Presence in Peru's Domestic Credit Market (2022); Moody's Corporation, announcement in 2025 of its intention to secure a majority equity stake in Egypt's MERIS. On independent domestic agencies, see Indonesia's PT Pemeringkat Efek Indonesia (PEFINDO), Malaysia's RAM Rating Services Berhad (RAM), and Thailand's TRIS Rating Co.

⁴⁵Moody's Corporation, 2023 Annual Report on Form 10-K, reporting consolidated revenues of approximately USD 5.6 billion and net income of approximately USD 1.5 billion for the year ended 31 December 2023.

⁴⁶S&P Global Ratings, National and Regional Scale Credit Ratings, <https://www.spglobal.com/ratings/en/products/nat-l-regional-scale-credit-ratings>; Moody's Investors Service, National Scale Rating Methodology (Jan. 2024); Fitch Ratings, National Scale Criteria (June 8, 2020). The agencies' own definitional documents state that national scale ratings rank obligors only within specific countries or regions and are not directly comparable across jurisdictions; global scale ratings (AAA to D) aim to compare credit risk universally across countries and sectors.

⁴⁷On the order of magnitude of capital required to establish a credible rating agency, see Why Multilateral Credit Rating Agencies Have Better Odds Than Domestic Ones [working paper], section on the economics of implementation. Scope Ratings scaled through staged funding, including the 2019 investment by RAG-Stiftung, <https://scopegroup.com/media-centre/RAG-Stiftung-invests-in-Scope-Group>; ARC Ratings has operated internationally for years under ESMA and FCA oversight without any public record of nine-figure capitalization, <https://arcratings.com/about/company-profile/>. ESMA's regulatory regime imposes a fixed registration fee of approximately EUR 40,000 and an annual supervisory levy that scales with turnover.



that scales with turnover, so supervisory cost is not the binding constraint. Staff, datasets, secure systems, committee depth, legal documentation, and time-to-recognition are. Agencies that do reach meaningful scale become attractive acquisition targets, which is exactly what the consolidation pattern shows. Domestic agencies are useful. They are not enough.

This is why simply multiplying domestic agencies will not solve the problem. A new local agency may understand domestic banks, utilities, SMEs, and municipalities better than an off-shore committee. It may also help local investors distinguish credit risk more granularly. Those are real gains, but they do not change the fact that a dollar bond, an international project finance facility, a cross-border securitisation, or a benchmarked sovereign exposure is normally judged through a global-scale rating recognised outside the home market.

The acquisition pattern also creates a strategic trap. A domestic agency that remains small does not influence global capital allocation. A domestic agency that grows becomes commercially attractive to a dominant firm. If it is acquired, the domestic market may receive better systems and broader coverage, but the global market loses a possible alternative methodology. The result is a paradox in which success at the domestic level can reduce diversity at the international level. The institutional answer therefore must be built at the scale of the problem. The global scale cannot be reached through a sequence of

isolated national agencies hoping to be recognised one by one. It requires an institution whose jurisdictional standing, shareholder structure, data access, committee depth, and regulatory engagement are multilateral from inception.

7. The multilateral alternative

A multilateral rating agency has structural advantages that a domestic agency cannot acquire alone. It can pool resources across countries⁴⁸, establish standing in several jurisdictions from the start, attract senior analysts who want cross-country work, resist acquisition by a dominant firm, and use the political weight of participating states to coordinate regulatory recognition. The point is not to replace the Big Three. They will remain important in established markets. The point is to create a legitimate global-scale alternative where current methodology does not serve developing economies well.

Two examples show that the multilateral route is not fantasy. The African Credit Rating Agency, sponsored by the African Union and supported by the African Peer Review Mechanism, was scheduled for operationalisation in 2026, with Mauritius selected as host jurisdiction⁴⁹. Its intended role is to complement existing ratings, expand coverage to governments, corporations, and local authorities currently unrated, and use region-specific data and indicators that recognise growth potential and natural and human-capital endowments rather than penalising low GDP per capita irrespective of growth momentum. Spain's

⁴⁸Why Multilateral Credit Rating Agencies Have Better Odds Than Domestic Ones [working paper], section on the structural advantages of multilateral platforms. The five structural characteristics highlighted in the source are resource pooling across nations, resistance to commercial acquisition, legitimate standing in multiple jurisdictions, ability to attract international talent, and political weight to secure regulatory recognition.

⁴⁹UN Department of Economic and Social Affairs, Background Paper on the Special Meeting of ECOSOC on Credit Ratings (23 March 2026) (AFCRA headquartered in Mauritius and expected to launch in 2026); Ecofin Agency, African Credit Rating Agency to Launch by September 2025 (June 10, 2025), <https://www.ecofinagency.com/finance/1006-47186-african-credit-rating-agency-to-launch-by-september-2025>. AFCRA is sponsored by the African Union and supported by the African Peer Review Mechanism with the backing of fifty-five African nations.

European Competitiveness Laboratory initiative⁵⁰, endorsed by seven European Union Member States including Germany and France, offers a developed-market parallel, with a pan-European approach to SME credit ratings through harmonised standards and shared data. The presence of a multilateral SME-rating initiative inside the European Union confirms that the multilateral approach is not exclusively a Global South response to a Global North system. It is a structural answer to specific market failures that the present architecture has not addressed.

The UN-Led Global Public Rating Platform offers a more comprehensive expression of the multilateral approach. Its intended coverage extends to sovereigns, sub-sovereigns⁵¹, financial institutions, corporates, SMEs, project finance, infrastructure, structured finance, green finance, and Islamic finance, with a methodology designed to provide a more objective treatment of debt burden, the sources of debt collateral, and labour and natural-resource endowments, and to avoid unjustified sovereign ceilings that limit the maximum achievable rating in each jurisdiction. The platform should be treated as a proof of feasibility rather than as a closed blueprint. It shows that the methodological, governance, data, and recognition problems can be specified in operational terms rather than left as slogans. The methodological position aligns with the criticism voiced by the United Nations Secretary-General in June 2023, who observed that credit rating agencies had become deeply biased and had contributed to many recent financial crises rather than helping to avoid them⁵².

Governance is the credibility test. A multilateral platform must separate rating from advisory activity, protect analytical commitments from shareholders, certify analysts and committee members, disclose methodologies, publish performance statistics, and operate under a conflict-of-interest code that applies equally to states, supranational banks, private investors, and individuals. The platform's design uses a Multilateral Analytical Foundation that holds 100 per cent of the shares⁵³ of the rating entity at inception, with phased inclusion of supranational banks at later stages

and carefully controlled private capital from developing countries permitted on a phased basis. The design choice rests on the observation that strict private dividend policies, in the absence of significant government involvement, have not produced any of the world's dominant agencies on their own, and is consistent with the experience of the largest dominant firms themselves, in which the formative role of public authority and regulation is well documented and in which mature conflict-of-interest policies operate independently of the original ownership structure. State participation is not automatically a conflict. It becomes a conflict only if the state can influence analytical outcomes. The same principle applies to private ownership, which has never prevented conflicts merely by being private.

Commercial viability is not the obstacle usually imagined. Indicative market sizing places the 2022 revenue base in the markets of interest at approximately USD 750 million⁵⁴, including income from cross-border issues and excluding the Gulf Cooperation Council and Africa for reasons of data availability at the time of writing. The platform is therefore not dependent on subsidy for its operating viability, and the capital required to launch a credible institution is measured in tens of millions rather than hundreds. Data infrastructure has a working model. The European Data Warehouse has shown⁵⁵ under the Eurosystem's asset-backed-securities loan-level initiative that loan-level information can be pooled, standardised, protected by access controls, and made useful through analytics portals. A multilateral rating platform can use a federated architecture in which jurisdictions connect data pools to a common schema without surrendering sensitive raw information, and it can supplement that arrangement with state-backed data-sharing agreements that a single domestic agency could not negotiate. This is not exotic technology. It is disciplined institutional plumbing.

The multilateral case fits the ECOSOC moment⁵⁶ because it answers both the political and the technical questions. It responds to the Sevilla mandate, the sovereign-ceiling

⁵⁰Government of Spain, Ministry of Economy, Trade and Enterprise, European Competitiveness Laboratory initiative (2024–2025). The pilot has been endorsed by seven EU Member States, including Germany and France, and explicitly targets SME credit ratings through a shared methodology and data platform.

⁵¹UN-Led Global Public Rating Platform, working materials (Feb. 2025). The platform's intended coverage palette includes financial organizations (banks and banking groups, leasing companies, insurance companies, microfinance organizations, investment funds), non-financial organizations (large corporations, commodity companies, SMEs), public entities (regional and municipal entities), structured finance (securitization of mortgage, SME, auto, and other loans, and hybrid transactions), project finance and infrastructure, green finance (certification and green ratings), Islamic finance (Sharia-compliant financing and Sukuk securities), and sovereign issuers, with geographic emphasis on the Gulf countries, BRICS+, Europe, and other partner regions.

⁵²UN-Led Global Public Rating Platform, working materials (Feb. 2025), section on methodology key differences. The platform argues for more objective treatment of debt burden, sources of debt collateral, and labour and natural-resource endowments, and for the avoidance of unjustified sovereign ceilings that limit the maximum achievable rating for facilities in each jurisdiction. See also remarks of UN Secretary-General António Guterres (June 2023), <https://news.un.org/en/story/2023/06/1138007>.

⁵³UN-Led Global Public Rating Platform, working materials (Feb. 2025), sections on organizational structure, conflict of interest, and ethical standards. The platform is established with state participation through a Multilateral Analytical Foundation that holds 100 per cent of shares, with phased inclusion of supranational banks. Internal policies limiting shareholder influence on the analytical process are framed as not depending on the nature of the shareholder, since the same internationally recognised conflict-of-interest principles apply whether the shareholder is a state, a legal entity, or an individual.

⁵⁴UN-Led Global Public Rating Platform, working materials (Feb. 2025), indicative market size slide. The figure of approximately USD 750 million represents the 2022 revenue base in the markets of interest, including income from cross-border issues, and excludes the Gulf Cooperation Council and Africa due to limited information at the time of writing.

⁵⁵European Data Warehouse (EDW), <https://eurodw.eu/>; European Central Bank, Eurosystem ABS loan-level initiative launching speech (Feb. 13, 2013), <https://www.ecb.europa.eu/press/key/date/2013/html/sp130213.en.html>. EDW demonstrates that loan-level information can be pooled, standardised, and analysed under strict access controls. EDVANCE and EDWARD AI portals allow users to run queries and diagnostics without downloading raw tapes, <https://www.businesswire.com/news/home/20241007732290/en>. A multilateral platform can adopt similar federated arrangements: jurisdictions plug in their own data pools against a common schema and governance standard.

⁵⁶See Remarks by H.E. Ms. Amina J. Mohammed, Deputy Secretary-General of the United Nations, opening of the 2026 ECOSOC Special Meeting on Credit Ratings, ECOSOC Chamber, 30 March 2026 (transcript); Keynote address by Mr. Avinash Persaud, Special Advisor on Climate Change to the President of the Inter-American Development Bank, 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026 (transcript); Statement by the Delegation of Brazil, 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026, transcript at pp. 32–33; Statement by the Third World Network, 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026, transcript at p. 55; Statement by Constituency Children and Youth (FiD), 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026; Closing intervention by the Delegation of China, 2026 ECOSOC Special Meeting on Credit Ratings, 30 March 2026, transcript at p. 76; ECOSOC Background Memo (4 May 2026), internal analytical memorandum on the 30 March 2026 ECOSOC Special Meeting.

issue, the concern over qualitative opacity, the need for longer-horizon assessments, and the demand for reduced mechanical reliance on a three-firm architecture. It also gives regulators and investors something concrete to test. That is the difference between critique and reform.

Analytical independence is the centre of this design. A multi-lateral agency that becomes a political scoring office would fail immediately. It would not be trusted by investors, regulators, or serious borrowers. The governance structure must therefore make committee independence visible, enforceable, and audit-able. Analysts must be protected from shareholder pressure, methodologies must be published, performance must be back-tested, and rating outcomes must be explainable by reference to criteria rather than diplomatic convenience.

The platform must also have discriminatory power. It cannot become an automatic uplift machine for developing economies. Some sovereigns and issuers are weak, some projects are badly structured, and some governments do interfere with private payment streams. A credible multilateral agency must be willing to assign low ratings where the evidence demands them. Its value comes from correcting mispricing, not from reversing the sign of bias. A generous methodology would be useless. A more accurate methodology would be dangerous to the incumbent architecture because it would be harder to dismiss.

A global public platform can also strengthen existing private ratings through comparison. Investors do not need every rating user to switch immediately. They need a credible benchmark that shows where the conventional rating is well supported and where it is out of line with a different but transparent methodology. Over time, the benchmark can discipline spreads, agency explanations, regulatory mappings, and MDB structuring decisions. Competition in ratings does not require theatrical displacement. It requires a second serious answer to the same credit question.

The data problem is sometimes overstated. Developing economies do face data gaps, but those gaps are not solved by keeping the current rating monopoly intact. A multilateral platform can create incentives for better disclosure because countries and issuers would see a direct link between better data and better credit differentiation. The rating process would then reward transparency rather than merely penalising the absence of information. That feedback loop is one of the practical advantages of a public-interest platform.

The UN connection should be framed carefully. The platform does not need the United Nations to micromanage ratings. That would be fatal. It needs the UN system to provide the

convening frame, the development finance mandate, the link to Member States, and the legitimacy needed to coordinate capacity-building and recognition discussions. The analytical entity must then operate with professional independence, published criteria, rating committees, surveillance, appeals procedures, and performance reporting. The more boring the governance mechanics look to a regulator, the better.

The platform also creates a way to use domestic agencies without pretending that they can become global agencies alone. Domestic agencies can contribute local data, surveillance capacity, sector knowledge, and national-scale mapping. The multilateral platform can provide the global-scale methodology, committee architecture, quality control, and cross-country comparability. That division of labour preserves local knowledge while solving the recognition and scale problem.

The first products of such a platform should be chosen for credibility rather than drama. Sovereign assessments can anchor the scale, but early pilots in MDB-supported infrastructure, SME securitisation, blended-finance vehicles, and selected financial institutions may provide cleaner evidence because the structures, mitigants, and performance data can be observed more directly. The platform does not need to begin by challenging every sovereign rating at once. It needs to show, in a few well-documented asset classes, that a different methodology can explain risk more accurately. If the first outputs are transparent, technically documented, and validated against portfolio performance, the debate shifts from whether developing countries deserve better ratings to whether the incumbent methodology has explained the observed risk as well as the challenger. That is the debate the reform side should want.

Photo: Wheat farming, Bamyan province, Afghanistan. © FAO/Hashim Azizi



8. Sequencing the reform agenda

The reform should not be placed on one actor. The work distributes naturally across five constituencies, each contributing what only it can contribute. This section walks through the sequencing in the order that the reforms have to occur if the contour now opening is to translate into an institution by the time the second ECOSOC special meeting on credit ratings convenes.

8.1 Member States

Member States carry the foundational obligation, since the recurring high-level dialogue established under paragraph 55(a) of the Sevilla Commitment is theirs to implement⁵⁷, and the credibility of any multilateral rating institution depends in the first instance on the participating governments that sponsor it. They must develop national positions on the four topics named in the Sevilla outcome document, namely the call for more transparent and forward-looking methodologies, the request for fairer treatment of debt restructurings, the explicit call for revisions to the sovereign ceiling rule, and the call for reduced reliance on ratings, and on the methodological choices examined in Section 5 of this article, which underlie all four. The development of those positions depends, in turn, on investment in national statistical capacity, which the Background Paper to the 30 March meeting and the Sevilla Commitment language on capacity-building both flag as the binding constraint at the country level. Improved data availability allows national authorities to engage rating agencies on equal footing with respect to the underlying numbers and allows investors to rely on a broader range of information sources beyond the ratings themselves. The case study on the Republic of Guinea's first sovereign credit rating⁵⁸, completed in September 2025, illustrates what becomes possible when the data and the institutional engagement are in place. Member States should also establish national focal points for engagement with rating agencies and investors. The Inter-American Development Bank and the African Development Bank⁵⁹ have developed this approach in their regional capacity-building programmes, and a focal-point arrangement, properly resourced, allows the country to maintain professional and ongoing communication with the agencies, to facilitate peer learning across countries and regions, and to feed information from the country into the dialogue established under the Sevilla Commitment.

8.2 Regulators and standard setters

Regulators sit at a structural choke point in the architecture described in Section 3, since the embedding of rating-based

decisions in bank capital frameworks, in central bank collateral arrangements, and in insurance and securitisation regimes is the channel through which ratings move from being commercial opinions to becoming components of public regulation. Three areas of regulatory work follow. The first is the standardised approach to bank capital under the Basel framework, where the role of External Credit Assessment Institutions⁶⁰ and the corresponding mappings determine which agencies' ratings are usable for capital purposes. A regulator that broadens its ECAI mappings to include credible multilateral platforms, that explores the channel-based approach to the sovereign ceiling proposed in the Sovereign Risk Ceilings paper, and that updates its central bank collateral framework to reflect both, can change the outcome that institutional investors face when allocating to developing-economy issuers without altering the underlying capital regime. The second area is the framework around methodological diversity itself. The Financial Stability Board's Principles for Reducing Reliance on CRA Ratings have been in force since 2010 and have been the subject of successive peer reviews, but their implementation has been uneven across jurisdictions. A renewed commitment to the principles, in the context of the Sevilla mandate, would create a regulatory environment in which methodological diversity is treated as a feature rather than a coordination problem. The third area is the development of supervisory expectations for sustainability- and climate-related risks in credit assessments, which the IMF and World Bank Debt Sustainability Framework have begun to incorporate through the long-term climate-change module currently under development. The case for incorporating economic benefits of climate investment alongside risks, rather than penalising vulnerability without recognising adaptation, follows directly from the time-horizon analysis examined in Section 5.

8.3 Long-term investors

Long-term investors, namely pension funds, insurance companies, and sovereign wealth funds, are the natural beneficiaries of the methodology reforms described in Section 5, because their liabilities have time horizons that match the longer-dated risk and resilience considerations that current rating practices do not capture. The arithmetic gap is stark. Pension funds and insurance companies hold approximately USD 4 trillion in cash and short-duration instruments⁶¹ earning low yields in OECD economies, while landlocked developing countries face a documented annual infrastructure gap of USD 40 to 50 billion. Redirecting

⁵⁷ Compromiso de Sevilla, Outcome of the Fourth International Conference on Financing for Development, A/RES/79/323 (2025), ¶ 55(a); UN Department of Economic and Social Affairs, Background Paper on the Special Meeting of ECOSOC on Credit Ratings (23 March 2026), sections on capacities and data for sovereign engagement with market actors.

⁵⁸ UN Department of Economic and Social Affairs, Background Paper on the Special Meeting of ECOSOC on Credit Ratings (23 March 2026), Box 2 (case study on capacity building for the Republic of Guinea's first sovereign credit rating, obtained from S&P in September 2025 with a B+ long-term rating and stable outlook).

⁵⁹ UN Department of Economic and Social Affairs, Background Paper on the Special Meeting of ECOSOC on Credit Ratings (23 March 2026), recommendations on national focal points and investor-relations teams. The recommendation that finance ministries professionalize their engagement with rating agencies and investors through dedicated investor-relations functions has been developed by the Inter-American Development Bank and the African Development Bank in their respective regional capacity-building programmes.

⁶⁰ Bank for International Settlements, Basel III: The Liquidity Coverage Ratio and Liquidity Risk Monitoring Tools (2013); Basel Committee, Standardised Approach for Credit Risk, CRE 20, https://www.bis.org/basel_framework/chapter/CRE/20.htm. On the European Banking Authority ECAI mapping process, see European Banking Authority, ECAI Mapping (final report, Nov. 2023). Financial Stability Board, Principles for Reducing Reliance on CRA Ratings (2010, with subsequent peer reviews).

⁶¹ Bank for International Settlements, Quarterly Review (June 2025), section on insurance and pension fund allocations. Pension funds and insurance companies in OECD economies hold approximately USD 4 trillion in cash and short-duration instruments earning low yields. See also LLDC Awaza Speech (2025), slides 7 and 8, on the OECD pension-fund counter-argument.

only 2 per cent of that idle liquidity would fill the entire infrastructure deficit. The redirection does not happen because the institutional investor's risk-weight and mandate constraints, both of which are anchored in current rating methodologies, treat developing-country exposures as inherently more risky than the underlying fundamentals warrant. Three actions on the long-term-investor side would change this. The first is the active use of longer-horizon credit assessments where they become available, alongside the conventional ratings on which institutional mandates are written. The second is engagement with index providers and benchmark administrators, since the inclusion rules that decide which assets can populate an institutional portfolio are themselves anchored in the conventional rating scale. Index providers such as Bloomberg, FTSE Russell, and J.P. Morgan apply rating-based eligibility tests across their flagship bond benchmarks, and a long-term investor that engages with these providers on the use of multilateral and longer-horizon assessments can begin to reshape the eligibility universe from the demand side. The third action concerns the disclosure that long-term investors themselves provide, since fiduciary obligations now require disclosure of climate-related and other long-horizon risks that the conventional credit rating does not capture. The Awaza analysis offers the most concrete version of the case. European pension funds already earn approximately USD 3 billion per year in excess coupons⁶² from existing landlocked-developing-country bonds, while the capital charges that flow from current ratings deter them from allocating more. Evidence-based rating uplifts and a channel-based approach to the sovereign ceiling would lower risk weights from 150 per cent to significantly lower levels, freeing balance-sheet capacity at no fiscal cost.

8.4 Multilateral development banks

Multilateral development banks occupy a position from which they can pilot the use of alternative credit assessments without waiting for regulatory recognition to be completed in every jurisdiction. Three lines of work apply. The first is the use of alternative assessments inside the development bank's own credit decisions, particularly in non-sovereign lending where the sovereign ceiling rule examined in Section 5.2 is most binding. The transmission-channel analysis developed in the Sovereign Risk Ceilings paper applies directly to the loans, guarantees, and equity participations that multilateral development banks make in domestic infrastructure, in financial-institution lending, and in project finance, and the institutions that originate these

exposures are best placed to test the channel-based methodology against their own portfolio-level default and recovery experience. The Global Emerging Markets Risk Database has provided the empirical foundation for this work for several years, and the publication of further GEMs data with greater granularity would accelerate the testing. The second line of work is the use of alternative assessments in blended-finance vehicles. The CFC-ACT Fund discussed in Section 4⁶³ offers a concrete example, since blended-finance vehicles are designed precisely to bridge the gap between development-impact mandates and risk-adjusted-return constraints, and a more accurate assessment of underlying credit quality is the channel through which that bridging becomes commercially viable at scale. The third line is the structuring of MDB-supported issuance to take explicit account of the channel-based approach to the sovereign ceiling, including the use of preferred creditor status, partial credit guarantees, political risk insurance, and other forms of credit substitution to address the specific transmission channels through which sovereign stress would otherwise become payment-relevant. Each mitigant must be matched to the channel it actually addresses, and when the appropriate mitigants are present, the transmission-channel mapping yields ratings several notches above what the binary ceiling test would produce.

8.5 The United Nations system

The United Nations system itself is the actor that ties the four preceding constituencies together. Its first contribution is the hosting of the dialogue mandated under paragraph 55(a). The 30 March 2026 special meeting was the inaugural edition of this dialogue, and the recurring nature of the mandate means that the second edition, by 2027 or 2028⁶⁴ depending on the cycle, will provide the next opportunity to assess progress against the Sevilla commitments and to develop further the multilateral rating institution proposal that Brazil placed on the record at the inaugural meeting. The second contribution is capacity-building support for developing countries, both directly through the Economic Commission for Africa, the United Nations Development Programme, and other system entities, and indirectly through coordination with the IMF, the multilateral development banks, and regional organisations such as the African Union. The Background Paper to the 30 March meeting noted that no comprehensive catalogue of capacity-building activities currently exists, and the establishment of such a catalogue, with associated coordination mechanisms, would itself add value across the constituencies described above by

⁶²LLDC Awaza Speech (2025), slides 7 and 8. European pension funds are reported to earn approximately USD 3 billion per year in excess coupons from existing LLDC bonds, while capital charges deter further allocations. Evidence-based rating uplifts and a channel-based approach to the sovereign ceiling would lower risk weights and free balance-sheet capacity at no fiscal cost. The same source reports that LLDCs face an annual infrastructure gap of USD 40 to 50 billion, while OECD pension funds hold USD 4 trillion in cash earning little; redirecting just 2 per cent of that idle liquidity would fill the entire gap.

⁶³Common Fund for Commodities and ACT Fund, Concept Note for the FfD4 Side Event, 'Agricultural Commodity Transformation (ACT) Fund: Public-Private Investment for Sustainable Transformation and Development of Agricultural Commodity Sector,' Sevilla, 2 July 2025. The Agricultural Commodity Transformation Fund is offered as a concrete example of a blended-finance vehicle in which alternative credit assessments could pilot the use of multilateral rating perspectives.

⁶⁴Compromiso de Sevilla, Outcome of the Fourth International Conference on Financing for Development, A/RES/79/323 (2025), ¶¶ 50-55; UN Department of Economic and Social Affairs, Concept Note: Special Meeting of ECOSOC on Credit Ratings (30 March 2026), Themes 1 to 3.



Photo: Lao PDR. © FAO/Manan Vatsyana

making sovereign-engagement support, investor-relations training, data-improvement work, and regional programmes visible as one reform ecosystem rather than as disconnected projects. The third contribution is the institutional anchoring of a multilateral rating platform. The UN-Led Global Public Rating Platform discussed in Section 7 has been designed to operate under the auspices of a Multilateral Analytical Foundation in which state participation provides the governance backbone and supranational banks are included on a phased basis. The institutional anchoring that the United Nations system can provide rests on three features, namely a governance frame that is not a single national jurisdiction, a procedural tradition for hosting dialogue between Member States, regulated entities, and civil society, and a normative basis for the methodology choices that protect developing economies from the structural disadvantages described in this article. None of these features is available to a private commercial CRA, and none is available to a single domestic rating agency, however well capitalised. The combination is what the United Nations system, in its institutional capacity, can uniquely contribute.

8.6 Sequencing

The sequencing across these five constituencies is not strict, but the dependencies are real. Member States acting under the Sevilla mandate set the political framing within which the other actors operate. Regulators, working in parallel, can broaden the recognition framework and revisit the rating-based eligibility rules that anchor the architecture in place. Long-term investors, once the regulatory landscape begins to shift, find an expanded universe of allocation possibilities, and their engagement with index providers reshapes the demand side of the market. Multilateral development banks pilot the methodologies that the future multilateral platform will eventually carry. The United Nations system anchors the dialogue, supports the

capacity-building, and provides the institutional frame within which the platform itself takes shape. The reform should also avoid rhetorical overreach. No serious user will abandon the Big Three because a conference declared them biased. Users will change behaviour only when an alternative produces comparable or better discriminatory power, clearer methodology, useful surveillance, and credible governance. The practical agenda is therefore method first, platform second, recognition third, and market use fourth. The politics opened the window. Methodology must carry the institution through it.

9. Conclusion and human impact

The central question raised by the post-Sevilla debate is larger than the technical design of sovereign credit ratings alone. It concerns whether the international financial system can continue to rely on methodologies that may systematically overstate risk in countries already facing structural disadvantages linked to geography, commodity dependence, climate exposure, and limited fiscal capacity.

Where sovereign mispricing contributes to higher borrowing costs, reduced investment, weakened productive transformation, and constrained SME financing, the developmental consequences extend well beyond debt markets. They affect the ability of countries to finance infrastructure, strengthen local industries, support agricultural transformation, and improve livelihoods for millions of smallholders and workers embedded within global commodity systems.

In this sense, sovereign credit ratings are no longer merely private analytical opinions operating at the margins of development policy. They have become part of the architecture through which development opportunities, investment flows, and economic resilience are distributed globally.

The article opened with USD 86.7 billion in avoidable costs for landlocked developing countries in 2022, an amount equal to 8.5 per cent of their combined GDP, larger than the annual output of all but two of their members, and roughly three times the official development assistance they received in the same year. The twelve-country damage model in Section 4 then showed approximately USD 508.3 billion in annual damage across a broader African sample, of which asset depreciation alone accounted for about USD 264 billion. Neither figure is a global total, and neither needs to be. Both show the same thing. Current rating practices create a drain on fiscal capacity, asset values, and private investment that is too large to be dismissed as a technical inconvenience.

The cause is not a few careless analysts. It is a methodology embedded in a concentrated architecture. Qualitative overlays, per-capita GDP weighting, currency conventions, short horizons, sovereign ceilings, and the reserve-currency exception combine with regulation, mandates, and index rules to produce real distributional effects. The system is built, and what is built can be rebuilt.

Domestic agencies can help, but they cannot carry the reform alone because national-scale ratings do not travel, recognition is slow, and successful domestic agencies are vulnerable to acquisition. A multilateral rating institution is therefore not a decorative alternative. It is the institutional form that matches the scale of the problem. It can pool resources, support a global scale, protect methodology, coordinate recognition, and give investors a credible benchmark against which private ratings can finally be tested.

The 30 March 2026 ECOSOC meeting opened a rare window. Brazil placed the public multilateral rating agency idea on the

intergovernmental record. Civil society and youth constituencies supported reform from official slots. China signalled openness to developing-country agencies going global. The Sevilla Commitment supplied the mandate. The next move belongs to those who can bring a proposal that is technically serious enough for regulators and investors and politically clear enough for Member States.

Landlocked nations have produced Nobel laureates, Olympic champions, and literary giants. Geography did not confine their aspirations⁶⁵, and it must not confine their economies. The same principle applies across developing economies. The unwanted billions are not fate. They are the price of inaccurate information. Replacing that information with assessments that are methodologically prepared, institutionally anchored, and politically supported is the work this article has been written to advance.

The case is therefore not anti-agency in the simplistic sense. The existing agencies are sophisticated institutions, and their ratings will remain central to global finance. The case is anti-monopoly in methodology, anti-opacity in judgement, anti-mechanical sovereign ceilings, and anti-development-damage caused by treating one architecture as if it were the natural order of credit. That is a much stronger claim than a complaint about unfairness, and it is the claim the evidence supports.

A multilateral rating agency will not remove risk from developing economies. It should not try. It should identify risk more accurately, price mitigants more explicitly, and show where current ratings have confused geography, income level, currency structure, or sovereign linkage with default probability. That is enough. In a system where notches move billions, accuracy is reform.

Mr. Igor Zelezetskii is a credit ratings specialist with more than two decades of experience across sovereign, public-sector and structured credit analysis. He spent 14 years at Moody's, serving as Vice President in the London and Sydney offices. He later served as CEO of ACRA and chaired the credit ratings working group of the BRICS Business Council. He is a Senior Fellow at the Columbia Center on Sustainable Investment. His current work focuses on credit-rating methodologies, multilateral rating agency development, sovereign risk assessment, and the role of ratings in sustainable investment and development finance.

The Common Fund for Commodities (CFC) is grateful to benefit from Mr. Zelezetskii's extensive expertise in sovereign and development finance, particularly his deep understanding of credit-rating methodologies, risk assessment, and sustainable investment frameworks, which are highly relevant to CFC's efforts to mobilize greater capital for smallholders, SMEs, and commodity-dependent developing countries under its CFC 2.0 vision.



Photo: Mr. Igor Zelezetskii

⁶⁵LLDC Awaza Speech (2025), slide 10. The closing passage of the LLDC Awaza speech, on land-locked nations producing Nobel laureates, Olympic champions, and literary giants, with the line that geography did not confine their aspirations and must not confine their economies, is reused as the closing language of the present article. Permission is granted by the original author.



III.2 Building inclusive and responsible value chains for critical raw materials

The global transition to a low-carbon and digital economy is driving rapid growth in demand for critical raw materials. Minerals such as cobalt, graphite, lithium, tin, and tantalum are essential to renewable energy systems, battery storage, electric mobility, electronics, advanced computing systems, and artificial intelligence infrastructure.

As demand accelerates, attention is increasingly focused on the resilience, sustainability, and governance of these value chains. Emerging regulatory frameworks, including the OECD Due Diligence Guidance and evolving EU sustainability regulations, are increasing expectations for traceability and responsible sourcing throughout mineral value chains.

In many producing countries, particularly in Africa, these minerals are extracted not only by large-scale industrial operators,

but also through artisanal and small-scale mining (ASM). ASM contributes significantly to mineral supply and supports millions of livelihoods, yet much of the sector remains informal, underfinanced, and weakly integrated into responsible sourcing models.

This disconnect is becoming increasingly consequential. Downstream buyers face growing due diligence and traceability requirements, while many ASM actors still lack access to the financing, technical assistance, and market structures needed to comply. Bridging this gap will be critical to building value chains that are not only secure but also inclusive and development-oriented.

The global energy transition cannot be considered truly sustainable if the communities supplying these minerals remain trapped in poverty and informality.

Artisanal and Small-Scale Mining (ASM)

Artisanal and small-scale mining refers to extraction activities carried out by individuals, cooperatives, and small enterprises. It is a major source of employment in many developing countries and contributes significantly to the supply of several critical raw materials. However, ASM often operates outside formal regulatory and financial systems, limiting its ability to meet environmental, social, and market standards.



Photo: Artisanal mining in Sierra Leone. Adobe Stock

A defining moment for critical raw materials

Critical raw materials are becoming increasingly central to industrial policy, energy security, and economic transformation. This is reflected in policy and regulatory platforms such as the European Union's Critical Raw Materials Act and the African Union's Green Minerals Strategy, which emphasize supply chain resilience, responsible sourcing, and greater value addition in producing countries.

At the same time, geopolitical fragmentation, supply concentration, and growing competition over access to strategic minerals are increasing pressure on countries and companies to diversify and strengthen supply chains.

Despite their growing strategic importance, many producing countries continue to capture only a limited share of the value generated across these supply chains. Higher-value activities such as processing, refining, and manufacturing remain concentrated elsewhere, while extraction often remains weakly connected to broader industrial development.

Reframing ASM: from informality to opportunity

ASM is frequently associated with informality, environmental degradation, unsafe working conditions, and governance challenges. These concerns are real and require sustained attention. However, ASM also supports local economies, generates employment, and contributes materially to the supply of several critical raw materials, particularly in Sub-Saharan Africa, often in areas where economic alternatives remain limited.

ASM production frequently enters international markets through indirect and weakly traceable trading channels. The critical question is therefore not whether ASM should be part of the future of mining, but how to improve the conditions under which ASM

takes place, supporting more responsible value chains and benefiting small-scale miners and local communities.

Formalization plays an important role in this process. Bringing ASM actors into regulated systems can strengthen traceability and accountability while improving environmental and social practices. It can also reduce opacity in mineral flows, facilitate access to finance and markets, and support more resilient value chains as demand continues to grow.

Regulatory reforms alone, however, are unlikely to be sufficient. Progress also depends on strengthening incentives across the value chain – from miners and cooperatives to aggregators, exporters, processors, and downstream buyers – so that responsible practices become commercially viable and operationally achievable.

Closing the financing gap

Access to finance remains one of the main constraints facing ASM-linked cooperatives and SMEs. The financing gap is structural, shaped by informality, perceived risk, and the difficulty many operators face in meeting conventional lending requirements. As a result, many small-scale actors remain excluded from formal financial channels despite growing demand for responsibly sourced minerals.

This financing gap is increasingly relevant to the resilience and credibility of mineral value chains. Many upstream operators lack the capital needed to improve productivity, strengthen traceability systems, formalize operations, or comply with international standards. In the absence of accessible financing, informal traders often continue to dominate working capital provision through opaque and unequal arrangements tied to future mineral production.

Expanding more transparent financing structures linked to responsible sourcing and improved ESG practices could help strengthen accountability and local development outcomes.

Sustainability, human rights, and resilience

The sustainability of critical raw materials is closely linked to conditions at the point of extraction. Environmental management, occupational health and safety, labour conditions, and community engagement are not peripheral concerns, as they define the long-term viability of the sector.

International buyers are increasingly required to demonstrate due diligence across their supply chains, creating strong incentives for upstream improvements. At the same time, local communities bear the direct impacts of mining activities, making social performance central to maintaining stability and trust.

Above all, addressing child labour must remain a central priority in ASM value chains. In many mining communities, child labour is closely linked to poverty, income insecurity, and the absence of viable economic alternatives. Its eradication therefore requires more than enforcement measures alone. Sustainable progress depends on strengthening livelihoods, improving monitoring and traceability systems, expanding access to finance and formal markets, and building responsible value chains capable of generating safer and more stable income opportunities for local communities.

Women in mining: unlocking potential

Women are active across multiple segments of ASM economies, including mineral processing, trading, transport, and a range of support activities. However, participation is frequently

constrained by unequal access to finance, land and licensing systems, technical training, safer working conditions, and decision-making structures. In many contexts, women also remain concentrated in lower-value and more precarious segments of the sector.

Gender-responsive and gender-transformative approaches can support women's participation in higher-value activities and strengthen broader enterprise development. At the same time, they can help address structural barriers that limit women's economic agency, leadership, and access to market opportunities across mineral value chains, contributing to more inclusive, resilient, and sustainable ASM ecosystems.

Local value creation and economic transformation

The long-term development potential of critical raw materials depends on the extent to which value is retained and built within producing countries. At present, much of this value is captured elsewhere, through downstream processing, manufacturing, and technology development.

Strengthening local value creation does not necessarily require immediate large-scale industrialization. Incremental improvements in aggregation, sorting, washing, crushing, and first-stage processing can already increase local participation in mineral value chains, particularly when combined with stronger technical skills, quality standards, and market linkages.

Looking ahead: a catalytic role for the CFC

The Common Fund for Commodities operates at the intersection of finance, development, and commodity value chains. In line with its mandate and the CFC Strategic Framework 2025–2035, the Fund is exploring partnerships and financing approaches that support more responsible, inclusive, gender-responsive, and resilient mineral value chains, particularly in Sub-Saharan Africa.

The CFC's experience in SME finance, fund management, and technical assistance facility management provides a strong foundation for engagement in this sector. Since its inception, the Fund has supported commodity-dependent communities through investments in agricultural and other commodity value chains, working extensively with SMEs, cooperatives, aggregators, and smallholder-linked enterprises across developing countries.

These capabilities are directly applicable to ASM mineral value chains, where persistent financing gaps, limited market access, and weak operational capacity continue to constrain local



Photo: Artisanal mining for gold in Ghana. Adobe Stock

enterprise development, women's economic participation, and responsible sourcing efforts. In many producing countries, artisanal and small-scale mining supports not only miners themselves, but also a broader ecosystem of households, traders, transport providers, processors, cooperatives, and local SMEs whose livelihoods depend on commodity production and trade.

Yet these same constraints also represent one of the largest opportunities for development impact within critical raw material value chains. Targeted financing and technical assistance at the SME and aggregation level can help improve livelihoods, strengthen environmental and social practices, expand formal market participation, support women's economic empower-

ment, and increase the share of value retained within developing countries and local communities.

As demand for critical raw materials continues to accelerate, the integration of ASM actors into more formal, traceable, and responsible value chains will become increasingly important not only for supply chain resilience, but also for ensuring that the benefits of the global energy transition are shared more equitably. Through partnerships across the value chain, the CFC aims to support mineral markets capable of generating tangible economic, social, and developmental benefits for miners, local enterprises, women entrepreneurs, and commodity-dependent communities.

Photo: Artisanal mining for gold in Ghana. Adobe Stock





IV

iv.1 Report on progress of projects under implementation

Whether natural resources are a blessing or a curse depends on how a country uses and manages them. The Common Fund for Commodities (CFC) is mandated to support the use of commodities in ways that generate income, prosperity, and sustainability for people and the planet. CFC works to increase incomes and productivity for smallholders through a nexus between smallholders and SMEs (small and medium enterprises) to localize the development through alleviation of poverty. In doing so, we try to provide priority to countries where poverty is widespread as are in LDCs (Least Developed Countries) and Landlocked Developing Countries (LLDCs).

CFC implements projects in partnership with governments, international organisations, and other development partners from both private and public sectors. These partnerships support commodity development measures and actions that promote and accelerate the development, expansion, and modernisation of commodity sectors so that elements of commodity dependence can be addressed.

A country is considered to be commodity export dependent when more than 60 per cent of its total merchandise exports are composed of commodities. Given that commodity dependence can have a negative impact on a country's economic development, it is important to monitor the evolution of such dependence in countries throughout the world.

The CFC supports innovative commodity development financial interventions aimed at improving the structural conditions in markets and at enhancing the long-term competitiveness and prospects of particular commodities inter alia including:

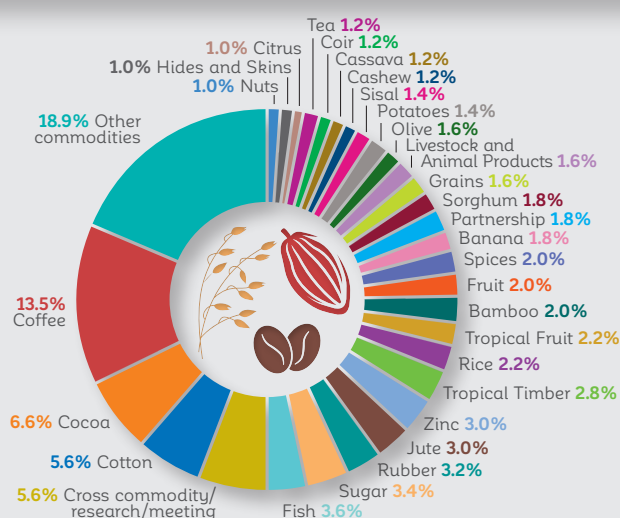
- increasing earnings to sustain real incomes;
- enhancing sustainability in commodity value chain activities;
- promoting value addition and enhance the competitive position of marginalized participants in the value chain;
- contributing to enhancing food security; and
- promoting production, productivity, trade, quality, transfer and use of technology and diversification in the commodity sector.

The CFC exercises due attention to the fact that agriculture is a place-based activity and the strategies that reflects the local innovations clusters need to be acknowledged and factored in. As price takers, smallholders remain vulnerable to the fluctuation of the market and thereby making our job even harder.

Commitments, financing and disbursements

The operational guidelines of the Common Fund were originally adopted under the Agreement Establishing the Common Fund for Commodities and entered into force in 1989. They remained in force until 31 December 2012. Under these operational guidelines, the Fund approved financing for 217 Regular

Distribution of Projects per Commodity as of 31 December 2025*



*Total number of commodities reported – 73 commodities (excluding Cross commodity/research/meeting)

projects, plus a further 150 Fast Track projects, totalling 367 projects, with an overall cost of USD 606.5 million. The Fund financed USD 245.7 million of this total (excluding cancelled projects)¹. CFC financing accounts for about 41% of the overall project cost. The balance of the project costs was co-financed by other institutions and by counterpart contributions, either in cash and/or in kind (USD 360.8 million or about 59%), provided by the Project Executing Agencies, collaborating institutions, governments, or International Commodity Bodies (ICBs). Financing of projects by the Common Fund under the original operational guidelines comprises USD 231.8 million in grants (94%) and USD 13.9 million (6%) in loans¹.

Recognizing the new challenges and opportunities facing the CFC Member Countries, led to adoption of the reform package of the CFC, including updated operational guidelines which became effective on 1 January 2013. Under the new operational guidelines, the Fund currently has 101 Regular projects plus a further 28 Fast Track projects, (a total of 129 projects) at various stages of preparation and implementation, with an overall cost of USD 589 million. The Fund is participating in 9 Investment Funds with Equity and partnership financing, which together have the total assets under management of USD 723 million. Of the total project cost of USD 589 million, CFC contribution totals USD 111.5 million or about 19%¹. The balance account was paid as co-financing and/or counterpart contribution by the proponents under the new operational guidelines. The

Fund financing comprise of USD 107.3 million in loans/equity etc. (96%) and USD 4.2 million in grants (4%)¹.

According to the Fund's statements, the direct project related disbursements in 2025 (unaudited) stood at USD 0.15 million as a grant and USD 22.19 million as loan/equity etc. (for both Capital Account and Operations Account)². Special efforts are in place to streamline the components of the Agreements between the Fund and the Recipient of resources to reduce the delays between the approval of the project and commencement of actual implementation on the ground and more of these efforts will be in place in 2026.

The CFC has funded projects addressing over 73 different commodity products, in partnership with investment funds and equity investors. The commodities funded include abaca, arachis, bamboo and rattan, bananas, cashews, cassava, castor seeds, citrus, cocoa, coconuts, coffee, coir, copper, cotton, fish, fonio, groundnuts, gum arabic, hides and skins, jute, lead, maize, meat and livestock, medicinal herbs and plants, olives, palm oil, paprika, potatoes, rice, natural rubber, shea nuts, sisal, sorghum and millet, soybean, cane sugar, tea, timber, tropical fruits, spices, and zinc. Most of these are produced almost entirely in developing countries and in partnership with investment funds, among which are the Africa Agriculture & Trade Investment Fund (AATIF), African Agriculture SME Fund, Eco Enterprise Fund, Moringa Agroforestry Fund, SME Impact Fund, and agRIF Cooperatief U.A.

CFC-supported Regular Projects by Type

The types of projects have been reclassified following the reform of the CFC in 2014, reflecting a greater emphasis on public-private sector cooperation. The focus is on the commodity value chain, and to monitor its integration into various related activities, the CFC classifies its funded projects into the following categories. The table below presents the classification of 66 regular projects at various stages of implementation or in the preparatory phase.

As of 31 December 2025, a total of 232 regular projects had been financially closed. The financial resources recovered from completed CFC grants/loans projects are returned to the pool of Second Account resources or the First Account Net Earning Initiative once the project account is closed and are available to finance new projects.

Participation of Private Sector: Private companies provide social, technical, commercial, and financial contributions to projects funded by the CFC, driving greater innovation.

¹ As reported to the 37th Meeting of the Governing Council (CFC/GC/37/2)

² For the year ending 31 December 2025

Furthermore, to promote and assess the developmental impact, replicability, and sustainability of project results, both within and across countries, relevant private companies are required to document, report, and communicate their findings. This includes both operational and financial performance, as well as the impacts achieved. In the past, over 150 private firms have shared the results of their CFC projects at dissemination workshops, whilst many other operating companies are actively involved in recording, establishing, and maintaining consistent and systematic reporting of impact in projects or interventions that receive CFC financial support. The private sector's interest in technical cooperation with CFC projects is growing daily. Proposals from the private sector seeking finance for specific commodity development activities are also on the rise.

CFC works with the UN agencies: As an organization born out of the UN Trade and Development (UNCTAD) process, CFC always remain engaged with UNCTAD, the United Nations Industrial Development Organization (UNIDO), Food and Agricultural Organization (FAO), the UN High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (UN-OHRLS) Office of Special Adviser on Africa (OSAA), UN Department of Economic and Social Affairs (UN DESA) etc. Our aim is to identify and implement innovative measures to enable the sustainable contribution of the commodity sector to economic development, including ways to reduce vulnerability to volatility in commodity prices, as well as to enhance activities in developing countries to improve access to markets.

CFC for innovation: With our base in the innovation rich the Netherlands, It is natural that CFC will endeavour to act as a bridge between the developing and the developed world to transfer technology and innovations. It is expected that a good number of portfolios are enriched by Dutch/European entrepreneurs and businesses, which we wish to present as an

example of win-win enterprises in our quest to create agripreneurs in the developing world. Countries in the developing world face significant technological challenges, but they also have increased access to a larger pool of scientific and technical knowledge than was previously available. CFC endeavours to take advantage of this innovation and scientific knowledge as it explores local innovations as well as indigenous knowledge.

Overall, the state of commodity dependence remains as sticky, if not more, as it was years ago. As per latest UNCTAD report on commodity dependency 2023, between 2019 and 2021, only 12% of advanced economies were on the list, compared to a staggering 74% of the world's least developed countries. A total of twenty-nine out of the thirty-two nations classified as having low human development in 2021 were commodity dependent, according to the UN's Human Development Index. This reality not only reinforces the continued relevance of the CFC, but also underscores the urgent need to significantly expand its scale, reach, and impact.

Commodities benefit stakeholders across the value chain in profoundly unequal ways. While producing countries provide the land, labour, raw materials, and environmental resources, the largest share of value is often captured elsewhere through processing, branding, logistics, retail, and consumption. There is therefore not only an economic rationale, but also a moral responsibility for beneficiary countries and corporations to support the producers from whom this prosperity originates. A cup of coffee in a prosperous city may appear simple, yet without the dust of coffee placed into it, it is merely a cup of hot water. In much the same way, global prosperity built upon commodities would not exist without the efforts of millions of smallholders and producers across the developing world. Humanizing commodity value chains therefore requires recognizing this shared interdependence and ensuring that those at the beginning of the chain are not left at the margins of its rewards.

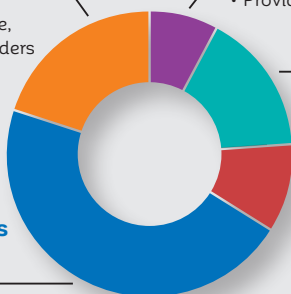
Distribution of regular projects by value chain*

Production 20% | 20 projects

- Various operations in agriculture, aquaculture, floriculture, horticulture, and silviculture mainly for smallholders

Processing 46% | 46 projects

- Schemes that convert produce into semi-finished or finished goods



Finance 8% | 8 projects

- Providing finance to smallholders for purchase of inputs
- Operating microfinance schemes in rural areas

Market Access/Extension 16% | 16 projects

- Buying and selling inputs to farmers
- Aggregating and selling produce from farmers

Partnership 10% | 10 projects

- In partnership with investment funds or investees



Total
101
projects

*Since 2013

IV.2 Operational & completed projects in 2025

EB Meeting	Project Title	Country(ies)/Area Involved	Page
Year 2013			
1	EB55 Partnership with the Africa Agriculture & Trade Invest. Fund – CFC/2012/01/0268 FA	Africa	63
2	EB56 Commercial Meat Processing/Marketing in Lagos – CFC/2013/02/0042 FT	Nigeria	63
3	EB56 Partnership with the Africa Agriculture SME Fund – CFC/2013/02/0084 FA	Africa	64
4	EB56 Partnership with the EcoEnterprise II Fund – CFC/2013/02/0085	Latin America	64
5	EB56 Partnership with the Moringa Agroforestry Fund – CFC/2013/02/0086 FA	Africa, Latin America	64
Year 2014			
6	EB57 Rural Injini Inclusive Maize Trading and Processing – CFC/2013/03/0120	Uganda	65
Year 2015			
7	EB59 Scaling Smallholders based Premium Coffee Production – CFC/2014/05/0079	Congo	65
8	EB59 Scaling Smallholders based Premium Coffee, Congo & Rwanda – CFC/2014/05/0079 FT	Congo, Rwanda	65
9	EB60 Tolaro Global Factory Expansion #2 ('Cashew Benin') – CFC/2015/06/0032	Benin	65
Year 2016			
10	EB61 Irrigated Perfumed Rice, Senegal – CFC/2015/07/0030	Senegal	66
11	EB61 Upscaling the Integrated production Oilseeds/Oil Seeds, Nigeria – CFC/2015/07/0032	Nigeria	66
12	EB61 Commerical Farm, Uganda (Kapanua Project) – CFC/2015/07/0078	Uganda	67
Year 2017			
13	EB63 agRIF Cooperatief U.A., The Netherlands – CFC/2016/09/0089	The Netherlands	67
14	EB63 Acquisition of a processing plant for the aquaculture sector, Peru – CFC/2016/09/0122	Peru	67
15	EB63 Africa Food Security Fund, Ghana – CFC/2016/09/0124	Ghana	68
16	EB64 EcoEnterprises Fund III – CFC/2017/10/0066	Latin America	68
17	EB64 Formulation and fertilizer distribution for smallholder farmers, Côte d'Ivoire – CFC/2017/10/0111	Côte d'Ivoire	68
Year 2018			
18	EB66 Expanding the Vanilla Value Chain, Tanzania – CFC/2018/12/0066	Tanzania	69
Year 2019			
19	EB68 Livestock Farming, Cameroon – CFC/2018/12/0022	Cameroon	69
Year 2020			
20	EB69 Fruits and Spices Madagascar / Working Capital – CFC/2019/15/0010	Madagascar	70
21	EB68 Goldtree, Sierra Leone – CFC/2019/15/0022	Sierra Leone, the Netherlands	70
22	EB70 High quality cocoa from communities, Colombia – CFC/2020/16/0021	Colombia	71
23	EB70 Scaling/up export of natural & handmade home decoration products, Bangladesh – CFC/2020/16/0036	Bangladesh	71
Year 2021			
24	EB71 Scaling processing and export of macadamia oil and nuts (Exotic) from smallholder farmers – CFC/2020/16/0038	Kenya	72
25	EB72 Coffee Planet, United Arab Emirates – CFC/2021/18/0014	United Arab Emirates	72

EB Meeting		Project Title	Country(ies)/Area Involved	Page
Year 2022				
26	EB73	Robust International, Cashew, Singapore – CFC/2021/19/0012	Singapore	73
27	EB73	Gulu Agricultural Cotton, Uganda – CFC/2021/19/0055	Uganda	73
28	EB74	MUTA, Oilseeds, Colombia – CFC/2022/20/0057	Colombia	74
29	EB74	Sunterra, Coffee, Colombia – CFC/2022/20/0115	Colombia	74
30	EB74	Meridia Netherlands, Ghana, Indonesia, Cote d'Ivoire – CFC/2022/20/0123	The Netherlands, Ghana, Indonesia, Cote d'Ivoire	75
31	EB74	Fairtrasa, Fruits, Peru – CFC/2022/20/0132	Peru	75
32	EB74	Organic Africa Holdings, Herbs, Spices, Zimbabwe – CFC/2022/20/0257	Zimbabwe	76
Year 2023				
33	EB75	EcoEnterprises Partners IV, LP – CFC/2022/21/0034	Latin America	58
34	EB75	Coffee Planet, United Arab Emirates – CFC/2022/21/0105	United Arab Emirates	76
35	EB75	Café Selva, Coffee, Peru – CFC/2022/21/0136	Peru	77
36	EB75	Ecotierra, Coffee, Peru – CFC/2022/21/0190 FT	Peru	77
Year 2024				
37	EB77	Darley, Coffee, Uganda – CFC/2023/23/0118	Uganda	58
38	EB77	FUNDESER, Microfinance, Nicaragua – CFC/2023/23/0144	Nicaragua	59
39	EB77	Opportunities and Challenges of the EU Deforestation Regulation in Agri-commodity Value Chains, Global South – CFC/2024/24/0005 FT	Global South	78
40	EB78	Ten Senses Africa, Macademia, Kenya – CFC/2024/24/0098	Kenya	59
41	EB78	Cooperativa Cafetalera Capucas Limitada, Coffee, Honduras – CFC/2024/24/0173	Honduras	60
Year 2025				
42	EB79	Akuna, Cocoa, Cashew, Coffee, Sierra Leone – CFC/2024/25/0032	Sierra Leone	60
43	EB79	One Acre Fund, Kenya, Rwanda, Burundi, Malawi, Nigeria, Tanzania, Ethiopia, Uganda, Zambia – CFC/2024/25/0059	Kenya, Rwanda, Burundi, Malawi, Nigeria, Tanzania, Ethiopia, Uganda, Zambia	61
44	EB79	EFTA, Financial Leasing, Tanzania – CFC/2024/25/0087	Tanzania	61
45	EB80	Enimiro, Vanilla, Uganda – CFC/2025/26/0037	Uganda	62
46	EB80	JKCC General Supplies, Coffee, Uganda – CFC/2025/26/0124	Uganda	62
Completed				
EB Meeting		Project Title	Country(ies)/Area Involved	Page
1	EB55	SME Agribusiness Development in East Africa - CFC/2012/01/0076FA	Tanzania, Kenya, Rwanda, Burundi, Malawi, Zambia	79
2	EB61	Accelerating Lending to Food & Agri sector in East Africa Supply Chain Financing – CFC/2015/07/0028	Kenya, Uganda	79
3	EB62	Start/up of Innovative Agriculture Finance Company for Cocoa, Philippines – CFC/2016/08/0064	Philippines	80
4	EB65	Integrated Lime Production in Bahia, Brazil – CFC/2017/11/0005	Brazil	80
5	EB68	Olivado Working Capital, Kenya – CFC/2019/14/0027	Kenya	81
6	EB71	Carbon/neutral processing of avocados and avocado oil – CFC/2020/17/0008	Kenya, Tanzania	81
Operational Projects as of 2023 under the old rule				
EB Meeting		Project Title	Country(ies)/Area Involved	
1	EB12	Reviving Banana Cultivation, Guinea – CFC/FIGB/04	Guinea	

IV.3 Operationalized in 2025

33 EcoEnterprises Partners IV, LP

Location Latin America **Commodity Partnership** **Type of Financing** Equity **Year** 2022

EcoEnterprises is a women-led fund manager with more than 20 years of experience in impact investing across Latin America. In the first quarter of 2023, it launched its fourth fund, EcoE IV, aimed at investing in SMEs to advance biodiversity conservation, climate solutions, and socio-economic development for smallholder communities.

The Fund targets sectors such as regenerative agriculture, sustainable aquaculture, renewable energy, alternative proteins, and circular economy initiatives, with an investment horizon of six to eight years and the possibility of follow-on funding. Beyond financial investment, EcoE IV provides value-added support, including governance participation, strategic guidance, and technical advisory services, to reduce risk and enhance both financial and impact outcomes.

Impact at a Glance



Total Cost USD 200,000,000
CFC Financing USD 500,000
Co-financing USD 199,500,000



Photo: Adobe Stock

SDGs supported



37 Darley Investments Ltd

Location Uganda **Commodity** Coffee **Type of Financing** Trade finance **Year** 2023

Darley Investments is a Uganda-based green coffee processor and exporter established in 2017, specializing in commercial Robusta (80%) and both commercial and specialty Arabica coffee (20%). Building on a family business legacy dating back to the 1980s in sectors such as petroleum, agriculture, and fishing, Ali Thobani revived the company's coffee operations in 2016 after they had ceased in 1995. Today, Darley exports coffee to trading houses and roasters across the US, Europe, Asia, the Middle East, Australia, and South Africa.

Operating through a business-to-business (B2B) model, the company sources, processes, and exports high-quality coffee beans for premium international markets, particularly in the European Union and North America. This has established Darley Investments as one of Uganda's leading coffee traders and a trusted market partner. The company is now transitioning from sourcing through intermediaries to direct engagement with certified smallholder farmers through its Specialty Arabica Mission Coffee Economy Programme (SMACE), aiming to expand specialty Arabica production, improve coffee quality, increase company margins, and enhance farmer incomes.

Impact at a Glance



Total Cost USD 2,000,000
CFC Financing USD 600,000
Co-financing USD 1,400,000



Photo: Adobe Stock

SDGs supported



38 Microfinanciera Fundeser

 **Location**
Nicaragua

 **Commodity**
Agri Finance

 **Type of Financing**
Term Loan

 **Year**
2023

Founded in 2014 in Nicaragua, Fundeser is a microfinance institution focused on improving the economic well-being of rural populations. The institution has grown significantly, operating more than 25 branches across the Pacific, Central, and Northern regions. It serves micro, small, and medium-sized entrepreneurs, with an average loan size of approximately USD 2,000. Fundeser offers a broad range of products, including agricultural loans for coffee, livestock, vegetables, and fisheries; business loans for working capital and fixed assets and other loans. To expand its reach, the institution combines branch operations with marketing initiatives and partnerships with non-banking correspondents.

Fundeser maintains a structured credit risk management framework led by a credit risk manager and overseen by senior management, a risk committee, and internal audit functions. Loan applications undergo a rigorous assessment process to ensure compliance with established policies and procedures. Once approved, loans are disbursed in local currency through cash payments or bank transfers. Repayment schedules are tailored to borrowers' cash flows and financing needs, supporting the institution's objective of providing accessible and responsible financial services.

Impact at a Glance



40 million

Loan portfolio (in USD)



17,000 clients

Served nationwide
as of June 2025



60% rural
lending

Expanding financial
inclusion in rural areas



Total Cost
CFC Financing
Co-financing

USD 23,372,108
USD 2,000,000
USD 21,372,108



Photo: Adobe Stock

SDGs supported



28% agriculture-
linked lending

Coffee, livestock, fisheries,
and vegetable production



>50% senior
management

Roles held by women

40 Ten Senses Africa

 **Location**
Kenya

 **Commodity**
Macadamia Nuts

 **Type of Financing**
Trade Finance

 **Year**
2024

Ten Senses Africa (TSA), established in 2006, is a Kenya-based processor and exporter of macadamia nuts, sourcing from a network of approximately 10,000 smallholder farmers in the Mt. Kenya region, including 5,000 certified organic producers. The company operates a processing facility in the Athi River Export Processing Zone near Nairobi with an annual capacity of 6,000 metric tonnes. In 2022, TSA was fully acquired by Pamoja Farms, a Switzerland-based agribusiness investor with operations in Tanzania. Building on a previous USD 1.5 million trade finance facility from CFC, TSA successfully transitioned from conventional to organic macadamia sourcing, processing, and exports, strengthening its position in premium international markets.

TSA procures macadamia nuts in shell through 28 purchasing centres across the Mt. Kenya region and uses a mobile application linked to accounting and traceability systems to ensure transparency and prompt payments to farmers. Nuts are consolidated at regional warehouses and transported to the processing facility for drying, cracking, grading, sterilization, and packaging. The resulting kernels are exported to the European Union, the United States, and Asia, including specialized products for Chinese and U.S. markets. The proposed USD 1.5 million trade finance facility will support increased sourcing from smallholder farmers and replace the CFC's previous facility approved in 2019, which expired in November 2024.

Impact at a Glance



5,000 to 12,000
farmers

by 2028: Expanded
sourcing from
smallholder farmers



15% price
premium

Maintained above
conventional market rates



70 MT to 850 MT
sourcing volumes

Substantial growth supported
by agronomic training
and extension services



Total Cost
CFC Financing
Co-financing

USD 4,000,000
USD 1,500,000
USD 2,500,000



Photo: TSA

SDGs supported



40% female
farmer
participation

Strengthened
gender inclusion



USDA Organic
and Fairtrade
certifications

Continued support for
sustainable operations

41 Capucas



Location
Honduras



Commodity
Coffee



Type of Financing
Trade Finance



Year
2024

Cooperativa Cafetalera Capucas Limited (Capucas) is a Honduras-based coffee cooperative serving 952 smallholder farmer members in the Copán region, an area renowned for producing high-quality Arabica coffee. The cooperative specializes in the specialty coffee market, exporting approximately 60% of its coffee to the US, 30% to the EU, and 10% to other international markets. Capucas caters to consumers who value quality, sustainability, and traceability, offering certified coffee under standards such as Fairtrade, Rainforest Alliance, and USDA Organic. The cooperative further strengthens transparency using blockchain technology, enabling buyers to trace coffee back to individual producers. Capucas manages a fully integrated value chain, providing farmers with technical assistance, certification support, and organic fertilizers produced from coffee-processing by-products. Harvested coffee is transported to modern processing facilities in Santa Rosa de Copán, where advanced equipment, solar drying systems, and quality laboratories ensure compliance with international specialty coffee standards. The cooperative also oversees storage, logistics, and exports, supplying more than 55 buyers worldwide. To support increasing export demand, the CFC provided a USD 1 million trade finance facility, enabling Capucas to finance export contracts and source and process larger volumes of coffee while maintaining quality and traceability standards.

Impact at a Glance



952 to 1,250+ farmers

by 2029: Strengthened inclusive growth



Nearly 20% price premium

Higher prices for cooperative farmers



14,000+ MT coffee production

Expanded cultivated land & international certifications



Total Cost
CFC Financing
Co-financing

USD 5,791,846

USD 1,000,000

USD 4,791,846



Photo: Capucas

SDGs supported



35% female farmers

Improved gender inclusion through 'Manos de Mujer'



60% senior management

and 50% board positions: Strong women's leadership

42 Akuna Cocoa Limited



Location
Sierra Leone



Commodity
Cocoa



Type of Financing
Working Capital



Year
2024

Akuna Cocoa, established in 2022 in Sierra Leone, is a joint venture between Cocosource (49%) and Idris Elba (51%). The company was created to build a transparent, vertically integrated cocoa supply chain that connects smallholder farmers directly with consumer-facing brands, reducing dependence on opaque sourcing systems dominated by intermediaries. While focused primarily on cocoa exports, Akuna Cocoa also works with cashews to help diversify farmers' incomes. Supported by Cocosource's expertise and market access, the company collaborates with eight cooperatives and one farmer group, reaching nearly 16,000 smallholder farmers and actively exporting cocoa since 2023. Cocosource, a Switzerland-based commodity trader founded in 2007, is a leading sustainable trader of cocoa, cashew, rubber, sesame seeds, and soybeans, serving clients such as Ferrero, Tony's Chocolonely, Cargill, and Olam Group. In Sierra Leone, cocoa production faces challenges including low quality standards, limited farmer knowledge, weak transparency, and low farm-gate prices offered by intermediaries. Akuna Cocoa addresses these constraints by strengthening cooperatives, building farmer capacity, and creating a transparent value chain from farm to market. To help the company fully utilize its sourcing network and expand export operations, the CFC provided USD 1.5 million in working capital support.

Impact at a Glance



140 MT to 4,000+ MT organic cocoa

by 2031: Expanded inclusive sourcing model



Higher value for smallholders

Through geo-referencing, EUDR readiness & climate-smart agriculture training



<100 to 3,700+ women farmers

Strengthened gender inclusion



Total Cost
CFC Financing
Co-financing

USD 3,500,000

USD 1,500,000

USD 2,000,000



Photo: Adobe Stock

SDGs supported



12 to 60 permanent staff

Employment growth



3,000 hectares of forest restored

Environmental sustainability supported by traceability & international certifications

43 One Acre Fund


Location
Sub-Saharan Africa


Commodity
Maize, Beans and other staple crops


Type of Financing
Working Capital


Year
2024

One Acre Fund (OAF), founded in 2006, is a US-based nonprofit social enterprise dedicated to improving the livelihoods of smallholder farmers across East and Sub-Saharan Africa. Its mission is to address barriers faced by farmers who lack access to quality agricultural inputs, financing, training, and markets. OAF provides a comprehensive 'market bundle' on credit, including improved seeds and fertilizers, agricultural training, financing, and market access services. By focusing primarily on staple crops such as maize, beans, rice, and other grains, the organization helps increase farm productivity, strengthen food security, and raise household incomes. As of 2024, OAF serves more than 1.6 million farmers in 10 countries, including Kenya, Rwanda, Burundi, the Democratic Republic of Congo, Malawi, Nigeria, Tanzania, Uganda, Ethiopia, and Zambia. OAF delivers its services directly to farmers through an extensive last-mile distribution network supported by 9,065 permanent staff. Its operational model combines efficient input distribution, personalized farmer support, and flexible financing solutions. The organization operates a full-service programme in five countries and adapted models elsewhere to address local conditions and constraints. To scale its outreach and expand access to agricultural services, OAF requires substantial working capital. The CFC supported this growth by providing a USD 1.5 million term loan facility, enabling OAF to reach more smallholder farmers and strengthen local food systems.

Total Cost	USD 61,500,000
CFC Financing	USD 1,500,000
Co-financing	USD 60,000,000



Photo: Adobe Stock

SDGs supported



Impact at a Glance


136,000+
smallholder farmers
by 2028: Expanded reach of CFC financing with deeper gender inclusion


USD 230 million to USD 460 million
Increased aggregate net additional income


500,000 to 800,000+ hectares
Expanded cultivated land, strengthening food security


130 million+ trees planted
Enhanced carbon sequestration and climate resilience

44 Equity for Tanzania (EFTA)


Location
Tanzania


Commodity
Agri Finance


Type of Financing
Working Capital


Year
2024

Equity for Tanzania (EFTA), established in 2003, is a Tanzanian financial institution dedicated to promoting economic growth and reducing poverty through asset-based financing. As one of the first leasing companies regulated by the Bank of Tanzania under the 2013 leasing legislation, EFTA provides financing for productive equipment across key sectors including agriculture, agri-processing, transportation, and tourism. The company enables clients to acquire equipment from approved suppliers while maintaining independence in supplier selection and ensuring quality standards. Operating nationwide from its headquarters in Dar es Salaam and Moshi, with branches in eight regions, EFTA employs 65 permanent staff and 20 interns. The institution currently manages a net lease portfolio of approximately USD 20 million and aims to expand this to USD 50 million by 2028. EFTA's business model is centred on asset-based financing through machinery loans, small business loans, and leasing arrangements that lower clients' upfront investment requirements. Under its leasing model, the financed asset serves as the primary security, reducing collateral requirements and mitigating risk for both EFTA and its customers. The company facilitates up to USD 2 million in leases each month, with typical lease values ranging from USD 10,000 to USD 100,000 and repayment periods of two to four years. To support the expansion of its leasing activities, particularly in agriculture and agri-processing, EFTA secured a USD 1 million term loan from CFC, enabling it to grow its portfolio and increase access to finance for smaller-scale enterprises.

Total Cost	USD 7,350,000
CFC Financing	USD 1,000,000
Co-financing	USD 6,350,000



Photo: Adobe Stock

SDGs supported



Impact at a Glance


USD 4 million+ additional leases
Enhanced financial inclusion through expanded leasing


Around 1,000 jobs
Created or sustained through investment


<600 to 3,000 smallholder farmers
by 2030: Improved agricultural productivity and food security


7% to 20% female clients
Gender inclusion through targeted leasing products and outreach


Small-scale leasing solutions
Access to equipment and services for low-income farmers and SMEs

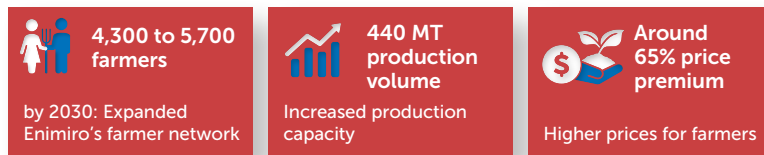
45 Enimiro



Enimiro, founded in 2019, is a current investee of the CFC specializing in the processing and export of vanilla, coffee, and dried fruits, including pineapple and jackfruit. The company sources directly from a network of 4,300 smallholder farmers across Uganda and operates processing facilities in Kayunga for vanilla and dried fruits and in Kapchorwa for coffee. Through a vertically integrated and transparent business model, Enimiro procures raw materials from 14 districts across Western, Central, and Eastern Uganda and transports them to its processing facilities. The company employs a digital traceability system to ensure compliance with the European Union Deforestation Regulation (EUDR) and applies a cost-plus pricing model that provides farmers with a 65% premium.

In partnership with Dr. Oetker, Enimiro delivers technical assistance to farmers, promoting sustainable and regenerative agricultural practices that improve yields and product quality. Its operations are supported by internationally recognized certifications, including EU Organic, Rainforest Alliance, Fairtrade, HACCP, FSSC 22000, and SEDEX membership. In 2021, the CFC approved a USD 800,000 trade finance facility for Enimiro, which successfully supported business growth and increased incomes for smallholder suppliers and employees. Building on these results, the CFC approved a new USD 1.5 million trade finance facility in 2025 to support the company's continued expansion.

Impact at a Glance



Total Cost	USD 3,500,000
CFC Financing	USD 1,500,000
Co-financing	USD 2,000,000



Photo: Enimiro

SDGs supported



*Including Dr. Oetker, ADM and Symrise AG

46 Just Know your Coffee Cup (JKCC)



JKCC General Supplies Limited, established in 2017 in Uganda, is a green coffee trader and processor committed to improving traceability and supporting smallholder farmers. The company strengthens the coffee sector by providing technical assistance, facilitating access to credit, and promoting fair sourcing practices that reduce dependence on exploitative intermediaries. JKCC exports graded Arabica and Robusta coffee to international markets, particularly in the EU and North America. Through its business-to-business (B2B) model, the company procures green coffee directly from farmers, outsources processing activities, and is developing its own processing facility to enhance operational efficiency and quality control. Since its inception, JKCC has rapidly expanded its farmer network, initially engaging over 300 smallholders and supporting the formation of the Consortium of Central and Western Farmers Association (COCEWEFA), which now represents more than 7,000 farmers. All export coffee is sourced through this cooperative under a formal agreement that ensures reliable supply, traceability, and quality standards. Building on the strong performance of a fully utilized USD 1 million trade finance facility provided by the CFC, JKCC received an additional USD 1 million trade finance loan in 2025, increasing the total facility to USD 2 million to support working capital needs and growing export volumes.

Impact at a Glance

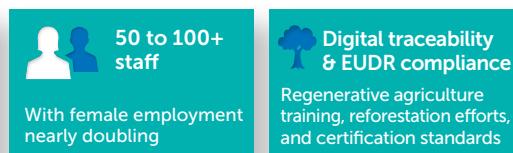


Total Cost	USD 11,000,000
CFC Financing	USD 1,000,000
Co-financing	USD 10,000,000



Photo: JKCC

SDGs supported



IV.4 Active projects in 2025



1. Partnership with the Africa Agriculture and Trade Investment Fund (AATIF) – CFC/2012/01/0268 FA

Submitting Institution
Location
Commodity
Total Cost (Target Fund Size)
CFC Financing
Co-financing

Africa Agriculture and Trade Investment Fund (AATIF)
Africa
Miscellaneous
N/A (Evergreen Fund)
USD 2,000,000 (Equity – First Account)
Main other current investors are the EU, KFW and Deutsche Bank. The associated grant based Technical Assistance (TA) Facility is being financed by the German Ministry for Development Cooperation and Economic Development (BMZ).

Project Description

The Africa Agriculture and Trade Investment Fund (AATIF) is an innovative public-private partnership dedicated to realising the potential of Africa's agricultural production and related manufacturing, service provision, and trade through sustainable investments across the entire value chain. AATIF investments foster agricultural value chain enhancement and are complemented by a TA Facility that provides grant funding for projects aimed at strengthening the developmental aspects of individual investments. This TA Facility is managed by the CFC under a service agreement.

AATIF was established in 2012, and thus far, the TA Facility has developed an average

of nine TA projects per year, with project budgets ranging from EUR 6,000 to EUR 500,000. The TA Facility provides support to investee companies that focus on enhancing direct impact beyond the company itself, specifically targeting lower-income communities. This type of TA support assists AATIF investee companies in creating local economic opportunities and employment, for example through the establishment of smallholder farmer outgrower schemes. The TA Facility also supports investee companies with advisory and technical assistance to improve business operations and efficiency, as well as staff capacity development.

The investment has contributed to impacts in more than 18 countries since

the Fund's inception. Over 519,000 MT of food and food-related products have been produced and delivered by AATIF direct investees. More than USD 280 million has been invested since inception using innovative structures such as revenue-based interest rates, collateral-managed facilities, and risk-sharing structures, with a view to promoting local agrifood companies at different stages of development. AATIF investees employ more than 31,000 people, while 264,000 smallholders have been reached by portfolio companies. In addition, 100% of AATIF PIs have developed or are developing occupational safety and health policies. Furthermore, 41% of the workforce of AATIF investees are women.



2. Commercial Meat Processing/Marketing in Lagos – CFC/2013/02/0042 FT

Submitting Institution
Location
Commodity
Total Cost
CFC Financing

ESOSA Investments Ltd.
Nigeria
Livestock
USD 250,000
USD 120,000 (Zero interest loan)

Project Description

ESOSA Investments Ltd. is a small-scale meat processor operating in Lagos, Nigeria.

In 2015, the CFC provided a USD 120,000 loan to support ESOSA in: (i) acquiring additional processing equipment; (ii) increasing profitability and product diversification by introducing a range of new snacks, pastries, and related products; and (iii) strengthening local supply chains by providing 100 pig farmers with improved breeds and training in animal husbandry.

The intervention was expected to create new employment opportunities for approxi-

mately 500 farmhands. In addition, Fulani nomadic cattle herders were expected to benefit from enhanced commercial beef production.

The investment was undertaken to contribute to improved livelihoods by supporting around 100 farmers through training and the distribution of approximately 360 piglets. This was expected to enhance productivity and diversify incomes, with projected monthly income increases from about USD 1,500 to USD 2,200. The project was also expected to support employment generation, with up to 500 jobs anticipated along the value chain.



Photo: © FAO/Luis Tato



3. Partnership with the Africa Agriculture SME Fund (AAF-SME) – CFC/2013/02/0084 FA

Submitting Institution
Location
Commodity
Total Cost (Target Fund Size)
CFC Financing
Co-financing

Africa Agriculture SME Fund (AAF-SME)
Africa
Miscellaneous
USD 80,000,000
USD 2,000,000 (Equity)
Other main investors: Agence Française de Développement (AFD), PROPARCO, Spanish Government (AECID) and African Development Bank (AfDB)

Project Description

The AAF-SME Fund is Africa's first impact investment fund focused exclusively on food-producing and food-processing small and medium-sized enterprises (SMEs) across the continent. AAF-SME is complemented by a Technical Assistance Facility (TAF), which provides grant funding with a particular emphasis on the establishment of outgrower schemes. The CFC joined the Fund at the second close in May 2014.

The Fund has invested in eight different agricultural SMEs across Sub-Saharan Africa (SSA), focusing on various value chain segments, ranging from mixed farming operations to organic fertilizer production. The proceeds are mainly used for follow-on investments in existing portfolio companies until the Fund is scheduled to close.

Through its investments, the AAF-SME Fund has supported local employment and

strengthened the commercial relationships between smallholders and AAF-SME-funded companies that source raw materials for processing.

The investment was designed to support the main indicator of the complementary TAF: a minimum of 20,000 outgrowers were to be connected to commercial AAF and AAF-SME investments by 2017.



4. Partnership with the EcoEnterprises II Fund (EcoE II) – CFC/2013/02/0085 FA

Submitting Institution
Location
Commodity
Total Cost (Target Fund Size)
CFC Financing
Co-financing

EcoEnterprises Partners II L.P. (EcoE II)
Latin America
Miscellaneous
USD 40,000,000
USD 500,000 (Equity)
Main other investors: Dutch Development Financial Institution (FMO), Interamerican Development Bank (IADB) and European Investment Bank (EIB)

Project Description

The CFC joined the EcoE II Fund to invest in small companies with proven business models at the expansion stage that are active in the sustainable agriculture and forestry sectors in Latin America. The targeted investee companies supply a growing market for organic food products and certified wood, predominantly in the United States.

Since its first close in 2011, the Fund has disbursed debt and equity investments across different portfolio companies engaged in eco/organic niche products such as tea, juices, baby food, and dried fruit.

Overall, the Fund has supported local employment and strengthened linkages with smallholder suppliers of raw materials. In addition,

EcoE II's portfolio companies manage land either sustainably or under conservation practices. As of 2024, EcoE II has supported 8,228 smallholder farmers, sustained approximately 4,400 jobs, benefited approximately 63,000 people, and protected or sustainably managed 5 million acres of land. Additionally, USD 31 million in increased access to capital has been generated since the EcoE Fund's investment.



5. Partnership with the Moringa Agroforestry Fund – CFC/2013/02/0086 FA

Submitting Institution
Location
Commodity
Total Cost (Target Fund Size)
CFC Financing
Co-financing

Moringa Agroforestry Fund S.C.R.
Latin America/Africa
Miscellaneous
Euro 100,000,000
USD 1,349,613 (Equity)
Main other current investors: FMO, PROPARCO, Spanish Government (AECID) and Latin American Development Bank (CAF)

Project Description

The CFC provided equity financing to the Moringa Agroforestry Fund (Moringa), which seeks to invest in agroforestry projects in Africa and Latin America. These projects are expected to compete commercially with drivers of deforestation such as cattle ranching, crop farming, and timber harvest-

ing. At the same time, Moringa investments are required to demonstrate a clear positive impact on both the environment and the livelihoods of local populations. Moringa investments were complemented by a Technical Assistance (TA) Facility managed by the CFC; the TA Facility was closed effective 31 December 2024.

Through its investments, Moringa targets the creation of 8,000 new jobs, with an income effect on approximately 35,000 dependents. In addition, about 60,000 outgrowers are expected to be associated with Moringa's commercial investments, generating a development impact on approximately 340,000 dependents.



6. Rural Injini (Engine) Inclusive Maize Trading & Processing, Uganda – CFC/2013/03/0120

Submitting Institution
Location
Commodity
Total Cost
CFC Financing

Joseph Initiative Ltd. (JI)
Uganda (LDC)
Maize
USD 1,929,000
USD 500,000 (Financed by the Dutch Trust Fund)

Project Description

The project aimed to support Ugandan smallholder farmers in efficiently aggregating and processing maize for sale to regional wholesalers. Joseph Initiative Ltd. (JI) adopts an integrated approach to trading by combining rural collection centres with village buying agents to collect small quantities of maize from remote farmers and provide

immediate payment upon collection. JI's business model focuses on 'bottom-of-the-pyramid' farmers producing one metric ton or less per year, as they fall below the aggregation thresholds of commercial traders.

The investment was designed to support broader farmer inclusion, as well as more efficient aggregation and processing. This is

expected to accelerate the achievement of targeted impacts, including more than doubling household incomes from maize production, increasing agricultural productivity by 50%, and reducing production costs by 20%. The inclusion of a large number of producers, combined with these productivity gains and reduced losses, could lead to substantial improvements in Uganda's food security.



7 and 8. Scaling Smallholder based Premium Coffee Production in DRC and Rwanda – CFC/2014/05/0079 and CFC/2014/05/0079 FT

Submitting Institution
Location
Commodity
Total Cost
CFC Financing
Counterpart Contribution

COOPAC Holding Ltd.
Congo DRC (LDC), Rwanda (LDC)
Coffee
USD 3,931,880
USD 1,500,000 loan (of which USD 750,000 by the Dutch Trust Fund)
USD 2,194,660 – Root Capital; USD 87,220 – COOPAC Holding Ltd.

Project Description

COOPAC is an enterprise engaged in the production, processing, and export of premium specialty coffee. Founded in 2001 with 110 coffee farmers in the Gisenyi region of Rwanda, COOPAC sources coffee beans from more than 9,000 smallholder farmers in Rwanda and 7,000 in the Democratic Republic of the Congo (DRC). COOPAC is among the few Rwandan coffee suppliers certified under three major coffee production standards: Fairtrade (FLO), Organic, and Rainforest Alliance.

Financing from the CFC enabled COOPAC to increase its wet coffee-washing capacity in the DRC – a critical process for producing high-quality coffee – while also adding value through processing and certification. Part of the loan was used as working capital to scale up sourcing of organic coffee from smallholder farmers in both countries.

The investment was undertaken to deliver significant development impacts by expanding COOPAC's farmer network and processing capacity, while also supporting

greater inclusion of women farmers. It is projected to result in higher coffee yields in the DRC (from 0.50 MT/ha to 1.30 MT/ha), the establishment of five new washing stations, improved efficiency, reduced time burdens, and higher cherry prices for farmers. The expansion of organic cultivation areas and certification is also expected to enhance incomes and environmental sustainability. In addition, the scaling up of operations is expected to generate significant employment, including a doubling of permanent staff.



9. Tolaro Global Cashew Factory Expansion, Benin – CFC/2015/06/0032

Submitting Institution
Location
Commodity
Total Cost
CFC Financing
Co-financing

Tolaro Global
Parakou, Benin (LDC)
Cashews
USD 5,464,000
USD 1,500,000
Tolaro Global USD 464,637, other financiers USD 3,500,000

Project Description

Tolaro Global is a leading cashew processing company in Benin. Founded in 2010, the company processes and exports more than 3,500 metric tons (MT) of cashews to premium markets in Europe and the United States, with a value of nearly USD 4 million. The company sources raw cashews from 7,000 smallholder farmers and employs more than 650 workers, thereby generating

significant economic impact in Benin. The CFC financed the company's expansion plans. The project involved the acquisition of equipment to increase Tolaro's processing capacity from 3,500 MT in 2018 to 20,000 MT by 2023. The investment was intended to generate broader development impacts by strengthening market access for up to 15,000 farmers, thereby stimulating local cashew production and supporting

diversification of the regional economy. It was also expected to contribute to greater value addition through certification (Fair Trade and Organic), improved farmer incomes through premium prices, increased employment – including greater female representation in management – and enhanced environmental sustainability through the full reuse of cashew shells for biomass energy.



10. Irrigated Perfumed Rice and Normal Rice Production in Thiagar, Senegal – CFC/2015/07/0030

Submitting Institution	Coumba Nor Thiam (CNT)
Location	Senegal (LDC)
Commodity	Rice
Total Cost	Euro 3,150,000
CFC Financing	USD 1,459,800
Counterpart Contribution	USD 1,690,200

Project Description

Coumba Nor Thiam (CNT) is the third-largest rice processing company in Senegal, with 30 years of experience in the production and processing of regular and perfumed rice. Since 1987, CNT has grown into a successful rice company, currently working with 2,500 outgrowers across 3,000 hectares (ha) of land and operating its own 500 ha plantation in the Northern River Valley region. With a milling capacity of

120 tons per day, CNT currently processes 15,000 tons of paddy rice annually. CNT also demonstrates a strong commitment to gender inclusion, with nearly 40% female staff and active support for women in farming, including collaboration with five women's groups comprising more than 650 female outgrowers.

CFC financing supported the purchase of farming and irrigation equipment necessary

for scaling up CNT's profitable rice milling business. The investment was made with the expectation that it would increase processing capacity to 40,000 tons by 2026, while expanding the outgrower network to 3,250 farmers. The investment is expected to contribute to increased farmer productivity and incomes, with total outgrower production projected to rise significantly and average profit per farmer expected to increase from EUR 760 to more than EUR 1,000.



11. Upscaling the Integrated Production and Processing of Selected Estranged Oilseeds, Nigeria – CFC/2015/07/0032

Submitting Institution	EFUGO Farms Nigeria Ltd.
Location	Nigeria
Commodity	Oilseeds
Total Cost	USD 3,893,500
CFC Financing	USD 1,500,000
Counterpart Contribution	USD 2,393,000

Project Description

Efugo Farms Limited (EFL) is an agro-industrial company established in 1987 and based in Abuja, Nigeria. The company produces a variety of crop and livestock products and focuses on the production of edible oils (from groundnuts, soybeans, and sesame) and non-edible oils (from castor beans, shea butter, and neem seeds), responding to strong domestic demand for these products.

Having already established a modern processing plant, Efugo sought financial support for the acquisition of essential processing machinery and the procurement of seeds from smallholder farmers.

In alignment with financing provided by the Central Bank of Nigeria (CBN), the CFC term loan provided Efugo with both the working capital necessary for its sourcing activities and the funds required for its capital expenditure (CAPEX) expansion.

The financing was made with the expectation that it would support a significant scale-up in operations, increasing vegetable oil output from 96 tonnes per annum to approximately 1,000 tonnes per annum, while expanding the number of farm and

factory workers from 90 to around 200. Over the lifecycle of the project, Efugo is expected to engage with more than 20,000 smallholder farmers, while creating 110

additional processing jobs and providing a significant source of income for approximately 600 youth and women involved in the harvesting of neem seeds and shea nuts.



Photo: Soybeans. Adobe Stock



12. Commercial Farm, Uganda (Kapanua Project) – Asili Farms Ltd., Uganda – CFC/2015/07/0078

Submitting Institution	Asili Farms Masindi Ltd.
Location	Uganda (LDC)
Commodity	Maize
Total Cost	USD 3,361,229
CFC Financing	USD 1,200,000
Counterpart Contribution	USD 2,161,229

Project Description

Asili Farms is a mechanized farming company that manages dual-season production of high-quality maize and soybeans for supply to regional food processors. Asili became operational in January 2014 and farms using conservation agriculture and precision farming approaches to maximize yields. The ultimate strategic goal of Asili is to establish commercial farming operations covering approximately 6,500 hectares. As part of the Agilis Partners Ltd. holding

company, Asili Farms (AF) benefits from guaranteed demand from its sister company, Joseph Initiative Limited (JI), which is also a borrower under a CFC loan and markets Ugandan grains and pulses with extensive regional market access.

CFC resources were expected to support the further expansion of commercial farming operations, as well as scale up Asili's engagement in training small-scale farmers in commercial maize and soybean production.

The investment was made with the expectation that it would strengthen Asili's outgrower ecosystem by engaging more than 3,400 smallholder suppliers and training over 3,200 farmers, while supporting the cultivation of approximately 1,200 hectares of farmland. It was also expected to significantly increase maize yields from 1.5 t/ha to up to 5 t/ha through improved farming practices, alongside the creation of approximately 270 direct jobs through expanded operations.



13. agRIF Cooperatief U.A., The Netherlands – CFC/2016/09/0089

Submitting Institution	agRIF Cooperatief U.A.
Location	Netherlands
Commodity	Partnership
Total Cost (Target Fund Size)	USD 200 million
CFC Financing	USD 1,000,000

Project Description

AgRIF is an impact investing fund that focusses on debt and equity investments into financial intermediaries who are active in, and have a clear commitment towards, financing the agricultural sector. The fund addresses the scarcity of financial services in developing countries and seeks to enhance financial inclusion in the agricultural value

chain, with a focus on smallholder farmers and rural Micro, Small & Medium Sized Enterprises (SMEs).

AgRIF invests globally in countries classified as eligible by the Development Assistance Committee (DAC) of the OECD. While microfinance institutions are to be the major group of clients, agRIF will also invest in

small banks, agricultural leasing companies and other financial intermediaries to the agricultural sector down to subsistence farmer level with individual loan size below USD 1,000. Up to 10% of its funds are allocated to debt financing of producer organizations and SMEs working in the agricultural value chains. agRIF is managed by Incofin Investment Management.



14. Acquisition of a processing plant for the aquaculture sector, Peru – CFC/2016/09/0122

Submitting Institution	Acuicultura Tecnica Integrada del Peru S.A. (ATISA)
Location	Peru
Commodity	Shrimp
Total Cost	USD 4,000,000
CFC Financing	USD 1,500,000 (Loan)
Co-financing	Acuicultura Tecnica Integrada del Peru S.A. (ATISA): USD 200,000. Owner: USD 1,850,000

Project Description

ATISA is a shrimp aquaculture company located in the Tumbes region of northern Peru, led by a female entrepreneur who co-founded the business with her husband in 1997. Specializing in the breeding, production, and distribution of premium shrimp, ATISA produces shrimp for both local and international markets and is recognized through its own brand, COOL!. ATISA was the first Peruvian company to obtain the GlobalG.A.P. Aquaculture certification in 2016.

By investing in modern shrimp cultivation techniques and sustainable farming practices, the CFC supported ATISA's ambition to introduce organic shrimp production and comply with new social and environmental aquaculture certification standards. ATISA also intended to expand into shrimp processing to increase its offering of peeled shrimp, a higher-value product with less volatile commodity prices than unprocessed whole or head-on shrimp. The investment was made with the expect-

tation that it would generate strong social impacts by significantly increasing employment from 43 to 150 full-time jobs. It was anticipated to raise household incomes across all skill levels, with average monthly wages for low-skilled workers increasing from approximately USD 450 to USD 650. In addition, the number of families depending on ATISA's revenues was expected to increase substantially to more than 150, thereby expanding the company's contribution to local livelihoods and economic stability.



15. Africa Food Security Fund, Ghana – CFC/2016/09/0124

Submitting Institution
Location
Commodity
Total Cost
CFC Financing

Zebu Investment Partners
Africa
Partnership
USD 100 million
USD 1,000,000 (Equity)

Project Description

The Africa Food Security Fund (AFSF) is an impact investment fund that seeks to invest in small and medium-sized businesses (SMEs) operating across agricultural value chains in Africa, with a particular focus on Sub-Saharan Africa. The Fund's investments primarily target primary production, agricultural input and service providers, as well as agro- and food-processing companies.

AFSF reached its second close in 2020. The target capitalization was set at USD 100 million, and the Fund's lifetime was established at 10 years. The Fund is the successor to the AAF-SME Fund, which commenced operations in 2014 and in which the CFC invested USD 2 million. Key institutional investors in AFSF include CDC, DGGF, EIB, AfDB, BOAD, and BIDC. The investment was made with the expectation that AFSF would invest in approximately

10 businesses over its lifetime. Following the intervention, a 30% increase in permanent and seasonal employment was anticipated. The Fund is also expected to work with at least 300 smallholder farmers across two-thirds of its portfolio companies. These assumptions are expected to result in approximately 20,250 post-investment beneficiaries, with 450 new jobs created and 1,500 jobs sustained across the portfolio.



16. EcoEnterprises Fund III – CFC/2017/10/0066

Submitting Institution
Location
Commodity
Total Cost (Target Fund Size)
CFC Financing

EcoEnterprises Fund
Latin America
Partnership
USD 100,000,000
USD 1,000,000

Project Description

The EcoEnterprises Fund III (EcoE III) is an impact investment fund that invests in Latin American SMEs sourcing raw materials from collectors or smallholder farmers for value-added processing. The target sectors include sustainable agriculture, agroforestry,

aquaculture, and wild-harvested forest products. EcoE III seeks to invest in growing companies that cater to increasing demand for organic food products and certified wood in the United States. The CFC became a shareholder of EcoE III at its first close in late 2018. EcoE III is

expected to make 18 long-term capital investments, ranging in size from USD 2 million to USD 6 million, with an average investment duration of six to eight years. EcoE III aims to create at least 5,000 jobs and connect 25,000 small-scale producers.



17. Formulation and fertilizer distribution for smallholder farmers, Côte d'Ivoire – CFC/2017/10/0111

Submitting Institution
Location
Commodity
Total Cost
CFC Financing
Co-financing
Counterpart contribution

AGRITEC S.A.
Côte d'Ivoire
Fertilizer
Euro 2,003,000
USD 1,100,000
Coris Bank: Euro 530,000
Euro 530,000

Project Description

Founded in 2010, AGRITEC S.A. is a distributor of agricultural inputs, including insecticides, herbicides, and fungicides, as well as equipment such as irrigation and spraying systems, based in Abidjan. The company has established a network of 60 sales outlets serving up to 300,000 farmers across the country and providing them with essential products to improve productivity. To improve access to fertilizers for small-

holder farmers located in remote areas, AGRITEC sought to establish a dry bulk fertilizer blending and packaging facility in Yamoussoukro.

In partnership with Coris Bank, the CFC provided a USD 1.1 million loan to finance capital expenditures associated with the construction of the facility and the purchase of related equipment. The investment was expected to deliver significant economic

impacts by enabling access to agricultural inputs for up to 300,000 smallholder farmers, contributing to an increase of at least 25% in their net incomes through improved productivity and better market outcomes. The investment was also expected to support expanded production capacity, with output projected to reach 51,000 MT, while creating more than 120 new jobs and increasing average monthly income per job to approximately USD 360.



18. Expanding the Vanilla Value Chain, Tanzania – CFC/2018/12/0066

Submitting Institution	Natural Extracts Industries Ltd.
Location	Tanzania
Commodity	Spices
Total Cost	USD 1,800,000
CFC Financing	USD 500,000 (Loan)
Counterpart Contribution	Other impact financiers USD 1,300,000

Project Description

Natural Extracts Industries (NEI) is a for-profit social enterprise that produces, processes, and exports green vanilla into vanilla pods and extracts for international traders and retailers in the flavour industry. Since 2011, NEI has developed a vertically integrated vanilla value chain by sourcing directly from 5,000 small-holder farmers. Its team of agronomists and field officers assists farmers through training in good agricultural practices and the provision of other support services throughout the entire production cycle, from vine planting and flower pollination to the harvesting of green vanilla. To date, NEI has planted more than 200,000 vines and uses mobile-based technologies to reliably trace the quality and origin of vanilla at the farmer level.

The CFC extended a USD 500,000 working capital loan to ensure farmers' direct access to markets amid the challenges posed by COVID-19 and declining global vanilla prices. More than 5,000 farmers were expected to benefit from NEI's inclusive sourcing model over the facility's five-year tenor. The investment is expected to catalyse the further expansion of NEI's supply chain by increasing green vanilla production by approximately 90 MT per annum. It is also anticipated to enhance farmer liveli-

hoods, with around 10,000 vanilla growers expected to benefit from an increase in net income of approximately USD 350 per year,

alongside the creation of 50 new full-time jobs and additional income gains of approximately USD 1,680 per job.



Photo: Green vanilla vines. NEI



19. Livestock Farming, Cameroon – CFC/2018/12/0022

Submitting Institution	West End Farms
Location	Cameroon
Commodity	Livestock
Total Cost	USD 2,000,000
CFC Financing	USD 1,000,000
Counterpart Contribution	USD 1,000,000

Project Description

West End Farms (WEF) is an integrated mixed-farming SME based in Yaoundé, Cameroon. Established in 2001, WEF has gradually developed into the country's largest commercial pork producer, thereby contributing to local food security. The company also cultivates maize, cassava, and soybeans on a 300-hectare fully mechanized farm to produce feed for its pigs.

Operating in a country that has traditionally been a net importer of pork, where efforts by local farmers to increase domestic production are constrained by poor infrastructure and high feed costs, WEF sought to scale up its business model.

Through the Africa Agriculture SME Fund (AAF-SME), the CFC provided WEF with USD 1 million to finance the construction of a

modern finishing facility in Yaoundé, as well as to support working capital needs. The CFC financing was made with the expectation that it would enable WEF to scale up its annual production from 8,000 to 20,000 pigs, while generating up to 60 new jobs over five years, of which 40% were expected to be held by women. The new positions were anticipated to provide an average annual income of approximately USD 2,500.



20. Fruits and Spices Madagascar – Working Capital – CFC/2019/15/0010

Submitting Institution	SCRIMAD GROUP
Location	Madagascar
Commodity	Fruits
Total Cost	Euro 2,400,000
CFC Financing	Euro 1,200,000
Co-financing	Euro 1,200,000

Project Description

Established in 1993 and based in Madagascar, a Least Developed Country (LDC), SCRIMAD focuses on the aggregation and processing of organic fruits and spices sourced from local smallholder farming cooperatives. Over the past five years, SCRIMAD has evolved from a small family business into a leading processor and exporter of fruits and spices from Madagascar, establishing significant strategic partnerships with organizations such as Ethiquable, a French cooperative

specializing in fair trade products. The company predominantly sources from women-led supply chains, with around 80% of its suppliers being women. In addition, more than half of its employees, including management staff, are female, reflecting a strong commitment to gender inclusion.

The CFC financing provided SCRIMAD with the working capital necessary to meet the growing demand for its products and increase its overall operational capacity

and profitability. The investment was made with the expectation that it would deliver inclusive growth by expanding the number of smallholder suppliers from 2,000 to 3,000. By strengthening market access and ensuring fair pricing for producers, the project is expected to contribute to improved livelihoods and reduced inequalities among smallholder farmers. In addition, increased sourcing volumes are expected to support further employment opportunities for seasonal and contract workers along the value chain.



21. Goldtree, Sierra Leone – CFC/2019/15/0022

Submitting Institution	Goldtree Sierra Leone Ltd.
Location	Sierra Leone
Commodity	Palm oil
Total Cost	USD 2,600,000
CFC Financing	USD 1,000,000
Co-financing	USD 1,600,000

Project Description

Goldtree Sierra Leone Ltd., established in 2007, is a palm oil producer strategically repositioned to serve the growing global demand for certified organic crude palm oil (CPO), which commands a price premium and demonstrates lower price volatility compared to conventional palm oil. The company's supply base includes plantation farms and nearly 10,000 organic and RSPO-certified smallholders. Through improved agronomic practices and the introduction of high-yielding varieties across both outgrower and nucleus farms, Goldtree aims to increase its CPO output to more than 10,000 MT, targeting premium markets in Europe and Asia.

In 2023, a USD 1 million trade finance facility was signed with Goldtree to support the company's growing sourcing and export of organic and deforestation-free palm oil. The investment was made with the expectation that it would deliver significant socio-economic impacts by integrating an additional 2,000 smallholder suppliers and generating incremental income of approximately USD 100 per year for more than 10,000 smallholders. The investment was also expected

to promote gender inclusion, with the number of female smallholders projected to increase to more than 1,600. In addition, employment was projected to expand sub-

stantially, with the number of jobs increasing from 235 to 540 over five years, offering an average annual income of approximately USD 1,270 per job.



Photo: Palm fruit. Goldtree



Photo: Cocoa pod. Adobe Stock



22. High quality cocoa from communities, Colombia – CFC/2020/16/0021

Submitting Institution	Cafexport Colombia S.A.R.L.; Hacienda la Tentación SAS
Location	Colombia
Commodity	Cocoa
Total Cost	USD 2,518,630
CFC Financing	USD 1,384,630
Co-financing	USD 1,134,000

Project Description

Cafexport's cocoa trading business was established in 2012 under the brand name Colcocoa to export fully traceable and certified sustainable cocoa beans. At the time, Cafexport was already exporting coffee to major corporate buyers. With the support of the CFC, Cafexport sought to expand its cocoa trading activities and cocoa production in Colombia. To support this expansion, the CFC committed both a trade finance facility and an investment loan.

The investment was undertaken to contribute to the scaling up of sustainable and traceable cocoa production while promoting environmentally responsible practices such as agroforestry and reforestation, thereby supporting biodiversity conservation. The project aims to reach more than 1,500 additional smallholders and provide them with off-take opportunities to significantly increase their incomes. It is anticipated that beneficiary farmers will achieve additional income gains of

approximately USD 1,900 per year, while improved agronomic practices will support higher yields and enhanced food security. The project will also expand the area under improved management to more than 6,000 hectares. In a region with limited formal employment opportunities, employment is expected to increase to 85 permanent jobs over five years, with 40% of these positions held by women, offering an average annual income of approximately USD 5,940 per job.



23. Scaling-up export of natural & handmade home decoration products, Bangladesh – CFC/2020/16/0036

Submitting Institution	Classical Handmade Products
Location	Bangladesh
Commodity	Natural Fiber
Total Cost	USD 2,000,000
CFC Financing	USD 1,000,000
Co-financing	Inlucvest BV: USD 1,000,000

Project Description

Classical Handmade Products BD ('CHP' or the 'Company') is a privately held company producing home decoration products from indigenous raw materials such as seagrass, elephant grass, and jute. The Company was incorporated in 2008 by Mr. Tauhid, who is currently the owner and CEO of the Company. Finished products are exported to Europe and the United States.

CHP operates a decentralized business model across the northern part of Bangladesh, with 20 decentralized units located in Rangpur and Bogra, and a primary

production facility in Nilphamari. Jessore is the Company's only location in the south of Bangladesh. The Company employs 1,500 people and provides regular work opportunities to approximately 2,500 additional individuals, most of whom are women living in rural villages.

The market for handmade home decoration products is dominated by developing countries. Internationally, Bangladesh competes with Vietnam, Cambodia, India, Pakistan, and Indonesia, while China competes through the sale of quasi-industrial products. The Company's competitive advantage lies in

its decentralized business model, which promotes economic inclusion. The investment was made with the expectation of further strengthening CHP's inclusive value chain by integrating an additional 1,200 smallholder farmers supplying jute and other natural fibres. It is also anticipated to drive employment growth, increasing jobs from 1,500 to approximately 1,850 over five years, with around 80% of these positions expected to be held by women. In addition, the decentralized, order-based model is expected to continue providing flexible, production-linked income opportunities that support rural livelihoods.



24. Scaling processing and export of macadamia oil and nuts (Exotic) from smallholder farmers – CFC/2020/16/0038

Submitting Institution
Location
Commodity
Total Cost
CFC Financing
Co-financing

Exotic EPZ limited
Kenya
Macadamia Oil and Nuts
USD 2,200,000
USD 1,100,000
USD 1,000,000

Project Description

Exotic EPZ Limited ('Exotic') is a women-owned agribusiness based in Kenya that processes and exports macadamia nuts and oils to the European market. The company sources unprocessed macadamia nuts in shell directly from more than 1,300 smallholder farmers, with plans to expand this network to approximately 5,000 farmers through continued annual growth. The nuts are aggregated through more than 10 collection points distributed across over 10 counties in Kenya. At its factory in Nairobi, the nuts are dried, processed, and prepared for export. The company's main customer is Red River Foods, a leading U.S. supplier of premium and ethically sourced nuts and specialty snacks.

Kenya is currently the world's third-largest producer of macadamia nuts, after South Africa and Australia. Growing global demand for macadamia nuts stems from their versatility, as they are used in a wide range of food products such as cakes and confectionery. Macadamia nuts can also be processed into oil for use in food, pharmaceutical, and cosmetic products.

Exotic was acquired by its current three female owners in mid-2017 and is the only women-owned processor and exporter of macadamia nuts in Kenya, operating in a sector that has traditionally been male dominated. The company's mission is to source, produce, and supply high-quality products within the nuts and oils value chains while empowering small-scale producers, particularly rural women farmers. This commitment is reflected in its highly inclusive business model, with approximately 85% of supplying farmers and 90% of employees being women.

The CFC approved a total of USD 1.1 million in loan financing for Exotic. In February 2022, a USD 600,000 trade finance loan agreement was signed with Exotic for the purpose of pre-financing macadamia nuts for selected buyers, including Red River Foods. The remaining USD 500,000 in CFC financing has not yet been signed and is intended to support the expansion of production capacity at Exotic's processing facility in Nairobi. The investment was made with the expectation of driving significant income growth for

participating farmers, with annual earnings projected to increase from approximately USD 3,000 to more than USD 7,000 within five years. In addition, the project is expected to contribute to environmental sustainability through the planting of approximately 100,000 trees by smallholder farmers.



Photo: Exotic's factory. Exotic



25. Coffee Planet, United Arab Emirates – CFC/2021/18/0014

Submitting Institution
Location
Commodity
Total Cost
CFC Financing
Co-financing

Coffee Planet LLC
United Arab Emirates
Coffee
USD 10,000,000
USD 2,000,000
USD 8,000,000

Project Description

Headquartered in Dubai, United Arab Emirates, Coffee Planet LLC was established in 2005 as a provider of freshly ground coffee and fresh milk vending machines for highway convenience stores. In 2008, Coffee Planet opened a new UTZ-, BRC-, HACCP-, and ISO 22000-certified roasting facility in Dubai with a roasting capacity of more than 4,320 tonnes per annum. This enabled the company to become the largest specialty coffee roaster in the Middle East, employing more than 200 people.

Coffee Planet focuses on end-to-end coffee solutions for a diverse range of local and international customers. The company provides a wide range of business-to-business (B2B) and business-to-consumer (B2C) coffee solutions. Coffee Planet serves more than 800 local and international customers and operates over 5,000 coffee machines across the United Arab Emirates.

In 2022, the CFC signed a USD 2 million trade finance loan agreement with Coffee Planet to finance the sourcing, roasting, and export of conventional and certified coffee for two strategic partners. The investment

was made with the expectation of expanding Coffee Planet's inclusive sourcing model by integrating approximately 830 additional smallholder beneficiaries, primarily in Nicaragua, bringing the total number of supported farmers to more than 1,500. The project was also expected to contribute to employment growth, increasing permanent jobs to around 200 over five years, with women expected to represent 40% of the workforce by 2026. In addition, the project was expected to support capacity building through the training of approximately 150 individuals, thereby strengthening skills across the value chain.



26. Robust International, Cashew, Singapore – CFC/2021/19/0012

Submitting Institution	Robust International
Location	Singapore
Commodity	Cashew
Total Cost	USD 5,000,000
CFC Financing	USD 2,000,000
Co-financing	USD 3,000,000

Project Description

Robust International, founded in 2006 and based in Singapore, is an agricultural commodities trader with a strong presence in Africa since 2011. The company specializes in raw cashew nuts (RCN) and sesame seeds, which account for 36% and 56% of its revenues, respectively. Robust has built a broad supplier network across Africa, sourcing 95–98% of its commodities from the continent and working closely with local aggregators and cooperatives. With major export markets in China, India, Vietnam, Turkey, the Netherlands, France, and the United States, the company is implementing a strategic shift to evolve from a traditional trader into an integrated agri-processor

guided by ethical sourcing principles. As part of this transformation, Robust is investing nearly USD 50 million in local infrastructure across Nigeria, Côte d'Ivoire, Tanzania, Burkina Faso, and Chad, including warehouses and processing equipment.

To fully capitalize on these infrastructure investments and expand its inclusive sourcing model, Robust International requires additional working capital. The Common Fund for Commodities committed USD 2 million to support the company's procurement of raw cashew nuts and sesame seeds from smallholder farmers in CFC member countries. The investment is expected to strengthen inclusive value chains by increas-

ing the number of impacted smallholder farmers from approximately 420 to 780. It is also expected to drive employment growth across operations, with the number of full-time employees projected to rise to 470 by 2027, including an increase in female employees from 60 to 90. In parallel, up to 200 individuals are expected to receive training in commodity processing, thereby enhancing local skills and value addition. The project further aligns with Robust's commitment to ethical trade, including the implementation of fully traceable supply chains across multiple African countries, many of which are Least Developed Countries (LDCs) facing high levels of poverty and income inequality.



27. Gulu Agricultural Cotton, Uganda – CFC/2021/19/0055

Submitting Institution	Gulu Agricultural Development Company
Location	Uganda
Commodity	Cotton and Sesame
Total Cost	USD 15,000,000
CFC Financing	USD 1,500,000
Co-financing	USD 13,500,000

Project Description

Gulu Agricultural Development Company (GADC) is an aggregator, processor, and exporter of cotton and sesame. The company was established in Gulu, northern Uganda, in 2009 by its owner and CEO, Bruce Robertson, with the encouragement of the Ugandan government following the end of the civil war.

Operating through three ginneries and a sesame processing facility in the region, GADC manages an outgrower network through which it provides market access, agricultural inputs, and training in best agricultural practices to approximately 50,000 smallholder farmers. Of these, GADC maintains direct contractual relationships with more than 30,000 farmers who have been certified organic and Fairtrade-certified, enabling them to obtain premium prices for their products. Among the direct beneficiaries are many refugees from conflict-affected areas in the region.

The investment was made with the expectation of significantly expanding GADC's inclusive sourcing model by increasing the number of smallholder beneficiaries from approximately 55,000 to more than 80,000, while raising average annual farmer incomes from approximately USD 275 to USD 300. Gender inclusion is also

expected to improve, with the share of women beneficiaries projected to rise from 36% to around 46%, alongside increases in female employment across both permanent and temporary roles. These impacts are expected to further strengthen livelihoods in low-income and post-conflict communities in northern Uganda.



Photo: Cotton. Adobe stock



28. MUTA, Oilseeds, Colombia – CFC/2022/20/0057

Submitting Institution	MUTA (Reaceico SAS)
Location	Colombia
Commodity	Used Cooking Oil (UCO) – Oilseeds
Total Cost	USD 1,070,000
CFC Financing	USD 450,000
Co-financing	USD 620,000

Project Description

Muta (Reaceico SAS) is a Colombian circular economy company that collects and recycles used cooking oil (UCO) derived from vegetable oils. With operations in 10 cities across Colombia and a central warehouse in the northern part of the country, Muta processes, cleans, packages, and exports UCO primarily to the United Kingdom, where the recycled oil is transformed into biofuel. The company is mainly owned by Mr. Alejandro Caiaffa, a recognized advocate for environmental and social change in northern Colombia with more than eight years of experience in the recycling industry. Although still a relatively young company, Muta has received capital expenditure and working capital financing from major Colombian banks to support its growth and increase its processing and storage capacity for UCO exports. Harris Tobias Ltd, its main client based in the United Kingdom, is a well-known buyer of recycled fats and oils and has sourced UCO

from Muta for several years. The client has also provided advances to support the sourcing of additional UCO, demonstrating a strong commercial relationship between the two parties.

The company collects UCO mainly from hotels, restaurants, and cafés using a mobile application that supports end-to-end traceability throughout the value chain. The operational model begins with a collection request from the generator through the application, after which a collection date is scheduled and the UCO is collected from the generator's premises using company trucks. Muta certifies the proper collection and disposal of UCO to the generator, as the company itself is officially certified to provide these services. Once collected, the UCO is cleaned and filtered to remove impurities, followed by moisture testing. The recycled oil is then stored in tanks and exported. As of 2021, Muta sourced UCO from more than 2,000 generators, mainly restau-

rants. International clients use refineries that process UCO as a raw material for the production of biodiesel and other bioenergy products.

The investment was made with the expectation of scaling both environmental and socio-economic impacts by significantly expanding UCO collection volumes from approximately 1,100 MT to 10,000 MT. The project was also expected to contribute to climate action, as biodiesel produced from UCO can reduce greenhouse gas emissions by up to 70–80% compared to conventional fuels. On the social side, the project was anticipated to formalize a traditionally informal sector by increasing the number of recyclers from approximately 50 to 350 and expanding total permanent employment to more than 430. Participating collectors were expected to achieve income increases of 40–50%, thereby improving livelihoods and promoting more equitable value distribution across the recycling chain.



29. Sunterra, Coffee, Colombia – CFC/2022/20/0115

Submitting Institution	Sunterra SAS
Location	Colombia
Commodity	Coffee
Total Cost	USD 2,000,000
CFC Financing	USD 1,000,000
Co-financing	USD 1,000,000

Project Description

Sunterra is a Colombian exporter of specialty coffee (rated above 84 cup points), committed to transparent and traceable sourcing from smallholder farmers across Colombia's coffee-growing regions. Established in 2016 and headquartered in Huila, one of Colombia's prime coffee-producing areas, Sunterra operates a proprietary mill in El Puente that offers farmers free access to post-harvest processing services. The company is fully owned by Mr. Vicente Mejia Isaza, an experienced agricultural trader, and has received support from Yunus Social Business, as well as working capital financing from Bancóldex. Sunterra supplies a diversified portfolio of international clients in the United States, Europe, and Asia, including its primary partner, Ally Coffee, a reputable global coffee trader and roaster. With processing, drying, and storage capacities of 8,000 kg per hour, 30,000 kg per week, and 300,000 kg,

respectively, Sunterra pays farmers local market prices and subsequently rewards them with a premium once the coffee has been shipped and paid for, thereby ensuring full transparency throughout the value chain.

To support its continued growth and meet rising demand, Sunterra sought financing to address working capital constraints in its cash-intensive sector. The company has experienced significant growth in recent years but has occasionally had to decline commercial opportunities due to limited financing. To help Sunterra scale its operations and capitalize on market momentum, the Common Fund for Commodities (CFC) provided a USD 1 million revolving trade finance facility. The funding is used to procure high-quality specialty coffee, with tripartite agreements in place involving reputable international buyers, thereby ensuring a secure, transparent, and impact-driven deployment of funds.

The investment was made with the expectation of significantly expanding Sunterra's inclusive sourcing model by increasing the number of supplying smallholders to 2,000 by 2028, while offering farmers price premiums of approximately 35% above traditional market rates. The project was also expected to support a substantial expansion in cultivated area from approximately 1,350 hectares to nearly 7,800 hectares, alongside improvements in productivity. Gender inclusion was expected to strengthen, with the share of female smallholders projected to increase from 26% to more than 50%, building on an already strong representation of women in the workforce. In addition, employment was projected to grow modestly from 25 to more than 30 full-time staff, while the business model continued to generate local value by enabling farmers to produce higher-quality, high-value coffee.



30. Meridia Netherlands, Ghana, Indonesia, Côte d'Ivoire – CFC/2022/20/0123

Submitting Institution

Location

Commodity

Total Cost

CFC Financing

Co-financing

Meridia Land B.V.

Netherlands, Ghana, Indonesia, Côte d'Ivoire

Land Mapping & Titling

Euro 1,350,000

Euro 300,000

Euro 1,050,000

Project Description

Meridia is a SaaS (Software as a Service) provider that utilizes Geographic Information System (GIS) technology to facilitate land mapping and land rights documentation. Established in 2015 in the Netherlands, the company provides services to agribusinesses to map their commodity supply chains, making them more transparent while helping to eliminate environmental and social risks such as deforestation and forced or child labor. The company also supports land tenure security for smallholder farmers in developing countries.

The CFC is providing working capital financing to bridge the long payment cycles between the signing of contracts and final payment following the delivery of services. Loan repayment is expected to be based on cash flows generated from Meridia's service agreements with approximately 13 global food and beverage companies, including Unilever, Cargill, and Mondelez International, among others.

To date, Meridia has mapped more than 100,000 land parcels, provided legal land documentation to over 10,000 farmers, and registered more than 50,000 shade trees in Ghana, Côte d'Ivoire, and Indonesia. Meridia employs approximately

160 people, including 65 full-time employees and 95 freelance contractors.

Land mapping and certification activities were undertaken to contribute to increased smallholder incomes by 16% and yields by 20% by enabling greater investment, improved access to finance, and crop diversification. The project promotes gender inclusion through joint land titling and aims to increase female staff representation from 60% to 85% by 2028, while significantly expanding employment. It also enhances traceability and sustainable land management, supporting reduced deforestation and increased.



31. Fairtrasa, Fruits, Peru – CFC/2022/20/0132

Submitting Institution

Location

Commodity

Total Cost

CFC Financing

Co-financing

Fairtrasa Perú S.A.

Peru

Fresh fruits

USD 2,000,000

USD 1,000,000

USD 1,000,000

Project Description

Fairtrasa Perú sources sustainably produced fresh fruit, including mangoes, avocados, ginger, and other crops, from smallholder farmers across Peru, including those in rainforest regions. The Fairtrasa Group has been among the pioneers in promoting socially and environmentally sustainable production methods among smallholders in Latin America.

Fairtrasa Perú sources from smallholders and supports them in establishing cooperatives for this purpose. These cooperatives receive market access, training, prepayments, and assistance in obtaining and managing certifications, among other forms of support. Where possible, Fairtrasa Perú also assists cooperatives in developing their capacities to a level at which they can independently manage exports to Fairtrasa's European sales offices. The company was the first in Latin America to export Fairtrade-certified avocados.

In addition to its efforts to improve smallholder livelihoods, Fairtrasa differentiates itself as a pioneer in environmental sustainability and climate action. Its products hold

various organic certifications, while several products also carry additional certifications such as Demeter biodynamic certification. More recently, the company has promoted regenerative agricultural practices among its smallholder suppliers and has achieved Regenerative Organic Certified status for part of its supply chain.

The investment was made with the expectation of further strengthening this model by increasing the number of supported smallholders from approximately 340 to nearly 400, alongside an increase in price premiums from approximately 20% to 30%. The cultivated area is projected to expand from about 600 to more than 700 hectares, while wages for full-time employees are expected to increase to approximately USD 5,700 per year. Gender inclusion is also expected to improve, with the share of female temporary workers projected to rise to more than 40%. In addition, the project is expected to enhance environmental outcomes through the expansion of regenerative practices, the planting of more than 20,000 trees, and the continued use of sustainable infrastructure and certifications.



Photo: Mangoes. Adobe Stock



32. Organic Africa Holdings, Herbs, Spices, Zimbabwe – CFC/2022/20/0257

Submitting Institution
Location
Commodity
Total Cost
CFC Financing
Co-financing

Organic Africa Holdings
Zimbabwe
Spices
USD 3,000,000
USD 850,000
USD 2,150,000

Project Description

Organic Africa was established in 2007 as a Zimbabwean social enterprise by its CEO, Dominik Collenberg.

Organic Africa produces certified herbs, spices, essential oils, and indigenous medicinal plants, including basil, calendula, cornflower, ginger, paprika, devil's claw, baobab powder, baobab seed oil, marula oil, ximenia oil, and mafura butter.

The company sources raw materials from its own farms, smallholder farmers, and wild collectors. More than 60% of its employees and suppliers are women. Organic

Africa sources most of its herbs, spices, and medicinal plants from farms owned by its two subsidiaries, Stevia Zimbabwe and La Rochelle Organics. After sourcing, the raw materials are centrally dried, sorted, and packed for shipment.

B' Ayoba and KaZa, two other subsidiaries of the group, collect baobab fruits, oil seeds, and plants from wild collectors and process them into baobab fruit powder, baobab dry fibres, and natural oils.

The investment was made with the expectation of significantly expanding Organic Africa's inclusive sourcing model by increas-

ing the number of smallholder farmers and wild collectors from approximately 14,000 to 27,000, while raising average annual incomes from approximately USD 1,600 to USD 5,600. Production volumes are projected to grow from about 280 MT to more than 1,000 MT, alongside an expansion of cultivated land across both smallholder and company operations. Gender inclusion is also expected to strengthen, with the share of female farmers projected to increase to more than 50%. The project is expected to continue to be underpinned by strong environmental and social standards, supported by multiple certifications, including Fairtrade, FairWild, and organic certifications in key markets.



34. Coffee Planet, United Arab Emirates – CFC/2022/21/0105

Submitting Institution
Location
Commodity
Total Cost
CFC Financing
Co-financing

Coffee Planet LLC
United Arab Emirates
Coffee
USD 13,200,000
USD 3,000,000
USD 10,200,000

Project Description

Based in Dubai, United Arab Emirates, Coffee Planet LLC was established in 2005 as a provider of coffee solutions for convenience stores. In 2008, Coffee Planet opened a new UTZ-, BRC-, HACCP-, and ISO 22000-certified processing facility with a coffee roasting capacity of more than 4,320 MT per annum. This enabled the company to become the largest specialty coffee roaster in the Middle East, employing more than 200 people. As a certified roaster in the specialty coffee segment, the company's business model focuses on providing end-to-end coffee solutions for a diverse range of local and international customers. The company also ensures full traceability and control throughout its value chain.

Currently, Coffee Planet provides a wide range of business-to-business (B2B) and business-to-consumer (B2C) coffee solutions, serving more than 800 local and international customers and operating over 5,000

coffee machines across the United Arab Emirates. The company has signed coffee bean and consumables supply agreements with several major blue-chip companies.

Coffee Planet follows an integrated value chain operating model ('crop-to-cup'), which involves complete in-house management of the value chain, from the sourcing of coffee beans to the roasting and packaging of coffee products, and finally to the distribution of coffee, related consumables, and equipment, as well as staff training, machine servicing, and maintenance. The company's business model is centred on delivering comprehensive coffee solutions to diverse local and international customers.

The investment was made with the expectation of expanding Coffee Planet's sustainable sourcing model by increasing the number of impacted smallholder farmers from approximately 1,600 to more than 3,000, alongside a doubling of sustainably sourced coffee volumes. Employment

was also projected to grow, with the total number of staff increasing to more than 200 and female representation strengthening significantly. In parallel, the company was expected to maintain high certification standards and enhance environmental performance through waste reduction initiatives, including scaling up the use of fully biodegradable coffee capsules.



Photo: Coffee beans. Adobe Stock



35. Café Selva Norte SAC, Coffee, Peru – CFC/2022/21/0136

Submitting Institution	Café Selva Norte SAC
Location	Peru
Commodity	Coffee
Total Cost	USD 14,500,000
CFC Financing	USD 1,000,000
Co-financing	USD 13,500,000

Project Description

Café Selva Norte SAC (CSN) is a Peruvian specialty coffee company established in 2018 as a joint venture between four local coffee cooperatives and Urapi, a Canadian impact fund. CSN focuses on sourcing, processing, and exporting high-quality Arabica coffee to buyers in North America and Europe. Beyond trading, CSN actively supports its smallholder suppliers by providing affordable agricultural inputs and extension services that promote agroforestry practices, which enhance productivity and climate resilience. These practices also generate carbon credits, providing smallholders with additional income and fostering long-term

supplier loyalty. CSN operates a state-of-the-art dry mill, launched in 2021, and plays a central role in supporting farm-level transformation.

To support CSN's growing operations and strengthen its supply chain, the Common Fund for Commodities (CFC) provided USD 1 million in harvest capital. The financing is structured as a tripartite trade finance facility and is used to purchase coffee from smallholder farmers. The investment enables CSN to maintain steady procurement during harvest seasons, ensuring timely payments to producers and reinforcing its commitment to inclusive, climate-smart value chains.

The project is expected to support more than 3,600 smallholder farmers across 10 cooperatives through training aimed at improving productivity, quality, and traceability. It is also expected to diversify incomes through carbon credits and the sale of timber and honey, while promoting climate resilience through agroforestry systems across more than 8,000 hectares. Gender inclusion is expected to be strengthened, with nearly 800 female suppliers benefiting from equal access to finance and support. In addition, the project is expected to create around 50 new jobs and expand access to microcredit, thereby helping to reduce financial barriers for smallholders.



36. Ecotierra, Coffee, Peru CFC/2022/21/0190 FT

Submitting Institution	Transition Capital Café Selva Norte S.E.C.
Location	Peru
Commodity	Forestry, Coffee, Spices
Total Cost	USD 13,290,000
CFC Financing	USD 290,000
Co-financing	USD 13,000,000

Project Description

Conservación Selva Norte (CSN+) is a conservation project developed and managed by the Canadian impact investor Urapi Sustainable Land Use Fund. CSN+ leads forest conservation initiatives across coffee-growing regions in Peru, working directly with smallholder communities. These initiatives provide communities with

the resources needed to effectively monitor conservation activities and promote agroforestry-based livelihoods, such as coffee, vanilla, honey, and ecotourism, as alternatives to deforestation-driven livelihoods. The conservation efforts generate verified carbon units (VCUs) linked to avoided deforestation, which serve as a key source of revenue. Sales of these VCUs are managed by ElevaFina, a Urapi subsidiary that also markets low-carbon coffee through the Café Selva Norte (CSN) project, creating opportunities for buyers to purchase low-emission coffee or offset supply-chain emissions.

The Common Fund for Commodities (CFC) provided USD 290,000 in financing to support CSN+ in scaling up productive agroforestry activities and establishing smallholder cooperatives. The funding is provided as loans to participating communities for early-stage implementation costs, including capacity building, livelihood investments, and the establishment of community organizations. Repayment is expected to come from the sale of VCUs, which also serve as the underlying security for the financing.

By supporting diverse agricultural value chains such as coffee, honey, and vanilla, the investment promotes sustainable land use, enhances smallholder incomes, and contributes to global climate mitigation through forest conservation.

The investment was made with the expectation of supporting approximately 2,100 smallholders across 14 communities by introducing sustainable livelihood alternatives to deforestation, while improving agricultural practices across approximately 2,100 hectares. It is also expected to create local employment opportunities in areas such as monitoring and technical assistance, particularly in underserved communities lacking access to formal structures and technical expertise. In addition, the project is expected to contribute significantly to climate and biodiversity outcomes by placing approximately 141,000 hectares of forest under conservation, avoiding an estimated 230,000 MT of greenhouse gas emissions annually at peak levels, and supporting the preservation of critical ecosystems.





39. Opportunities and Challenges of the EU Deforestation Regulation in Agri-commodity Value Chains, Global South – CFC/2024/24/0005 FT

Submitting Institution

UNCTAD

Location

Global South

Commodity

Coffee

Total Cost

USD 540,000

CFC Financing

USD 229,850

Co-financing

USD 310,175

Project Description

UNCTAD identified the need to develop a comprehensive report examining the opportunities and challenges emerging from the EU Deforestation Regulation (EUDR) for agri-commodity value chains in the Global South, with a focus on Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs). The study explores the potential market, social, and environmental impacts of the

regulation, assess related financial risks and compliance costs, and provide policy recommendations to mitigate unintended consequences that may hinder progress toward the SDGs. Special attention will be paid to supporting exporting countries affected by the regulation.

To address this critical knowledge gap, the CFC is supporting UNCTAD in conducting and publishing this forward-looking study.

The project leverages UNCTAD's technical expertise, global reach, and long-standing collaboration with the CFC. As no similar assessments exist to date focusing on commodity-dependent LDCs and LLDCs, the study will play a pioneering role in informing policy and investment decisions. Following the presentation of the draft report at the LLDC IV Conference in Awaza, Turkmenistan, the CFC will proceed with publishing the findings in 2026.



Photo: Coffee plants. Adobe Stock

IV.5 Completed projects in 2025



1. SME Agribusiness Development in East Africa – CFC/2012/01/0076 FA

Submitting Institution	MatchMaker Fund Management (MMFM)
Location	Burundi, Kenya, Malawi, Rwanda, Tanzania, Zambia
Commodity	Miscellaneous
Total Cost	Euro 10,000,000
CFC Financing	USD 520,000 (Loan – First Account Net Earnings Initiative (FANEI))
Co-financing	Balance to be sourced from other consortium partners

Project Description

The SME Impact Fund (SIF) provided meso-level financing to agribusiness SMEs in East Africa. SIF provided loans ranging from USD 65,000 to USD 650,000, with an average loan size of USD 200,000. The Fund offered financing in local currency at competitive interest rates ranging between 18% and 20% per annum, with repayment periods of up to 60 months.

Project partners included Dutch NGOs such as Hivos and Cordaid, as well as private investors including MatchMaker Associates (MMA). The local banking partner was the National Microfinance Bank (NMB) of Tanzania, which provided SIF with strong outreach across rural districts in the country. Technical partners included the Financial Alliance for Sustainable Trade (FAST), MatchMaker Associates (MMA), and the Tanzania Horticultural Association (TAHA)

through its Business Development Services (BDS) project.

The target fund size was not reached during the second close, and the Fund completed its final exit in 2025. Nevertheless, through its investments, SIF reached 19,000 small-holder farmers and supported 2,500 jobs. SIF estimated that its investments contributed to the livelihoods of approximately 98,000 beneficiaries.



2. Accelerating Lending to Food & Agri sector in East Africa Supply Chain Financing – CFC/2015/07/0028

Submitting Institution	Financial Access Commerce and Trade Services (FACTS)
Location	Kenya, Uganda (LDC)
Commodity	Miscellaneous Commodities through Supply Chain
Total Cost	USD 7,000,000 ¹
CFC Financing	USD 1,200,000 (of which USD 200,000 by Dutch Trust Fund)
Counterpart Contribution	USD 10,300,000

Project Description

Factoring, as a form of supply chain finance, can play a critical role in injecting much-needed short-term liquidity into value chains. The demand for factoring services, which support producers and traders in scaling their activities, nevertheless remains largely unmet in many developing countries. Since 2015, FACTS has worked to address this gap by providing factoring services to SMEs in Kenya and Uganda.

In 2018, the CFC and FACTS East Africa B.V. signed a USD 1.2 million loan agreement to support and scale FACTS' impact on agricultural value chain participants. FACTS

continued servicing its portfolio of clients throughout the COVID-19 pandemic with the support of shareholders and creditors.

Following the CFC investment, FACTS significantly expanded its outreach and impact across agricultural value chains in Kenya and Uganda. The project reached more than 34,000 smallholder beneficiaries, with strong gender inclusion, particularly in Uganda where female participation was high. Smallholder incomes improved meaningfully, with average household income in Kenya increasing to approximately USD 350 and significantly higher gains observed in Uganda, driven by diversification and the adoption of irrigation.

Land utilization and productivity also improved, with more than 10,000 hectares financed in Kenya and notable increases in income per hectare, particularly for higher-value crops such as coffee. The project contributed to substantial job creation by generating direct and indirect employment opportunities in Kenya, as well as additional income opportunities in Uganda through expanded farming activities. Overall, the financing acted as a catalyst for enhancing financial inclusion, strengthening rural livelihoods, and enabling more resilient and diversified income streams across both countries.

¹ Total Project cost is the outstanding factoring portfolio of the Company. In particular, since the CFC entered into a 9-month facility, the total project cost is considered for the outstanding factoring portfolio for the year 2019 only. The factoring portfolio for the year 2019 amounted to EUR 3.2 million.



3. Start-up of Innovative Agriculture Finance Company for Cocoa, Philippines – CFC/2016/08/0064

<i>Submitting Institution</i>	Kennemer Foods International Inc.
<i>Location</i>	Philippines
<i>Commodity</i>	Cocoa
<i>Total Cost</i>	USD 11,600,000
<i>CFC Financing</i>	USD 1,400,000
<i>Counterpart Contribution</i>	USD 10,200,000

Project Description

Kennemer Foods International is an agribusiness company specializing in the production, processing, and trading of high-quality cocoa sourced directly from smallholder farmers. Building on knowledge and technology transfer through its long-standing partnership with Mars, Incorporated, Kennemer sought to enhance its sourcing activities by supporting the planting of new cacao trees, thereby ensuring higher yields and improved livelihoods for smallholders.

Nevertheless, access to finance remained a challenge for smallholder farmers in the Philippines, limiting their ability to undertake the investments required for such expansion. To address this constraint, Kennemer

established an affordable smallholder financing mechanism through its subsidiary, Agronomika Finance Company.

In partnership with other impact investors, such as FMO – Dutch Entrepreneurial Development Bank, the CFC provided the necessary funding for Agronomika's operations.

Following the CFC-supported financing, Kennemer and its subsidiary Agronomika demonstrated substantial scale-up in outreach and production capacity. The number of smallholder beneficiaries increased significantly from approximately 1,300 in 2020 to more than 16,000 by 2024, alongside a sharp expansion in cultivated land

from fewer than 500 hectares to nearly 5,000 hectares.

Employment generation was also strong, with permanent staff at Kennemer increasing from approximately 80 to more than 230. Gender inclusion improved notably, particularly among beneficiaries, with the number of female clients increasing from fewer than 400 to more than 15,000, while female employment also rose steadily across both entities.

Overall, the project reflected rapid scaling in farmer outreach, cultivated land, and employment, supported by enhanced sustainability standards, including the adoption of certifications such as CacaoTrace and Rainforest Alliance.



4. Integrated Lime Production in Bahia, Brazil – CFC/2017/11/0005

<i>Submitting Institution</i>	Jan Stap B.V.
<i>Location</i>	Brazil
<i>Commodity</i>	Citrus Fruits
<i>Total Cost</i>	Euro 2,375,000
<i>CFC Financing</i>	Euro 1,000,000
<i>Counterpart Contribution</i>	Euro 1,375,000

Project Description

In 2012, the Torres Group established its Tahiti lime production operations in the municipality of Pojuca, in Bahia State, Brazil. The Group entered the production business with the objective of vertically integrating and controlling its supply chain

in order to obtain Fairtrade and Global Good Agricultural Practices (GlobalG.A.P.) certifications.

In December 2018, the CFC signed a loan agreement with the subsidiary Jan Stap B.V. to support the expansion of the Group's

sustainable lime plantation. While providing an environmentally sustainable alternative to consumers in Europe, the plantation also contributed directly to local income generation and economic inclusion in one of the poorest municipalities in Brazil. Following the CFC investment, the Torres Group demonstrated strong growth in both production and socio-economic impact. Lime production increased rapidly to more than 500 MT by 2022, supported by an expansion of cultivated land from 30 to 100 hectares while maintaining stable yields.

Employment also grew, particularly in temporary roles, alongside rising wages, which increased from approximately USD 2,400 to nearly USD 3,800 annually, indicating improved income levels. Gender inclusion improved modestly. Environmental impact was also evident, with tree planting increasing from approximately 11,000 to nearly 30,000 trees, alongside continued adherence to sustainability certifications.



Photo: Torres



5. Olivado Working Capital, Kenya – CFC/2019/14/0027

Submitting Institution	Olivado
Location	Kenya
Commodity	Fruits
Total Cost	Euro 1,500,000
CFC Financing	Euro 500,000
Co-financing	AgriFI Kenya: Euro 1,000,000

Project Description

Olivado EPZ ('OEPZ') is a Kenyan fresh avocado trader and one of the world's leading producers of organic extra virgin avocado oil. The company operates an integrated farmer-to-market model, sourcing avocados directly from more

than 2,800 smallholder farmers. Its avocado oil is exported to traders and retailers in more than 30 countries. In 2019, the company installed a biogas plant to utilize waste and by-products from avocado oil production to generate energy and fertilizer.

The CFC extended a trade finance loan to accommodate growing international demand for responsibly farmed organic avocado oil. Every supplier was integrated into certified Organic and Fairtrade programmes, gaining access to agronomic training, guaranteed offtake, and pre-financing. The investment acted as a catalyst for scaling up Olivado's inclusive sourcing model, contributing to an increase in smallholder participation from around 2,300 to more than 3,000 farmers, higher payments to producers, and improved incomes (rising from approximately USD 250 to more than USD 300). It also supported expansion in production and land under cultivation, which increased from about 4,000 to nearly 6,000 acres, while maintaining resilience despite fluctuations in sourcing volumes.

In parallel, the investment contributed to improved employment outcomes, with permanent staff increasing from 75 to around 90 and wage levels rising alongside stronger gender inclusion. Overall, the financing reinforced Olivado's ability to deliver sustainable growth, enhance livelihoods, and maintain high environmental and certification standards.



Photo: Olivado EPZ Limited



6. Carbon-neutral processing of avocados and avocado oil – CFC/2020/17/0008

Submitting Institution	Olivado EPZ Ltd.
Location	United Republic of Tanzania, Kenya
Commodity	Avocado
Total Cost	Euro 2,000,000
CFC Financing	Euro 1,000,000
Co-financing	Euro 1,000,000

Project Description

Olivado EPZ ('OEPZ') is a Kenyan fresh avocado trader and a leading producer of organic extra virgin avocado oil. The company operates an integrated farmer-to-market model, sourcing avocados directly from more than 2,800 smallholder farmers. In 2019, it installed a biogas plant to produce biogas and fertilizer from avocado waste generated during oil processing.

Ensuring complete traceability from farm to bottle, Olivado has developed a rigorous

farmer-to-market system that reliably tracks the quality and origin of avocados at the farmer level. A dedicated team of field officers regularly visits farms and supports farmers during cultivation. To meet growing market demand for avocados and avocado oil, the company has expanded its carbon-neutral business model to Tanzania. Its Tanzanian oil extraction plant, Olivado Tanzania EPZ Limited, commenced operations in 2020.

The loan was expected to enable Olivado to further expand its farmer-to-market

model based on Fairtrade and Organic certification schemes, while also allowing the company to provide advance payments to smallholder farmers. Through this strengthened relationship with the CFC, Olivado expected to include up to 5,000 smallholder farmers in its inclusive farmer programme in Kenya and Tanzania, enabling them to benefit from premium prices and more secure incomes. Olivado was also expected to become one of the few, if not the only, carbon-positive agri-processors in Kenya.



Photo: Adobe Stock



“Having witnessed the work of many international organizations based in the Netherlands and beyond, I am increasingly convinced that the world does not need more bureaucracy, declarations, or endless debates. At a time when poverty is creeping back, and hunger is rising, the international community needs institutions capable of delivering practical and measurable impact where it matters most. Commodities underpin every aspect of modern life – from the food consumers eat to the industries and economies that sustain growth – yet millions of smallholder farmers, producers, and SMEs remain trapped in vulnerability and exclusion from the value they help create.”

By investing in sustainability, value addition, innovation and inclusive market access, the CFC is helping to humanize commodity value chains and build systems that are fairer, more resilient, and more accountable to both producers and consumers. With the growing recognition of the CFC within the United Nations system, including its inclusion in the recent Sevilla Outcome Document, the international community can and must strengthen its support for the CFC so that it can respond effectively to the rapidly growing demand for its work. In a post-SDGs world, the CFC represents the kind of institution we need.”

Executive Board Chair- Amb. J. Eduardo Malaya (Philippines)



Photo: Ripe coffee washing. Adobe Stock

IV.6 Overview Technical Assistance Facility

The CFC Technical Assistance Facility (TAF) team collaborates closely with impact investment funds in the agricultural commodities sector, with a proven track record in designing and managing technical assistance facilities and initiatives across diverse actors, value chains, and geographies.

Adapting technical assistance to investee needs

At the core of this work, the CFC's TAF team supports investments across both CFC-managed and partner funds, adapting to the evolving needs of investees by strengthening their performance, sustainability, and impact across agricultural value chains. By complementing investment capital with targeted advisory support, technical assistance helps address key operational, environmental, and social challenges while enhancing the resilience of businesses and smallholder systems.

These interventions are closely aligned with investment activities and deployed both pre- and post-investment, focusing on areas such as capacity and value chain development, environmental and social management systems (ESMS), climate resilience, and impact measurement.

CFC's TAF Portfolio Evolution in 2025

In 2025, CFC's technical assistance portfolio reflected both continuity and strategic evolution. The Agroforestry Technical Assistance Facility (ATAF), established for the Moringa Fund and managed by CFC since 2016, reached its planned completion after supporting investees in multiple countries across Africa and Latin America in strengthening agroforestry systems and enhancing smallholder farmer engagement.

The Africa Agriculture and Trade Investment Fund (AATIF) Technical Assistance Facility, operational since 2012, remains CFC's largest and longest-running TAF. It continues to support a broad range of agribusinesses and financial institutions across Africa while contributing significantly to smallholder outreach and value chain development. The AATIF TAF also plays an important role in the Fund's impact measurement efforts by supporting and managing various impact assessment activities.

A landmark development in 2025 was the decision for CFC's Technical Assistance team to increasingly turn its expertise inward. After years of successfully managing technical

assistance facilities for external impact investment funds and partners, the CFC TAF Team launched internal TAF operations through the establishment and launch of the TA Facilities of two new impact funds managed by the CFC itself. This strategic evolution reflects a simple but powerful reality: while finance may provide the fuel, technical assistance is often the engine that sustains long-term development impact. Capital can inject liquidity, but technical assistance builds the institutions, systems, skills, and resilience that endure well beyond financing cycles. In many respects, technical assistance forms the roots of sustainable development – sometimes unnoticed, yet essential for stability and lasting growth.

This evolution also received important international recognition in 2025. The United Kingdom, through the Foreign, Commonwealth and Development Office (FCDO), partnered with CFC in establishing the CFC Graduation Fund and its accompanying Technical Assistance Facility to strengthen SME capacity and investment readiness across Sub-Saharan Africa. In parallel, the Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety (BMUKN) of Germany approved a pioneering EUR 500,000 grant to strengthen the ACT Fund Technical Assistance Facility managed by CFC. CFC expresses its profound appreciation to the Governments of both the United Kingdom and Germany for these visionary contributions, which recognize that technical assistance is not merely an add-on to finance, but often the very architecture upon which sustainable development impact is built.

Taken together, these developments demonstrate how CFC's technical assistance work continues to evolve geographically, institutionally, and thematically, while maintaining its core purpose: strengthening investee performance, building resilience, and enhancing development impact across agricultural value chains.

What is Technical Assistance in practice?

Technical assistance refers to targeted, typically grant-funded support and advisory provided alongside investments to investee companies and other actors operating in their value chains to address specific business challenges or opportunities, strengthen capacity, and improve both commercial performance and development impact.

In practice, this includes advisory support (technical, managerial, topical etc.), the development of systems and tools such as financial or environmental and social management frameworks, training and capacity development, and analytical work such as feasibility studies and market assessments. Agriculture is one

of the leading sectors using technical assistance in blended finance, reflecting both the complexity of agricultural systems and the need to support actors beyond the provision of capital alone. Technical assistance interventions typically extend across entire value chains, helping to strengthen linkages, improve efficiency, and reduce risks.

From concept to application: How technical assistance works

In this context, technical assistance is deployed flexibly across different objectives and stages of the investment cycle. TA can strengthen core business performance, expand inclusion of other value chain actors – particularly through smallholder integration – or support broader value chain development. Depending on the identified need, technical assistance is applied pre-investment to de-risk investment opportunities and inform investment decisions, or post-investment to improve performance and maximise impact during the investment term.

A key strength of this approach lies in its ability to support a wide range of actors across agricultural value chains, including financial institutions, small or larger agribusinesses, traders, processors, cooperatives, and smallholder farmers.

Technical assistance delivers value by:

- De-risking investments and improving bankability
- Enhancing commercial viability and operational performance
- Strengthening climate resilience and sustainability practices
- Improving market access and value chain integration
- Maximising development impact, particularly for smallholders

For many countries, particularly those seeking to strengthen local value addition, food security, climate resilience, and SME competitiveness, technical assistance can be as important as financing itself. Well-designed TA helps de-risk investments, improve bankability, strengthen institutions, and create the enabling conditions for long-term economic transformation. It supports not only individual enterprises, but entire ecosystems surrounding production, processing, logistics, trade, and market access.

Through its growing Technical Assistance portfolio, CFC stands ready to work with its Member States, partners, and investees to design and implement tailored technical assistance solutions that respond to country priorities and local realities. By combining finance with knowledge, systems strengthening, and practical advisory support, CFC seeks to help build resilient commodity sectors that generate greater value for producers, enterprises, and communities alike.

ATAF (2016-2025)



20

Projects approved



2.1m

Committed TA funds to approved projects (in EUR)



10

Countries in Africa and Latin America where ATAF projects are implemented



10

Investees supported by ATAF



8,000

Smallholder farmers reached through ATAF support



AATIF TA Facility (2012-present)



140

Projects approved



8.85m

Committed TA funds to approved projects (in EUR) (of total TAF size EUR 12.5m)



19

Countries in Africa where AATIF TA Facility projects are implemented



46

agribusinesses and financial institutions received AATIF TA support



384,000

Smallholder farmers reached by the AATIF investee companies*



*Highest reach in any given year

CFC Graduation Fund TA Facility (2025-present)



600,000

Committed TA funds (in GBP)



Pipeline projects: currently being developed



Regions/Continents: Sub-Saharan Africa



ACT Fund TA Facility (2025-present)



2

Pipeline projects in Côte d'Ivoire and Honduras



500,000

Committed TA funds (in EUR)



Regions/Continents: Africa, Latin America and Southeast Asia



10m

TAF Fundraising target (in USD)



Photo: Farmer Delfina Cardoso, Cabo Verde. © FAO/Giuseppe Carotenuto





V

CFC's Impacts in 2025

As an impact investor, the CFC is committed to financing investments that generate positive social, economic and environmental impacts across the developing world. To uphold this commitment credibly and effectively, the CFC continues to strengthen its impact measurement and management (IMM) system so that it remains practical for agricultural SMEs while meeting rising expectations for transparency and accountability.

This chapter describes how the CFC's impact strategy has been operationalized to support measurable impacts in 2025. IMM continues to evolve quickly across the international development and impact investing community, and the CFC seeks to adopt emerging good practice where it is relevant and proportionate. In this edition of the CFC's impact report, particular attention is given to the Impact Frontier's Impact Performance Reporting Norms, especially their guidance on presenting both an impact management approach and portfolio impact performance. For impact stories from the CFC's portfolio, please see Section II.

Photo: Maize grinding, Zimbabwe. © Brent Stirton/Getty Images for FAO, CIRAD, CIFOR, WCS

v.1 CFC’s Impact Thesis

Commodities remain central to global development and daily life, underpinning food systems, manufacturing, infrastructure, energy, and trade. Their importance is often most visible during periods of disruption, when price swings, trade frictions, or climate shocks quickly affect both consumers and producers. For millions of smallholder farmers in commodity-dependent countries, however, commodities are not abstract market goods. They are the basis of household income, food security, and resilience. These producers continue to face volatile prices, limited market access, climate risks, and weak bargaining power, leaving many exposed to persistent poverty.

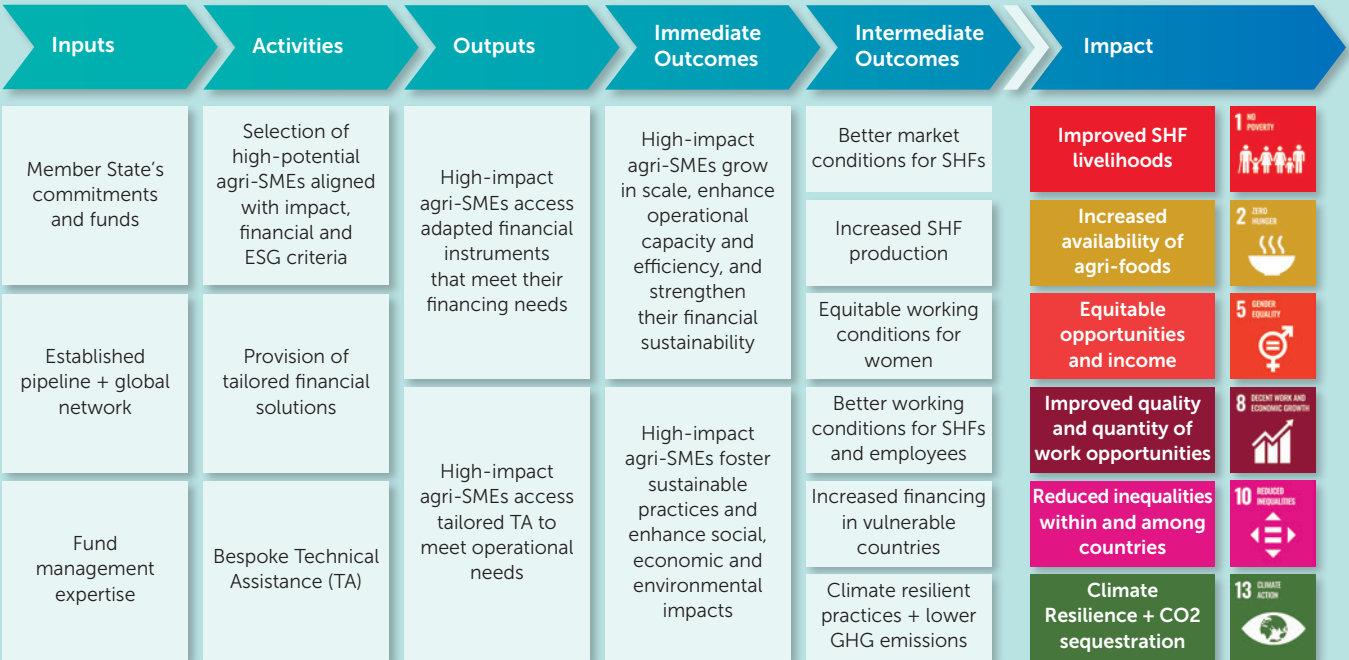
Recent analysis from UN Trade and Development, including the Trade and Development Report 2025 and the State of Commodity Dependence 2025, highlight how closely trade, finance, and commodity dependence remain connected. Commodity-dependent developing countries continue to be affected by price volatility, debt pressures, concentrated financial flows, and the uneven opportunities and risks created by the global energy transition. These dynamics make it even more important to strengthen productive capacity, diversify value chains, and ensure that primary producers are better connected to higher value and more stable markets.

To reduce extreme poverty and build more resilient economies, fair and sustainable commodity supply chains remain essential. In this context, the CFC acts as a catalyst by financing agricul-

tural SMEs that connect primary commodity producers to better markets and support more predictable income opportunities. By targeting specific commodity value chains, the CFC seeks to ensure that the benefits of global markets reach farmers and communities that are often least able to absorb shocks. The CFC’s **mission is therefore to contribute to poverty alleviation by strengthening the income-generating capacity of commodity producers and reducing risks to their economic well-being.**

With this mission in mind, the CFC has developed a simplified and comprehensive Theory of Change (ToC). The ToC serves as a roadmap, setting out the linkages between CFC activities, outputs, outcomes, and impacts, and connecting these pathways to clearly defined impact goals linked to the CFC’s core SDGs.

Guided by this ToC, the CFC translates its mission into action through a strategic, impact-oriented investment approach. It targets value chains with the potential to improve livelihoods in underserved communities, particularly in Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs), and Small Island Developing States (SIDS). CFC investments support livelihoods, encourage local value creation, strengthen economic resilience, and promote sustainable growth across commodity-dependent member states. In doing so, they aim to generate improvements that extend beyond individual farmers to their households, enterprises, and wider communities.



v.2 CFC's Impact Management Approach

The CFC has invested significant time and effort in refining its approach to impact monitoring, environmental and social (E&S) risk assessment, and stakeholder communication. As an early actor in agricultural impact investing, the CFC identified the need for dedicated impact monitoring systems and ESG tools tailored to agricultural SMEs. In the absence of comprehensive sector-wide solutions that were proportionate for this target group, the CFC developed its own methodologies, drawing on established frameworks while taking into account the operational realities and limited reporting capacity of SMEs.

As global frameworks continue to develop, the CFC regularly updates its processes, integrating new tools and lessons where these can improve effectiveness without placing excessive burdens on investees. Staying true to its mission, the CFC applies learning from its portfolio and from leading actors in the field to strengthen risk mitigation, refine impact indicators, improve data interpretation, and enhance the usefulness of impact information for decision-making.

The CFC's impact management approach is structured around three interconnected pillars that guide its impact efforts:

- 1 The first pillar is the **SDG Impact Framework**, which forms the foundation of the CFC's impact monitoring by aligning the investment strategy with its core Sustainable Development Goals (SDGs). This ensures that investments contribute to globally recognized development objectives and reinforces the CFC's accountability to sustainable development.
- 2 The second pillar, **Impact Monitoring**, draws on the Global Impact Investing Network's (GIIN) IRIS+ taxonomy to support a robust Impact Monitoring System. By using standardized indicators alongside project-specific metrics, the CFC is able to assess social, economic, and environmental results across its core SDGs and communicate performance in a more consistent and comparable way.
- 3 The third pillar, **ESG Risk Management**, is based on a rigorous due diligence and monitoring process supported by risk rating tools aligned with the IFC Performance Standards. This framework enables the CFC to identify, assess, and mitigate environmental, social, and governance risks across its portfolio while supporting investees in strengthening their own systems and practices.

Together, these pillars create a structured but adaptable system that keeps the CFC's impact monitoring and risk management approach consistent, responsive, and practical. This adapt-

ability allows the CFC to support portfolio companies while incorporating relevant advances in impact investing and sustainability reporting.

SDG Impact Framework

Stage in investment process: investment thesis



Impact Monitoring

Stage in investment process: portfolio monitoring



- Number of agri-SMEs financed
- Number of smallholder farmers reached
- Number of female smallholder farmers reached
- Additional net income
- Ha sustainably cultivated

ESG Risk Management

Stage in investment process: origination, due diligence & monitoring



SDG Impact Framework

Driven by a commitment to social, environmental, and economic progress, the CFC recognises the importance of assessing and reporting on the actual impacts of its agricultural investments. Measuring impact helps ensure that CFC resources are improving livelihoods, strengthening local economies, and supporting inclusive growth. For this purpose, the CFC uses the Sustainable Development Goals (SDGs) as the overall framework through which portfolio-wide impacts are monitored and reported.

The SDGs provide a universal framework for ending poverty, protecting the planet, and promoting prosperity. They integrate the economic, social, and environmental dimensions of sustainable development and remain highly relevant to commodity value chains. Given the cross-cutting role of commodities, CFC-financed projects can contribute to all 17 SDGs. However, the CFC's impact management strategy focuses on direct and measurable contributions to six core SDGs where commodity

finance can generate particularly tangible results: SDG 1 (No Poverty), SDG 2 (Zero Hunger), SDG 5 (Gender Equality), SDG 8 (Decent Work and Economic Growth), SDG 10 (Reduced Inequalities), and SDG 13 (Climate Action).

The selection of these priority SDGs does not exclude the others. Commodity issues are interconnected across the full SDG agenda. For example, CFC financing that supports regenerative agriculture, sustainable irrigation, or reduced pesticide use can also contribute to SDG 6 on Clean Water and Sanitation, while investments in processing and local value addition may contribute to SDG 9 on industry and innovation. Similarly, gender equality is considered throughout the investment process, with a gender lens applied during analysis, due diligence, and monitoring. The SDGs therefore provide a common development framework that the CFC translates into action by prioritizing specific SDG targets and monitoring progress through IRIS+ indicators, as further explained in the Impact Monitoring section. The rationale for each core SDG is presented below.

CFC's six core Sustainable Development Goals (SDGs)

	SDG 1 – No poverty – end poverty in all its forms everywhere
	United Nation's 2030 Agenda identifies the eradication of poverty in all its forms as a central requirement for sustainable development. Yet the Sustainable Development Goals Report 2025 shows that progress remains insufficient and uneven, with millions of people still living in extreme poverty and many developing countries facing high debt burdens, constrained fiscal space, and limited investment capacity. For commodity-dependent developing countries, the State of Commodity Dependence 2025 underlines the continued importance of commodity exports and the exposure this creates to price volatility, changing demand patterns, and external shocks. Addressing these vulnerabilities is central to the CFC's mission, which focuses on poverty alleviation and economic resilience among commodity producers. The CFC helps mitigate these challenges by financing SMEs that work directly with smallholder farmers and other primary producers. These enterprises can provide fairer farm gate prices, more reliable market access, and more predictable income opportunities. The CFC also supports economic diversification by financing underserved commodity sectors in vulnerable regions, helping local enterprises move into higher value activities and strengthen resilience. Through these efforts, the CFC contributes to SDG 1 by supporting rural incomes, reducing vulnerability, and strengthening the economic foundations of commodity-dependent communities. While the CFC contributes to all targets under SDG 1, our strongest impact is observed in the following specific targets:
SDG Target	Description
Target 1.1	By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than USD 1.25 a day
Target 1.2	By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions
Target 1.4	By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance
Target 1.5	By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters



SDG 2 – Zero hunger – end hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Smallholder commodity producers are essential to agricultural and food systems, yet they remain among the groups most exposed to food insecurity, climate shocks, and income volatility. The State of Food Security and Nutrition in the World 2025 reports that global hunger declined only modestly and unevenly, while high food price inflation continues to affect access to healthy diets. The Sustainable Development Goals Report 2025 also confirms that progress on ending hunger is off track, especially in regions where climate risks, conflict, and economic pressures affect both food availability and affordability.

Access to finance is a key driver of agricultural productivity and sustainability. It enables smallholder-linked SMEs and farmers to purchase inputs, invest in better production practices, improve storage and processing, and adopt technologies that increase yields and quality. Through loans and related financial instruments, the CFC helps bridge funding gaps in developing countries and strengthens food systems. Its technical assistance and advisory support also help enterprises and farmers improve agronomic practices, pest management, water use, quality control, and market readiness.

The CFC is committed to a world in which everyone has access to safe, nutritious, and sufficient food. By investing in SMEs that support smallholder farmers, the CFC helps increase productivity, improve market access, and strengthen resilience to external risks. By focusing on finance and technical support, the CFC enhances the capacity of SMEs to purchase from, or provide services to, smallholders in food-insecure regions. In doing so, it contributes to stronger food supplies and improved livelihoods where they are needed most. The Impact Monitoring section presents the indicators used to monitor and measure impacts related to SDG 2.

While the CFC contributes to all targets under SDG 2, our strongest impact is observed in the following specific targets:

SDG Target	Description
Target 2.3	By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment
Target 2.4	By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, which help maintain ecosystems, which strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality
Target 2.a	Increase investment, including through enhanced international cooperation, in rural infrastructure, agricultural research and extension services, technology development and plant and livestock gene banks in order to enhance agricultural productive capacity in developing countries, in particular least developed countries





SDG 5 – Gender Equality – achieve gender equality and empower all women and girls

The world remains far from achieving gender equality by 2030. The Gender Snapshot 2025 by UN Women and the United Nations highlights that women and girls continue to face systemic disadvantages across income, unpaid care work, leadership, safety, and access to resources. These barriers are particularly pronounced in rural economies, where women make up a large share of the agricultural workforce but often have less access to land, finance, inputs, technology, and formal markets.

Recognizing the transformative role of women in commodity value chains, the CFC applies a gender lens across its investments and technical assistance operations. The Fund supports women-led enterprises, promotes women's participation in leadership and employment, and strengthens women smallholders' access to finance, technology, climate-resilient production systems, and markets. Gender considerations are integrated into due diligence and impact measurement, including through indicators aligned with the 2X Challenge.

This approach helps the CFC identify and support SMEs that either already demonstrate inclusive practices or have strong potential to improve outcomes for women producers, workers, and entrepreneurs. This commitment has translated into tangible results. For example, the CFC previously sought out and financed Exotic EPZ, a women-owned macadamia processor founded by three female entrepreneurs. The company supported rural women through agricultural and financial training, rural collection hubs, and direct mobile payments that strengthened women's financial inclusion. By directing capital toward a women-led SME, the CFC contributed to better opportunities for women employees and farmers, showing how gender-intentional financing can strengthen both enterprise growth and inclusion across commodity value chains.

While the CFC contributes to all targets under SDG 5, our strongest impact is observed in the following specific targets:

SDG Target	Description
Target 5.5	Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life
Target 5.a	Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws



SDG 8 – Decent work and economic growth – promote inclusive and sustainable economic growth, employment, and decent work for all

Progress toward SDG 8 remains under pressure from trade tensions, high debt burdens, technological disruption, climate risks, and geopolitical conflict. The ILO's World Employment and Social Outlook: Trends 2025 highlights persistent inequalities in labour markets, particularly in lower-income economies where agriculture and commodity production employ large numbers of workers under informal and vulnerable conditions. These challenges reinforce the need for productive investment, fairer markets, and structural transformation in rural economies.

The CFC recognizes that sustainable development cannot be achieved unless commodity value chains work more fairly for the people who sustain them. Through its Humanizing the Value Chains (HVC)¹ approach, the CFC promotes more inclusive, transparent, and equitable value chains where smallholders, workers, women, and SMEs are not treated simply as low-cost inputs, but as central economic actors deserving dignity, fairer returns, and greater resilience.

The CFC supports SMEs that source from smallholders, process locally, and connect producers to markets, thereby creating employment, strengthening local value addition, and diversifying rural economies. Particular emphasis is placed on labour-intensive sectors where employment generation and income improvements can have transformative social impact. Beyond job creation, the CFC prioritizes the quality of employment by promoting fair farmgate prices, decent wages, safer working conditions, responsible business practices, and stronger income resilience for producers and workers. These elements are monitored through selected IRIS+ indicators, including smallholder income, farmgate prices, and employment generation.

Through the HVC approach, the CFC also seeks to address structural imbalances in global trade where producers often receive only a very small share of final consumer value. By combining innovative finance, technical assistance, traceability, and inclusive market systems, the CFC aims to ensure that greater value reaches smallholders and workers at the base of global supply chains. This inclusive investment model reinforces the links between decent work, reduced inequality, resilience, and sustainable economic growth.

¹ Humanizing the Value Chains (HVC) is a CFC-led approach to the process of transforming value chains to ensure fair compensation and ethical practices for all stakeholders involved.

While the CFC contributes to all targets under SDG 8, our strongest impact is observed in the following specific targets:

SDG Target	Description
Target 8.2	Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
Target 8.4	Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation
Target 8.7	Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour
Target 8.8	Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants and those in precarious employment

10 REDUCED INEQUALITIES



SDG 10 – Reduced inequalities – reduce inequality within and among countries

Progress toward reducing inequality remains fragile. The Sustainable Development Goals Report 2025 highlights that many vulnerable countries continue to face slower growth, high debt burdens, food insecurity, and limited access to finance. Inequality is also shaped by the uneven distribution of opportunities within countries, particularly for rural communities, women, youth, indigenous peoples, and other groups that are often excluded from formal markets and financial systems. In global commodity value chains, these inequalities are further reinforced when producers and workers receive only a very small share of the final consumer value, despite carrying much of the economic and climate-related risks.

To address these inequalities, the CFC supports investments in some of the world's most vulnerable regions, including Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs), Small Island Developing States (SIDS), and the 'Absolute Sixteen'². It finances projects that can reach people living in or near poverty but that may otherwise remain unfinanced because of perceived country risk, sector risk, or enterprise size. The CFC also targets interventions that benefit identified vulnerable groups, including smallholder farmers, women, and indigenous, tribal, and ethnic communities. By focusing on these groups, the CFC helps expand access to economic opportunities and supports more inclusive value chains.

This is where the CFC's Humanizing Value Chains (HVC) approach is most pertinent. Through HVC, the CFC seeks to make commodity value chains more inclusive, transparent, and equitable by placing producers, workers, SMEs, and vulnerable communities closer to the benefits of trade and value addition. Rather than treating commodities only as export products, the HVC approach focuses on the people behind them and on the conditions under which value is created, captured, and distributed.

A key element of this strategy is support for the 'missing middle': SMEs that are too large for microfinance but too small, early-stage, or risky for traditional commercial lending. These enterprises often form the bridge between smallholder producers and higher-value markets, yet they frequently lack the capital needed to grow, invest in processing, meet buyer standards, and strengthen traceability. Without this support, smallholders and local enterprises remain locked into low-value segments of commodity chains, with limited bargaining power and few opportunities to capture more value. By financing these SMEs, the CFC helps shift value closer to producers and producing countries, enabling better prices, more stable market access, local employment, and greater participation in formal trade. In this way, support to the missing middle directly contributes to reducing inequalities by expanding economic opportunity for those who are often excluded from mainstream finance and global value creation.

While the CFC contributes to all targets under SDG 10, our strongest impact is observed in the following specific targets:

SDG Target	Description
Target 10.1	By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average
Target 10.2	By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status
Target 10.6	Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions
Target 10.b	Encourage official development assistance and financial flows, including foreign direct investment, to States where the need is greatest, particularly LDCs, African countries, SIDS, and LLDCs

² 'Absolute Sixteen' refers to the 16 countries that are simultaneously classified as both Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs), facing compounded structural vulnerabilities linked to geography, market access, trade costs, and development constraints.



SDG 13 – Climate action – take urgent action to combat climate change and its impacts

The global climate crisis continues to intensify, with rising temperatures, more frequent extreme weather events, and increasing pressure on ecosystems, food systems, and livelihoods. The Sustainable Development Goals Report 2025 underlines that climate-related disasters and environmental degradation continue to threaten development progress, particularly in vulnerable countries. Commodity-dependent communities are often among the most exposed, as droughts, floods, pests, and shifting rainfall patterns directly affect agricultural productivity, incomes, and food security.

The CFC recognises that smallholder farmers are especially vulnerable to climate change because their livelihoods depend heavily on natural resources and climate-sensitive production systems. At the same time, conventional agricultural practices can contribute to land degradation, biodiversity loss, and greenhouse gas emissions when they are not managed sustainably. This dual reality underscores the importance of financing climate-smart and regenerative approaches that protect livelihoods while reducing the environmental footprint of agricultural production.

The CFC therefore promotes sustainable agricultural practices that reduce environmental pressure and strengthen climate resilience. It finances SMEs that implement or promote regenerative practices such as agroforestry, mulching, crop rotation, no-till farming, soil restoration, efficient irrigation, and improved input management. These practices can improve soil fertility, increase water retention, support biodiversity, and raise yields, thereby helping smallholders manage climate risks while improving income stability. They can also contribute to carbon sequestration and lower-emission production systems were implemented at scale.

In addition to financing, the CFC supports technical capacity building through training, workshops, and practical resources that promote climate-smart agriculture, including drought-resilient crops, efficient irrigation, and sustainable land management. By combining financial and technical support, the CFC helps smallholder-linked SMEs adopt practices that protect both the environment and rural livelihoods.

While the CFC contributes to all targets under SDG 13, our strongest impact is observed in the following specific targets:

SDG Target	Description
Target 13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
Target 13.b	Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities

Impact Monitoring

Impact Monitoring System

Measuring the impact of the CFC's investment portfolio through the SDG framework presents inherent challenges because SDG targets are generally monitored at global and national levels. The absence of fully standardized guidance for private sector and civil society reporting also makes it difficult to directly attribute the contribution of individual investments to progress on specific SDGs. In addition, the complexity of measuring outcomes across agricultural value chains makes impact reporting a demanding task.

To address these challenges, the CFC uses the Impact Reporting and Investment Standards (IRIS+), developed by the Global Impact Investing Network (GIIN), as its principal impact monitoring and reporting tool. Since its launch in 2008, IRIS+ has become a widely recognized system for measuring and managing impact. The IRIS+ taxonomy provides standardized metrics

with definitions and reporting guidance, and many metrics are linked to specific SDGs and targets, supporting alignment with global development priorities.

By integrating IRIS+ with the SDG framework, the CFC has adopted an Impact Monitoring System that improves reporting credibility and comparability across projects. This system supports transparent communication of results to stakeholders. The CFC maps the most relevant IRIS+ metrics to its mission and investment priorities, using a set of core indicators for aggregation and annual reporting while adding project-specific indicators where needed. Each new investment is assessed to identify the most relevant indicators. By combining core and case-specific output and outcome indicators, the CFC seeks to approximate longer-term impacts in a way that is practical, comparable, and meaningful.

This metrics system is implemented by embedding **impact considerations across five key dimensions**. These dimensions form

the foundation of our Impact Monitoring System, widely used by leading impact investors to ensure meaningful and measurable outcomes:

- 1 What** – Defines the specific outcomes targeted by the investment, such as improving environmental sustainability, increasing food security, or enhancing access to education.
- 2 Who** – Identifies the beneficiaries of the investment, with a particular focus on underserved or vulnerable populations.
- 3 How Much** – Quantifies the scale, depth, and duration of the impact, assessing how many individuals or ecosystems benefit and for how long.
- 4 Contribution** – Evaluates the added value of the investment by assessing what outcomes were achieved beyond what would have occurred in its absence.
- 5 Risk** – Assesses the likelihood that the intended impacts will not be realized, accounting for uncertainties such as market fluctuations, regulatory changes, or environmental shocks.

Together, these five dimensions provide a comprehensive framework for measuring, managing, and communicating impact. The CFC uses this framework to identify potential impacts specific to agricultural SMEs, define appropriate indicators, collect and analyse performance data, and assess the effectiveness of investments in driving positive change. This multidimensional approach allows the CFC to monitor and compare impact performance across the portfolio. It is operationalized by embedding the five dimensions throughout each stage of the investment cycle.

Impact Monitoring Throughout the Investment Cycle

The CFC acknowledges that the impact investing sector still lacks a single, fully developed system that enables all investors



Photo: Adobe Stock

to measure and track impact consistently. While leading actors have made important progress in assessing social and environmental outcomes, the continuing growth of tools, frameworks, and standards shows both progress and persistent complexity. To address this, the CFC has established a rigorous but streamlined process for monitoring impact across its investments. This process ensures that impact data is reported and collected from each investee in a systematic manner, allowing for ongoing assessment, accountability, and data-informed decision-making.

The CFC's impact monitoring process is embedded throughout the Fund's investment cycle. It begins with screening investees for impact alignment, followed by due diligence on potential future impacts. A preliminary impact evaluation is then presented to the CFC's governing bodies for approval. Once an investment is approved, the CFC works with investees to define output and outcome indicators tailored to both the CFC's core SDGs and the investee's context. Baseline impact metrics are then established, simplified self-reporting templates are provided, and annual impact reports are collected to monitor progress. Results are aggregated and reported to governing bodies and stakeholders, with attention to portfolio trends and investee cases that demonstrate notable impact achievements.

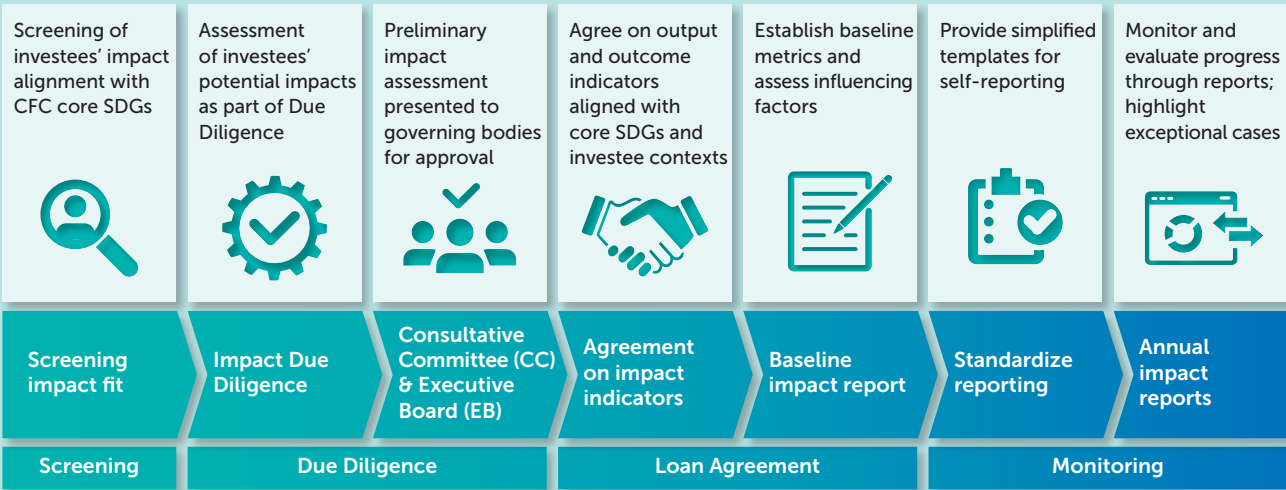




Photo: Community forest protector, Kampong Thom, Cambodia. © FAO/Pisey Khun

Enhancing our Impact Monitoring

Although the CFC applies a rigorous impact monitoring process, its annual reporting continues to rely substantially on self-reported impact data, supplemented where necessary by estimates based on previous years and case-specific assumptions. The CFC recognises the limitations of this approach, including reporting delays, different interpretations of indicators, and potential concerns about data accuracy.

Experience has shown that many SMEs face significant challenges in measuring impact consistently and in line with evolving sustainability reporting standards. These standards are becoming more detailed and resource-intensive, while neither investees nor the CFC can always dedicate additional resources to full standard alignment. Placing excessive financial or administrative burdens on SMEs could undermine the CFC's mission to support smallholder-linked enterprises. This makes it more difficult to collect the data needed to assess the depth and duration of outcomes. In addition, the IRIS+ framework does not yet provide clear, practical methodologies for measuring investor contribution under the five dimensions of impact.

To address these complexities, the CFC has developed a supplementary impact model that derives annual impact figures from investee financial data and case-specific assumptions. The purpose of this methodology is to generate a tailored set of complementary data points for each project, allowing indicators to be aggregated in the context of the overall CFC portfolio.

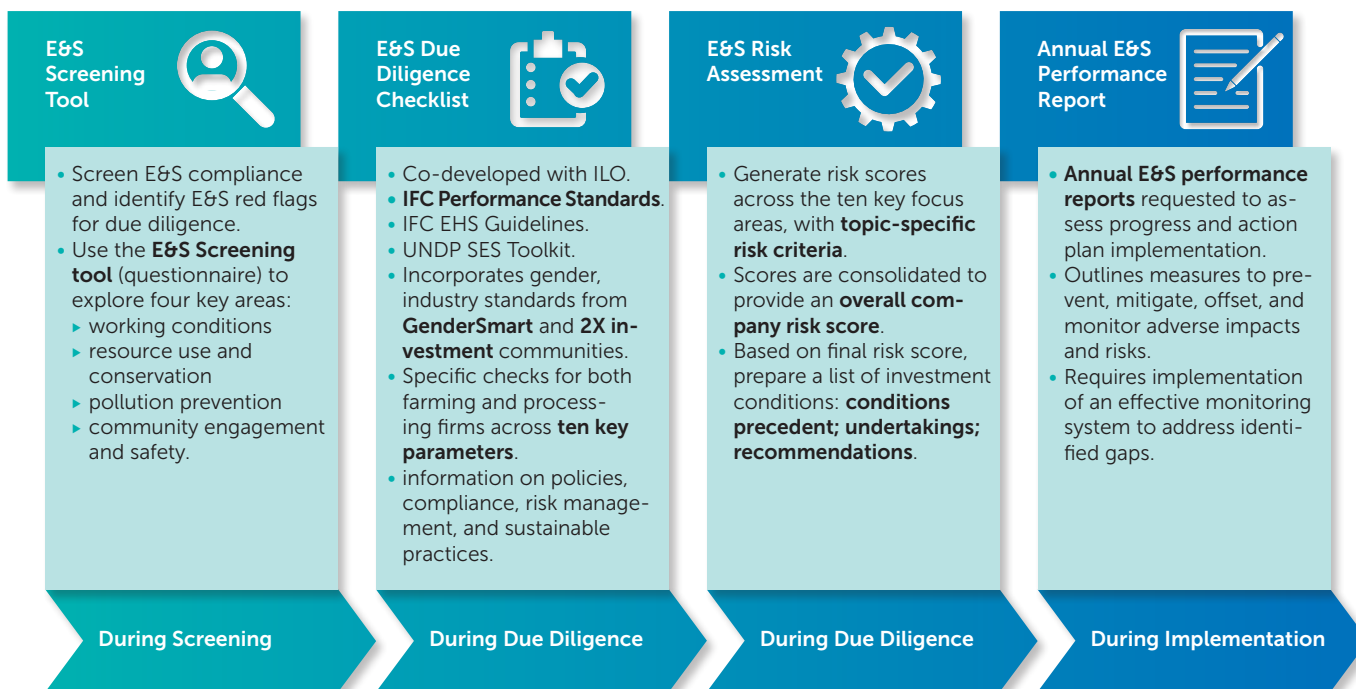
This approach does not replace self-reported data. Instead, it complements it by supporting more timely and consistent measurement for aggregation and reporting. Assumptions are based on literature, investee information, or clearly documented case-specific evidence.

The CFC is also exploring how GIS and remote sensing can complement its IMM work by providing objective, repeatable evidence on land-based outcomes. Used alongside investee reporting, geospatial data can support baseline creation, periodic monitoring, and verification of selected indicators such as land use, tree cover, vegetation condition, water stress, and biomass change. The CFC is currently testing these approaches through selected case studies, with the aim of identifying practical and proportionate applications that improve data quality without adding unnecessary complexity or cost for investees.

As this work develops, the CFC will focus on geospatial indicators that are credible, useful for investment decision-making, and relevant to agricultural SMEs. GIS will remain a complementary tool rather than a substitute for direct enterprise and farmer-level information.

ESG Risk Management

In addition to measuring and monitoring the positive impacts of investments, the CFC recognises the importance of assessing potential social, environmental, and governance (ESG) risks associated with investee companies.



By investing in agricultural SMEs at different stages of the value chain across Latin America, Africa, and Asia, the CFC operates in sectors and regions that carry inherent risks. These include environmental risks such as land degradation, deforestation, biodiversity loss, and unsustainable water use; social risks such as child labour, unsafe working conditions, gender inequality, and displacement; and governance risks such as weak oversight, limited transparency, and insufficient internal controls.

To mitigate these risks, the CFC has implemented a comprehensive ESG framework that integrates a Social and Environmental Management System (SEMS) Toolkit directly into the investment cycle. This approach ensures that environmental and social considerations are embedded at each stage of the investment process, enabling proactive risk identification, mitigation, and monitoring.

Social and Environmental Management System (SEMS) Toolkit

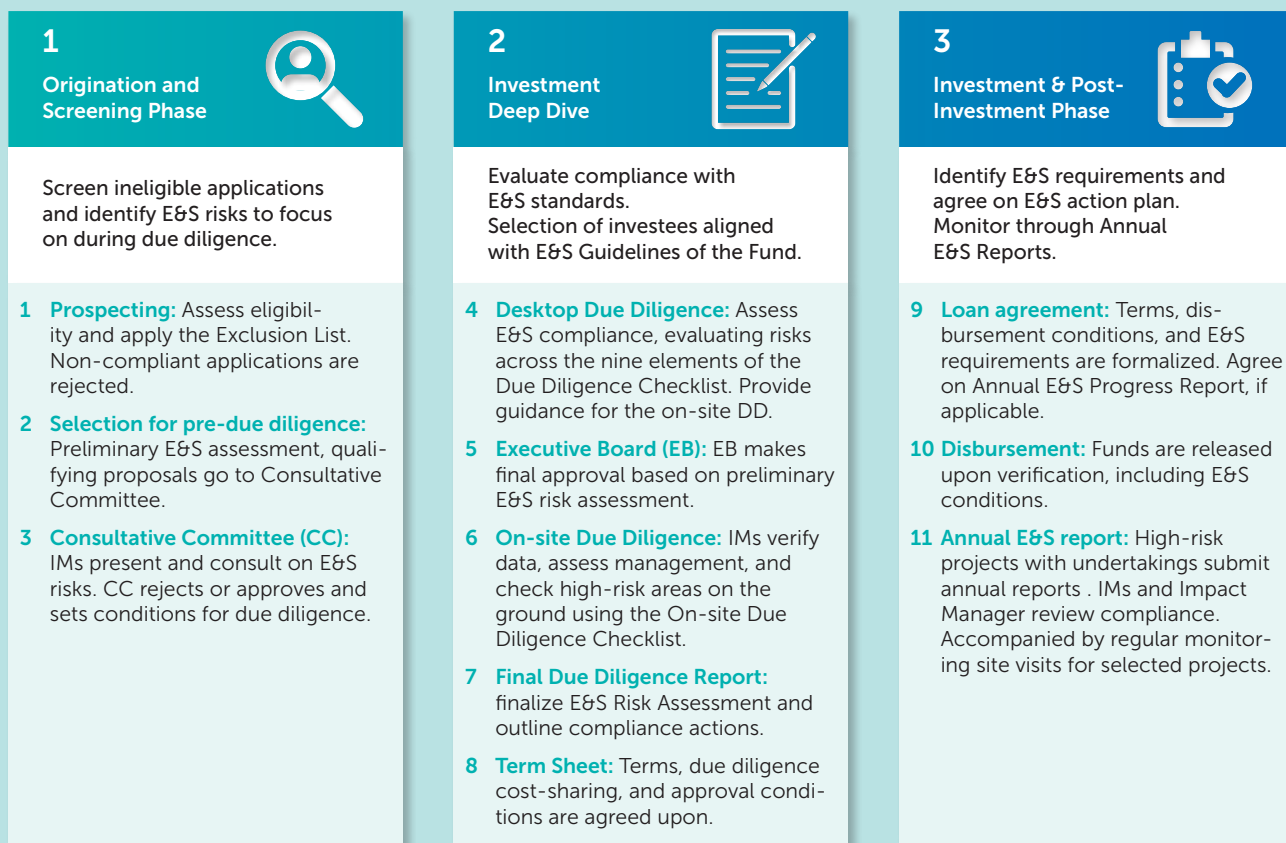
To identify, measure, and manage ESG risks across its investments, the CFC systematically applies its SEMS Due Diligence Toolkit. This toolkit was co-developed in partnership with the International Labour Organization (ILO) and integrates international frameworks, including the IFC Performance Standards, IFC Environmental, Health and Safety (EHS) Guidelines, and UNDP Social and Environmental Standards (SES).

The CFC's SEMS Toolkit consists of four key components designed to support compliance with industry standards, strengthen risk mitigation, and promote responsible investment practices.

The E&S Screening Tool is used before due diligence to identify potential environmental and social risks. This questionnaire assesses four key areas: working conditions, resource use and conservation, pollution prevention, and community engagement. Based on preliminary interviews and documentation, it helps the CFC identify early warning signs and prioritize issues for further assessment.

The E&S Due Diligence Checklist then provides a more detailed assessment during due diligence. Developed in alignment with the IFC Performance Standards, ILO guidance, and UNDP Social and Environmental Standards, the checklist reviews key risk categories including labour conditions, pollution prevention, biodiversity conservation, community health, and indigenous rights. By benchmarking against internationally recognized frameworks, it helps ensure that investees are assessed against appropriate E&S expectations.

Building on the checklist, the E&S Risk Assessment assigns a risk score based on the severity of identified risks and the investee's capacity to mitigate them. This categorization, ranging from high risk to low risk, determines the level of action required.



High-risk investees must develop corrective action plans, while medium-risk companies may require targeted improvements. Issues can be categorized as conditions precedent, undertakings, or recommendations depending on their severity and timing.

To ensure ongoing accountability, investees classified as high risk or subject to specific undertakings must submit an Annual E&S Performance Report. This report tracks progress against corrective measures and helps ensure that social and environmental risks are continuously monitored and mitigated. The CFC reviews these reports to adjust oversight and support sustained compliance with impact and sustainability objectives.

ESG Throughout the Investment Cycle

To ensure effective minimisation of ESG risks, the CFC integrates ESG considerations at every stage of the investment cycle. This proactive approach embeds sustainability into investment decision-making, portfolio management, and investee engagement.

The CFC's E&S risk management framework spans eleven steps, each designed to assess, monitor, and manage ESG-related risks. From early project screening and due diligence through approval, disbursement, implementation, and exit, ESG risks are systematically evaluated and addressed.

This process is guided by internationally recognised frameworks, most notably the IFC Performance Standards, which provide a robust benchmark for assessing environmental and social impacts, supporting stakeholder engagement, and promoting accountability.

By applying these standards consistently, the CFC mitigates adverse environmental and social impacts while strengthening the potential for positive and lasting change in the communities and ecosystems in which it invests. In doing so, the CFC supports investee companies in improving ESG performance over time and strengthens the resilience and sustainability of its portfolio.

The CFC's commitment to impact monitoring, ESG risk management, and stakeholder accountability continues to evolve. By combining recognized international frameworks with proprietary tools tailored to the needs of agricultural impact investing, the CFC has established a practical and forward-looking approach. This approach provides a strong basis for impact reporting and is being further strengthened through methodologies that improve the depth, reliability, and resilience of the CFC's reporting practices.

v.3 CFC's Investment Portfolio Impact: a nexus between SMEs and smallholders

Smallholder farmers remain central to global commodity value chains, yet many continue to face low and volatile farmgate prices, limited market access, climate risks, and weak bargaining power. At the CFC, these challenges shape our investment approach. We finance high-impact SMEs that connect smallholder producers to more reliable, higher-value, and more sustainable markets.

The CFC's theory of change is built around the SME-smallholder nexus. By investing in SMEs that source from, employ, train, or provide services to smallholder farmers, the CFC aims to improve and stabilise producer incomes, strengthen resilience, reduce exposure to shocks, and support local value creation. Our approach goes beyond financing by focusing on measurable social, economic, and environmental outcomes for the smallholder farmers linked to each investment.

This approach is also closely aligned with the CFC's broader vision of 'Humanizing the Value Chains' (HVC) – ensuring that commodity value chains work not only for markets, but also for the people who sustain them. Through this lens, the CFC seeks to promote more inclusive, transparent, and equitable value chains where smallholder farmers and local SMEs are able to participate more meaningfully in value creation and benefit more fairly from global trade.

As outlined in Section V.1, the CFC's portfolio is aligned with six priority SDGs: SDG 1, No Poverty; SDG 2, Zero Hunger; SDG 5, Gender Equality; SDG 8, Decent Work and Economic Growth;

SDG 10, Reduced Inequalities; and SDG 13, Climate Action. This focus helps guide project selection, portfolio monitoring, and the allocation of resources toward areas where commodity finance can make the most meaningful contribution.

Impact reporting allows the CFC to track and communicate results across its portfolio, including smallholder outreach, income generation, employment, gender inclusion, productivity, and climate resilience. To do so, the CFC aggregates selected IRIS+ indicators, primarily using self-reported data from investee companies. This approach keeps reporting requirements proportionate for SMEs, many of which have limited administrative capacity, while still enabling portfolio-wide analysis.

The CFC is pleased to present its aggregated impact results for 2025. The figures reflect the latest available investee reports, noting that some updated data may still be pending. For consistency, the analysis includes only projects that remained operational during the reporting period.

While the results show positive developments in investee operations and outreach, they cannot be attributed solely to CFC financing. They are shaped by the work of investees, other financiers and partners, and broader market and environmental conditions. Within this context, CFC financing plays a catalytic role by enabling SMEs to expand, deepen their engagement with smallholders, and pursue growth that may not otherwise have been possible at the same scale or pace.



Total estimated impact of the current CFC project portfolio¹



179,020

smallholder farmers reached

859,296 smallholder beneficiaries²



(Additional) net income ranging from

USD 30 to USD 4,080
per annum



148,104

hectares of additional land cultivated for food and cash crops



39%

of smallholder farmers reached are women.

(65% of investees indicate that **25%** or more of the smallholders reached are women.)



11,800

investee jobs supported



3,508

permanent new jobs in 2025



Annual wage per job ranges from

USD 350 to USD 18,770

¹ The estimation methodology for these impact measures is being updated through 2024-25 for greater accuracy and comparability with impact peers, e.g. the Council for Smallholder Agriculture Financing (CSAF) and the Global Impact Investment Network (GIIN). The numbers may not be directly comparable to those in the 2024 Annual Report.

² This statistic refers to the total estimated number of smallholder farmers and their household members. This figure is extrapolated from the number of direct smallholder farmer beneficiaries (179,020) multiplied by the estimated household size of 4.8.



Share of CFC committed portfolio³ allocated to special vulnerable groups (% of CFC portfolio) comprising:

LDCs

39%

LLDCs

19%



Overall emissions of **77.63t** CO₂ equivalents:

Scope 1

8t (9.9%)

Scope 2

16t (20.2%)

Scope 3

54t (69.9%)



Carbon footprint of nine average persons in Europe at

8.7t CO₂e per year per person



Approximately

EUR 5,500

CO₂e carbon offset value (EU ETS methodology)



Additional investee specific indicators have been used to capture certain projects' efforts at advancing SDG 13, these include the areas of land sustainably managed, and the amounts of hectares reforested, agroforestry and tree crop systems, improved soil and water practices and climate-resilient agricultural production.

³ The committed portfolio refers to total investments approved by the Executive Board. This sum may differ from contractual commitments and/or outstanding investments.



Photo: A worker processes tea leaves at a tea factory, Nyaruguru, Kibeho District, Rwanda. © FAO/Jean Baptiste Nkurunziza



v.4 From bean to benefit: JKCC strengthening Uganda's coffee value chain

In Uganda's coffee sector, Just Know Your Coffee Cup General Supplies Ltd. (JKCC) is demonstrating how locally owned enterprises can play a transformative role in shifting more value, visibility, and opportunity toward smallholder farmers. JKCC is a clear example of an impact driver within CFC's portfolio; its business model combines commercial growth with direct benefits for smallholder producers through improved market access, quality enhancement, and more inclusive value chain participation. By strengthening market linkages, promoting quality-driven production, and supporting inclusive participation across the coffee value chain, JKCC is helping farmers move beyond raw commodity sales toward more sustainable and rewarding livelihoods. The company's approach reflects the growing importance of homegrown enterprises in advancing Uganda's position in the global coffee industry while ensuring that the benefits of growth are more equitably shared with farming communities.

Founded in 2017, JKCC is a Ugandan coffee processor and exporter that has built its business around direct sourcing, farmer engagement, local value addition, and traceability. Its name, "Just Know Your Coffee Cup", reflects the company's ambition to connect every cup of coffee back to its origin: the farmer, the farm, and the practices behind it.

The CFC first invested in JKCC through a USD 1 million trade finance facility in 2023. The facility supported JKCC's ability to purchase coffee directly from farmers, process it, and export to international markets. This working capital enabled JKCC to expand direct procurement at origin and deepen its engagement with smallholder farmers, rather than merely increasing trading volumes.

Since then, JKCC has grown rapidly. From a small farmer network in its early years, the company sourced from more than 10,000 smallholder farmers by 2025 with projections to reach 20,000 farmers by 2028. Over the same period, sourced volumes increased significantly, from 11,631 MT in 2023 to 22,122 MT in 2025, with further growth projected for 2026. This growth is underpinned by JKCC's close partnership with COCEWEFA, a farmer association through which the company organizes sourcing, training, certification support, and input distribution.

A central part of JKCC's growth story is local value addition. Until recently, the company relied on outsourced facilities for cleaning, grading, drying, hulling, sorting, and packaging. JKCC is now commissioning its own coffee processing facility, with

“I no longer have to worry about where to sell my coffee after a season, JKCC changed the entire game and am always able to get better prices through them, before JKCC coffee farmers like me were victims of middle men theft.”

Kelis Abraham, coffee farmer

Source: JKCC – Just Know Your Coffee Cup



Photo: JKCC

an expected annual capacity of 40,000 MT. This transition marks an important strategic milestone. Local processing strengthens quality control, improves operational efficiency, reduces dependence on third-party facilities, and enables JKCC to meet the standards of more demanding international buyers. It also anchors a greater share of the coffee value chain within Uganda, creating local employment and retaining more economic value in-country. In addition, the investment is expected to generate climate benefits through more efficient processing systems, reduced transportation needs, and improved post-harvest handling practices that help minimize waste and support more sustainable coffee production.

As the CFC has consistently emphasized, value addition in producing countries is not only about processing commodities closer to their source; it is about building stronger local economies. By creating jobs, stimulating supporting industries, strengthening technical capacity, and increasing domestic participation in global markets, such investments generate important economic and social spillover effects that help localize development and make agricultural growth more inclusive and resilient.

Traceability is another defining feature of JKCC’s model. In a market increasingly shaped by sustainability requirements, certification, and deforestation-free sourcing, JKCC has invested in direct farmer relationships and farm-level visibility. The company works with certified supply chains, including Rainforest Alliance and Fairtrade, and is positioning itself to meet buyer requirements linked to transparency and the European Union’s Deforestation Regulation (EUDR) compliance. For smallholder farmers, traceability is not only a compliance issue. It can determine whether they remain connected to premium international markets.

JKCC’s impact on farmers is evidenced by independent feedback collected by 60 Decibels in 2025, which provides insight into how farmers experience the company’s model. The study found that 74% of surveyed farmers reported improvements in their farming practices as a result of JKCC, particularly in pruning, pest management, and harvesting. Eighty-four percent reported increased coffee earnings, while 85% reported an improvement in quality of life because of JKCC. The report also indicates that JKCC’s impact deepens over time, with longer-tenured farmers reporting stronger improvements in outcomes.

The findings also point to areas for continued improvement. Farmers highlighted the need for more frequent training, stronger extension support, and more consistent access to inputs. This is where the CFC’s role as an impact investor becomes particularly relevant: not to present investees as fully formed success stories, but to support companies with credible models, measurable farmer-level impact, and a clear pathway to improve as they scale.

For the CFC, JKCC represents the type of investment that can strengthen agricultural value chains from within. The investment is not only financing coffee exports; it is supporting a more inclusive sourcing model that places smallholder farmers closer to formal markets. JKCC provides agronomic support aligned with regenerative agriculture principles, including mulching, pruning, intercropping, shade tree planting, water retention techniques, and the distribution of seedlings. Its field agents, together with COCEWEFA’s agronomic team, work with farmers through training and field visits, helping translate sustainability commitments into practical improvements at farm level.

Through its Coffee GAPS and Post-Harvest Handling (PHH) training initiatives, JKCC is also investing in the long-term

resilience and competitiveness of Uganda's coffee sector by equipping farmers with the knowledge and practices needed to improve quality, productivity, and sustainability. By combining farmer capacity building with market-driven value addition, JKCC demonstrates how locally rooted enterprises can strengthen the entire coffee ecosystem — creating shared benefits for producers, communities, exporters, and the broader national economy.

In 2026, JKCC is expected to be financed through the CFC's Agricultural Commodity Transformation Fund (ACT Fund), marking an important milestone for both JKCC and the CFC. The company has already demonstrated a strong repayment and reporting track record under its earlier CFC facility, and its consideration under ACT reflects the next stage of its growth. It also illustrates the CFC's graduation model: accompanying companies as they scale, with tailored financing instruments that evolve alongside their operational capacity, impact potential, and capital needs.

Through ACT, the financing will support the purchase, processing, and export of coffee from JKCC's expanding farmer network. Its projected impact includes increased sourcing from smallholder farmers, higher procurement volumes, additional farmer premiums, more land under sustainable management, expanded training in sustainable and regenerative agricultural practices, and additional jobs supported.

JKCC has also become an early example of how the ACT Fund can combine finance, impact measurement, and geospatial analysis. As part of ACT's learning agenda, CFC is piloting GIS and remote sensing analysis using JKCC's georeferenced farmer data. The analysis assesses carbon stock trends over time by combining farmer plot information with global biomass data and satellite imagery. While still exploratory, this work points



Photo: JKCC

to the future of impact measurement in agricultural finance: bringing together company-reported data and spatial analysis to better understand land-use dynamics, climate resilience, and the environmental effects of regenerative practices. Looking ahead, the opportunity is to help JKCC deepen the quality of its farmer engagement as it grows.

JKCC's story reflects the type of enterprise CFC seeks to accompany: locally rooted, commercially ambitious, and directly connected to smallholder livelihoods. Its growth shows that a Ugandan-owned SME can compete in international coffee markets while strengthening farmer incomes, traceability, and local value addition. For the CFC, the investment demonstrates how value chain financing can help shift agricultural value chains toward greater inclusion, resilience, and transparency, or the CFC, the investment demonstrates how value chain financing can help build more inclusive, resilient, and transparent agricultural markets while ensuring that greater value remains closer to the communities where commodities are produced.

Photo: JKCC



“As a local farmer who has been growing coffee for the last 2 decades, i have never experienced such transparency with the companies that buy my coffee like JKCC, they are extremely reliable.”

Buyondo Joseph, coffee farmer

Source: JKCC – Just Know Your Coffee Cup



Photo: Kampong Thom, Cambodia. © FAO/Pisey Khun



“In an increasingly fragmented and uncertain global economy, commodity sectors remain indispensable to food and nutrition security, employment, industrialization, and social stability across the Global South. Yet smallholders and agribusiness SMEs continue to face mounting pressures – from volatile markets and debt burdens to rising certification costs and evolving sustainability standards. To confront poverty, hunger, and widening inequality in the post-SDGs era, commodity value chains must work not only for markets, but for people. Through targeted technical assistance, sustainable financing, innovation, and support for value addition, the CFC is helping enterprises strengthen resilience, improve competitiveness, connect to increasingly conscious consumers, and build commodity systems that are more inclusive, sustainable, and human-centered.”

Consultative Committee Chair- Mr. Hocine Irekti



v.5 The path ahead: remote sensing and the future of sustainable commodity development

Global commodity systems are entering a new era shaped by climate pressures, sustainability regulations, artificial intelligence (AI), digital traceability requirements, and increasingly data-driven supply chains. For many smallholders and agri-SMEs across the Global South, this transition presents both an opportunity and a profound risk.

On the one hand, digitalization and AI threaten to deepen existing inequalities by concentrating market intelligence, traceability systems, certification capabilities, and analytical power within larger multinational actors. Producers lacking access to digital infrastructure and environmental intelligence risk becoming increasingly invisible within emerging sustainability-driven markets.

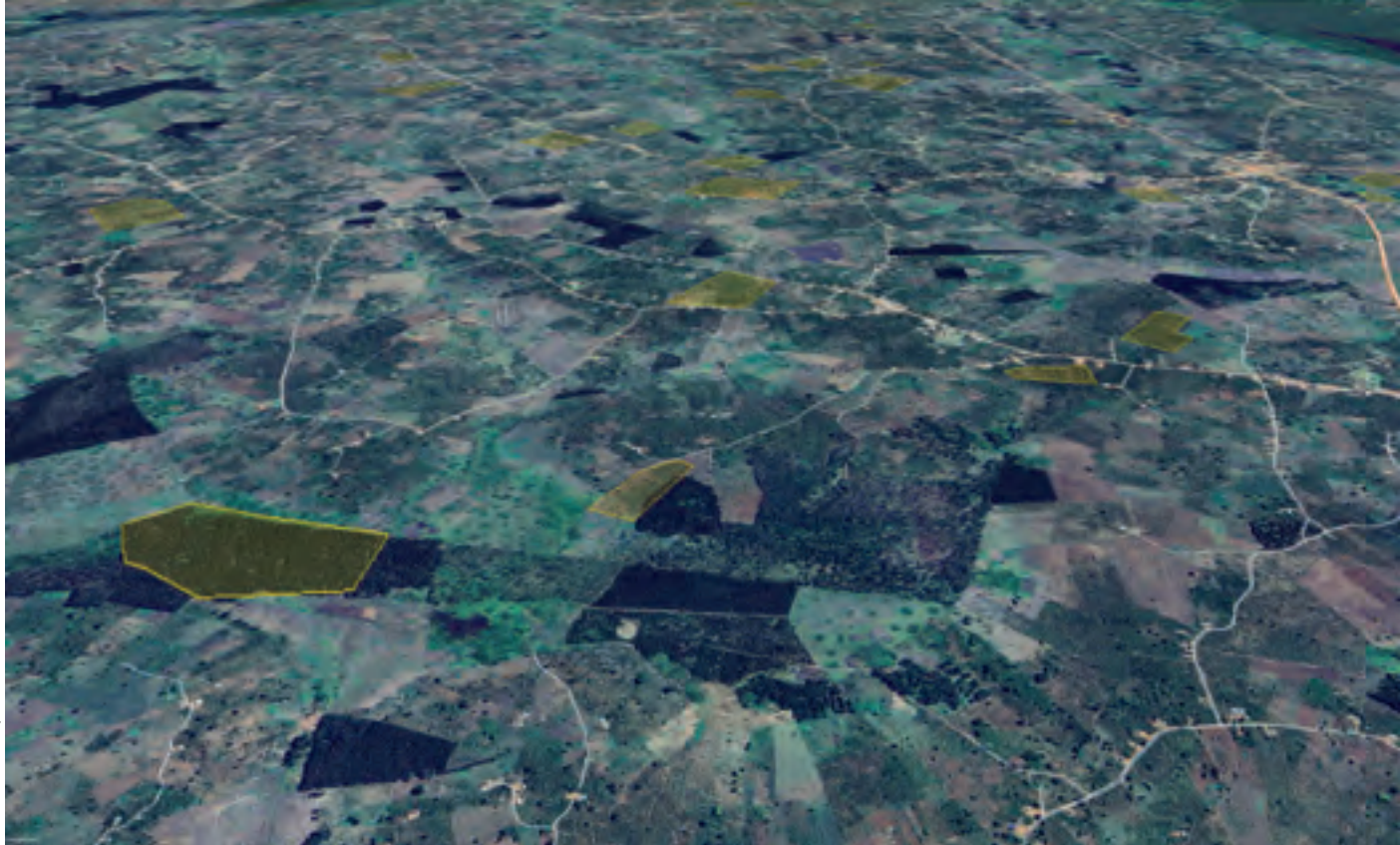
On the other hand, innovations such as Geographic Information Systems (GIS) and remote sensing offer the possibility of narrowing these asymmetries. If deployed inclusively, geospatial

technologies can strengthen climate resilience, improve traceability, support sustainability compliance, enhance market visibility, and help vulnerable producers participate more competitively in global commodity systems.

For the Common Fund for Commodities (CFC), these technologies are more than monitoring tools. They support smallholders in accessing higher-value markets by improving transparency, strengthening traceability, and generating credible information that can help meet sustainability and market requirements. In doing so, they serve as practical tools that aligns the objectives of the Humanizing the Value Chains (HVC)¹ framework by fostering more inclusive, resilient, and equitable commodity value chains.

Geospatial information as public good may become an essential component of sustainable development and climate justice,

¹ Humanizing the Value Chains (HVC) is a CFC-led initiative that seeks to redesign global commodity systems so that they serve not only markets and consumers, but also the smallholders, workers, cooperatives, and SMEs whose labour sustains them. While Fairtrade primarily focuses on voluntary certification and consumer-driven premiums, HVC pursues a broader structural transformation through transparency, digital innovation, traceability, fairer value distribution, financial inclusion, and greater value capture at origin. In this sense, Fairtrade may be viewed as a tool within the broader ambition of HVC.



particularly for vulnerable economies such as the Absolute sixteen countries (A16)² countries simultaneously categorized as both Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs).

Remote Sensing and the future of inclusive commodity investing

Commodity systems are becoming increasingly shaped by sustainability standards, traceability requirements, carbon accountability, and digital compliance frameworks. Across global markets, buyers, regulators, financial institutions, and consumers are demanding more precise information regarding origin, environmental footprint, land-use practices, and climate resilience.

For producers operating in developing countries, particularly smallholders and agri-SMEs, this transformation creates significant pressure. Those unable to verify sustainability, demonstrate traceability, or digitally map production systems risk exclusion from increasingly regulated and premium global markets.

GIS and remote sensing are emerging as increasingly important tools not only for environmental monitoring, but also for expanding market access, strengthening resilience, and increasing the economic visibility of smallholders and agri-SMEs. Within the Humanizing the Value Chains (HVC) frame-

work, these technologies provide credible data that improves transparency and traceability, helping historically marginalized producers meet market requirements, access higher-value markets and finance, and negotiate from a stronger position within commodity value chains.

In the twenty-first century, climate vulnerability is increasingly mediated through access to data. Producers who remain digitally invisible risk becoming economically invisible as well.

Remote sensing and GIS are becoming integral to the CFC's Impact Measurement and Management (IMM) framework, particularly for regenerative agriculture and nature-based solutions supported by the Agricultural Commodity Transformation (ACT) Fund. The CFC is integrating these technologies across the investment cycle to strengthen environmental and social due diligence, establish credible baselines, monitor land-based outcomes, and independently verify investee-reported results.

This approach has already been piloted in prospective ACT Fund investments through deforestation screening, fire-risk monitoring, and GIS-based assessments of carbon stocks and sequestration potential. Together, these tools improve the credibility of impact measurement while supporting more effective risk

² The 'Absolute Sixteen' refers to the sixteen countries that are both Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs), facing compounded structural vulnerabilities arising from poverty and geographic isolation. These countries are: Afghanistan, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lao PDR, Lesotho, Malawi, Mali, Nepal, Niger, Rwanda, South Sudan, Uganda, and Zambia.

management and demonstrating the environmental integrity and climate resilience of CFC-supported investments.

Access to geospatial data and climate justice

Open-access geospatial platforms such as Global Forest Watch (GFW), the FAO Hand-in-Hand Geospatial Platform, and Open Foris provide increasingly accessible environmental data and monitoring tools for developing countries and smaller agri-SMEs.

This contributes to what may increasingly be described as 'Geospatial information as a public good' the fair and inclusive access of vulnerable countries and communities to environmental intelligence, climate analytics, and digital monitoring systems necessary for resilient agricultural transformation.

Geospatial information as a public good also aligns with the evolving discourse on climate justice, including principles reflected in the advisory proceedings of the International Court of Justice (ICJ)³ concerning climate change obligations.

Artificial intelligence, digitalization, and the risk of exclusion

The rapid expansion of artificial intelligence, automation, and digitalized supply chains presents both opportunities and risks for commodity-dependent developing countries.

Without deliberate efforts toward technological inclusion, digitalization risks reproducing the same asymmetries that historically characterized global commodity trade.

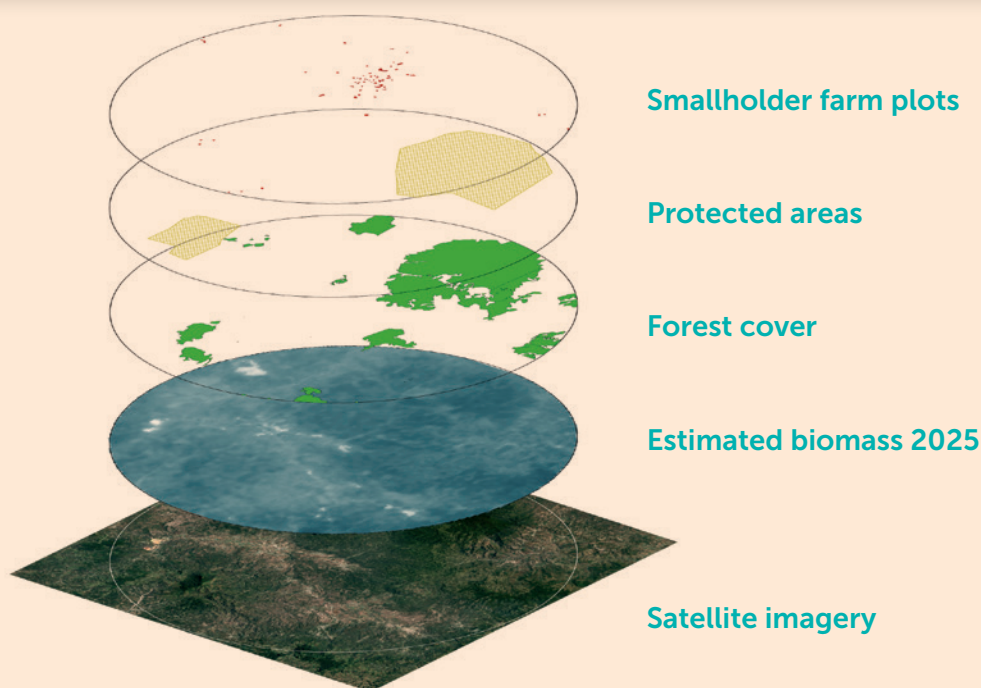
Yet remote sensing and GIS also offer a powerful opportunity to reverse this trend. If deployed inclusively, geospatial technologies can democratize access to environmental intelligence, strengthen transparency, improve traceability, support climate resilience, and help vulnerable producers participate more competitively within global markets.

Conclusion

Geospatial technologies are rapidly becoming part of the infrastructure of future global trade. As sustainability standards, carbon accountability, and AI-driven supply chains increasingly shape commodity markets, access to geospatial intelligence may become as important as access to finance itself.

For the Common Fund for Commodities, the growing use of geospatial technologies, therefore, represents more than operational modernization. It forms part of a broader vision to Humanize the Value Chains by ensuring that the future digital economy works not only for markets and investors, but also for the three billion plus smallholders and workers whose labour sustains global commodity systems.

Geospatial layers for SEMS and impact monitoring



³ International Court of Justice (ICJ), Advisory Proceedings on the Obligations of States in Respect of Climate Change: ICJ Climate Change Advisory Proceedings



Photo: Adobe Stock



VI

VI.1 CFC enters a new institutional phase

The Common Fund for Commodities (CFC) is advancing a clear institutional development agenda to strengthen governance, sharpen strategic direction, and deliver greater impact in commodity-dependent developing countries.

Amended Agreement Enters into Force, Reinforcing Institutional Foundations

A major governance milestone was reached with the entry into force of the amended Agreement Establishing the Common Fund for Commodities. Approved by Member States in 2014, this activation completes an eleven-year process to modernise the Fund's legal and institutional framework.

The updated structure provides greater clarity of institutional roles and operational coherence, reinforcing confidence that the CFC can manage resources responsibly and remain fit-for-purpose. This includes leveraging a technology-enabled transformation across its portfolio and championing approaches like regenerative agriculture to ensure sustainable, climate-resilient productivity gains.

The milestone is part of the CFC's broader transformation to expand partnerships, mobilise resources, and scale up support for sustainable commodity value chains. These efforts are designed to benefit smallholder farmers, SMEs, and rural communities – contributing directly to the global fight against pov-

erty and hunger by building resilience, increasing incomes, and improving food security.

Strategic Framework 2025–2035 Anchors CFC 2.0 Priorities

Complementing recent governance progress, the CFC has adopted a long-term strategic direction through the Strategic Framework 2025–2035 (SFW). The Framework positions the CFC not only as a financier, but as a catalyst for fairer and more resilient commodity value chains. It highlights the Fund's role in mobilising finance, innovation, and partnerships to address inequality, climate vulnerability, and commodity dependence – while placing smallholders at the centre of commodity-sector transformation.

The SFW was developed through an inclusive, member-driven process. The drafting benefited from analytical and drafting support from Agri Frontier Ltd., alongside consultations with Member States. An important milestone was the informal Strategic Dialogue held on 16 July 2025, hosted by the Embassy of the People's Republic of China to the Kingdom of the Netherlands, which helped consolidate Member States' priorities into a coherent strategic direction for the decade ahead.

Designed as a living and non-binding framework, the SFW will guide CFC priorities while allowing flexibility to respond to

evolving market dynamics and global challenges. It presents CFC 2.0 as a renewed, agile, and impact-driven institution working to make global commodity trade more inclusive, resilient, and equitable.

At the heart of the Framework is the guiding principle of 'Capacitate, Capitalize, and Incentivize' – strengthening people and institutions, mobilising blended finance, and rewarding sustainable performance across commodity value chains.

Key priorities for the period 2025–2035 include:

- Innovative financing: Expanding instruments such as the Agricultural Commodity Transformation (ACT) Fund to mobilise private and institutional capital for smallholder-linked enterprises.
- Technical assistance and capacity development: Strengthening the capabilities of enterprises, producer organisations, and Member States through the CFC Technical Assistance Facility, including support for investability and ESG readiness.
- Partnerships for scale: Deepening collaboration with development, climate, and private-sector partners to unlock co-financing and systemic impact.
- Humanizing value chains: Promoting fair value distribution, living incomes, and ethical trade so benefits reach producers and workers.
- Climate, biodiversity, and essential minerals: Supporting sustainable production systems and responsible engagement in commodities that underpin the green transition.

Across these priorities, the Framework emphasises institutional strengthening and robust impact measurement, ensuring that the CFC's strategic ambitions translate into tangible development outcomes for commodity-dependent developing countries.

Participants at the Strategic Dialogue held on 16 July 2025 at the Embassy of the People's Republic of China to the Kingdom of the Netherlands.



Photo: CFC



H.E. J. Eduardo Malaya with Ambassador Sheikh Mohammed Belal.

Photo: CFC

The Philippines reinforces CFC 2.0 with a new voluntary contribution

Institutional transformation requires resources, and the continued support of Member States remains a vital enabler of progress. Building on the Philippines' earlier voluntary support for the development of the **Strategic Framework 2025–2035**, H.E. J. Eduardo Malaya, Ambassador of the Republic of the Philippines to the Kingdom of the Netherlands, presented an additional **USD 15,000 voluntary contribution** on **4 February 2026** to support CFC programmes and the ongoing operationalisation of **CFC 2.0**. The contribution was formally received by **Ambassador Sheikh Mohammed Belal**, Managing Director of the CFC.

The CFC expresses its sincere appreciation to the Government of the Philippines for its continued commitment and confidence in the institution's mission to support commodity-dependent developing countries.

Such voluntary contributions play an important enabling role in strengthening the CFC's operational capacity. At a time when demand for catalytic finance and technical support continues to grow, flexible resources allow the institution to respond more rapidly, operate more effectively, and deliver development impact at scale.

Looking Ahead

Taken together, these developments strengthen CFC governance, anchor long-term direction through the Strategic Framework 2025–2035, and mobilise the support needed to operationalise CFC 2.0, advancing a more agile, impact-driven, and people-centred institution for fairer, more resilient commodity value chains.

CFC Strategic Framework 2025-2035

Enable commodity-dependent developing countries to achieve prosperity through value addition, inclusive trade, and climate-smart transformation.



Core SDG priorities*



* In addition, the CFC contributes to advancing other SDGs, including SDG 7 (Affordable and Clean Energy), SDG 10 (Reduced Inequalities), SDG 11 (Sustainable Cities and Communities), SDG 12 (Responsible Consumption and Production), SDG 14 (Life Below Water), SDG 15 (Life on Land), and SDG 17 (Partnerships for the Goals).



Photo: A couple sowing in the region of Kafrine, Senegal. © FAO/Lala Ndiaye



Photo: 37th Governing Council, 11 December 2025 at the Hotel Marriott, The Hague. CFC

VI.2 A defining year for multilateral cooperation

The 37th Governing Council Meeting sets a new course for the CFC

In December 2025, the Common Fund for Commodities (CFC) convened its Thirty-Seventh Meeting of the Governing Council in The Hague, bringing together delegations from 76 countries in a strong demonstration of international cooperation, collective ownership, and renewed commitment to inclusive development.

Held from 9-10 December 2025, the session marked one of the most consequential meetings in the Fund's recent history. Member States reaffirmed the CFC's mandate to support commodity-dependent communities while charting a forward-looking institutional direction for the decade ahead.

A historic institutional milestone

One of the most significant outcomes of the Thirty-Seventh Governing Council Meeting was the confirmation of the entry into force of the amended Agreement Establishing the Common Fund for Commodities on 10 January 2026. This landmark decision brought into effect amendments originally approved by the Governing Council in 2014, marking the

successful conclusion of more than a decade of sustained dialogue and diplomacy among Member States.

Beyond its legal significance, the entry into force of the amended Agreement represents the formal transition of the institution into what many Member States have described as 'CFC 2.0' – a modernized and forward-looking Common Fund better equipped to respond to the evolving challenges and opportunities facing commodity-dependent developing countries. The milestone reflects the collective determination of Member States to strengthen governance, enhance institutional effectiveness, and position the Fund to deliver greater development impact in an increasingly complex global environment.

The achievement stands as a powerful testament to the enduring value of multilateral cooperation and the shared commitment of Member States to a more resilient, responsive, and future-oriented organization. The Governing Council also adopted a number of important governance decisions aimed at further strengthening the institutional framework of the Fund, including the restoration of the status, rank, and remuneration attached to the office of the Managing Director to the level originally established under the Agreement.



Key Outcomes of GC-37

- Entry into force of the amended CFC Agreement.
- Adoption of the Strategic Framework 2025-2035.
- Successful first close of the ACT Fund at approximately USD 40 million.
- Recognition of Humanizing the Value Chains (HVC) as a strategic priority.
- Update on the Absolute Sixteen initiative.
- Approval of the 2026 Administrative Budget and 2024 Audited Financial Statements.
- Election of Ambassador Caroline Kitana Chipeta (Tanzania) as Chairperson for 2026.
- Confirmation of The Hague as host city for GC-38 in December 2026.

First close of ACT Fund

The Governing Council also welcomed the successful first close of the Agricultural Commodity Transformation (ACT) Fund at approximately USD 40 million. Combining catalytic capital from the CFC and Invest International, the ACT Fund represents an important milestone in the Fund's evolution towards blended finance and the mobilization of private investment for sustainable agricultural transformation.

The Governing Council also reviewed the Fund's financial position and noted continued prudent investment management and positive investment income generation.

The Council approved the Fund's audited financial statements, administrative budget, and related governance measures

The Governing Council also noted the outcome of the Fourth International Conference on Financing for Development (FfD4) held in Sevilla, Spain, particularly paragraph 46(d) of the Sevilla Commitment, which invites Member States to increase voluntary contributions to the Common Fund for Commodities to support value addition, processing, and manufacturing in developing countries, especially Least Developed Countries. The reference was highlighted during the Council's consideration of the Agricultural Commodity Transformation (ACT) Fund and was viewed as an important international endorsement of the Fund's mandate and future direction.

Humanizing the Value Chains (HVC)

The Governing Council also reviewed progress under the Humanizing the Value Chains (HVC) initiative and recognized it as an important component of the Fund's renewed strategic direction. The initiative seeks to promote fairer value distribution, greater transparency, and stronger participation of smallholders, workers, cooperatives, and SMEs within global commodity value chains.

Absolute Sixteen (A16)

The Council further received an update on the Absolute Sixteen (A16) initiative, which focuses on sixteen countries that are simultaneously Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs)-Afghanistan, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lao PDR, Lesotho, Malawi, Mali, Nepal, Niger, Rwanda, South Sudan, Uganda, and Zambia.

By highlighting the compounded challenges faced by these economies, the initiative aims to encourage targeted interventions that support value addition, market access, resilience, and sustainable economic transformation.

Global participation and high-level engagement

The meeting featured broad participation from Member States and institutional partners, with 38 national statements delivered alongside interventions from five regional groups.

Opening the session, H.E. Ms. Mirjam Blaak Sow, Alternate Governor of the CFC for the Republic of Uganda and Chairperson of the Governing Council, reaffirmed the importance of empowering commodity-dependent communities and advancing sustainable development across global value chains.

The Governing Council also heard keynote contributions from senior international figures and development partners. Dr. Martin Fregene of the African Development Bank Group delivered remarks on behalf of President Dr. Sidi Ould Tah, while United Nations Global Advocate for Peace Ms. Maryam Bukar Hassan addressed the Council through a special video message emphasizing people-centred development.

Delivering development impact

The Governing Council reviewed another year of strong operational performance and reaffirmed the CFC's role as a catalytic financier supporting sustainable commodity development towards CFC 2.0.

These achievements underscored the Fund's continued contribution to value creation, resilience, and inclusive economic growth across commodity-dependent economies.



2025 Operational Highlights

496



projects financed to date
with a total project value of
357.21 million (in USD)

21



new projects approved in
2025 under the Twenty-Fifth
and Twenty-Sixth Open
Calls for Proposals

161.3 million



total value of
newly approved
projects reached, including

21.02 million financed
directly by the CFC (in USD)

82.364 million



Capital Account portfolio
(in USD)

72.896 million



Operations Account portfolio
(in USD)

2.803 million



net investment income during
the reporting period (in USD)

Shaping the next decade

A landmark outcome of the Thirty-Seventh Governing Council Meeting was the consensus adoption of the CFC Strategic Framework 2025-2035, establishing a shared vision to guide the Fund's evolution over the coming decade. Developed through an inclusive and member-driven process, the Framework positions the CFC as a catalyst for fairer and more resilient commodity value chains, stronger support for small-holders and vulnerable communities, and enhanced mobilization of finance, innovation, and partnerships.

The Governing Council authorized the Managing Director to align the Fund's future operations, partnerships, resource allocation, and reporting with the strategic priorities of the Framework, including scaling up blended finance instruments such as the Agricultural Commodity Transformation (ACT) Fund, strengthening technical assistance, deepening collaboration with development partners, advancing climate-smart transformation, and further operationalizing the HVC initiative. Recognizing the Framework as a living and adaptive instrument, the Council also requested periodic reporting on implementation progress.

The Framework is the culmination of extensive consultations led by the Open-Ended Working Group under the chairmanship of Mr. Tom Fabozzi of Ireland and the vice-chairmanship of H.E. Ambassador Mmasekgoa Masire-Mwamba of Botswana, reflecting a shared commitment to strengthening the Fund's development impact and institutional effectiveness.

The Governing Council also confirmed the appointment of Executive Directors, Alternate Executive Directors, and Vice-Chairpersons, reinforcing the Fund's collaborative governance structure. In addition, H.E. Ambassador Caroline Kitana Chipeta of the United Republic of Tanzania was unanimously elected Chairperson of the Governing Council for the forthcoming term.

This version flows more naturally, removes repetition of 'guide the Fund' and 'shared vision,' and reads as a strategic achievement rather than a meeting record.

Looking ahead

As the Thirty-Seventh Governing Council Meeting concluded, Member States reaffirmed their shared commitment to sustainable and inclusive development through strengthened multilateral cooperation.

The Council agreed to convene its Thirty-Eighth Meeting in The Hague on 2-3 December 2026, while welcoming expressions of interest from Member States to host future sessions.

The outcomes of the meeting reflected not only institutional progress, but also a renewed sense of momentum for the Common Fund for Commodities (CFC 2.0) as it continues advancing resilient, people-centred commodity value chains around the world.





VI.3 CFC side event: empowering smallholders for Climate-Resilient Commodity Value Chains

On 9 December 2025, the Common Fund for Commodities (CFC) convened a high-level side event during the Thirty-Seventh Meeting of the Governing Council (GC37) in The Hague, bringing together policymakers, international organizations, financial institutions, academia, and private-sector stakeholders to advance practical approaches to poverty alleviation and climate-resilient commodity development. Held at the Marriott Hotel in The Hague on the sideline of the 37th Governing Council of the CFC. The event focused on strengthening the nexus between commodities, sustainable development, and poverty alleviation, particularly through empowering smallholders to participate more equitably in global commodity value chains.

The session, titled *'Best Practices in Poverty Alleviation: Empowering Smallholders to Drive Climate-Resilient and Sustainable Commodity Value Chains,'* was presided over by Ambassador Sheikh Mohammed Belal, Managing Director of the Common Fund for Commodities. Discussions centred on the reality that while commodities remain the backbone of many developing economies and the principal source of livelihood for billions of people, the benefits generated across global value chains continue to remain disproportionately concentrated away from producers themselves. Participants emphasized that smallholders, workers, and SMEs often remain trapped at the lowest end of value chains despite carrying the greatest expo-

sure to climate shocks, market volatility, financing constraints, and compliance burdens.

The event highlighted that addressing poverty in commodity-dependent economies requires more than increased production alone. Speakers stressed the need for greater value addition at origin, inclusive financing, technological upgrading, human-centred sustainability transitions, and fairer participation of producing countries in global markets. Throughout the discussions, there was a strong convergence around the need to "humanizing the value chains" by ensuring that sustainability frameworks and global trade systems ultimately serve the people sustaining them.

Strengthening Productive Capacities and Sustainable Development

The event featured keynote contributions from Dr. Mussie Delelegn, Head of the Productive Capacities and Sustainable Development Branch at UNCTAD, and Dr. Andrzej Bolesta, Senior Economic Affairs Officer at UNCTAD. Their interventions emphasized the critical role of productive capacities in enabling structural transformation within commodity-dependent economies. Speakers highlighted that sustainable growth depends not only on access to natural resources, but also on the ability of countries to retain, process, and reinvest commodity wealth domestically through stronger institutions, infrastructure, innovation, and private-sector development.

Mr. Henrique Choer Moraes



Dr. Cheryl Barr Kumarakulasinghe



Mrs. Wang Yan



H.E. Mr. Kumar Tuhin, Ambassador of India to the Kingdom of the Netherlands



Speakers during the side event of the Thirty-Seventh Meeting of the Governing Council (GC37)

The discussions also examined the implications of evolving sustainability regulations and emerging market requirements, including the opportunities they may create for upgrading commodity value chains through targeted investments, institutional support, traceability systems, and capacity-building initiatives. Participants cautioned, however, that sustainability requirements must not evolve into barriers that marginalize smallholders further, but rather become instruments for inclusive development and poverty reduction.

High-Level Perspectives on Sustainability and Inclusion

Government and institutional representatives shared perspectives on balancing sustainability objectives with development realities. Contributions were delivered by Mr. Henrique Choer Moraes, Deputy Head of Mission at the Embassy of Brazil to the Netherlands; Dr. Cheryl Barr Kumarakulasinghe, Deputy Undersecretary of the Strategic Planning and International Division at Malaysia's Ministry of Plantation and Commodities; and Mrs. Wang Yan, General Manager of Bank of China (Europe) S.A., Rotterdam Branch and Country Head for the Netherlands.

Participants underscored the importance of South–South cooperation, development-oriented sustainability frameworks, and the mobilization of both public and private finance to support smallholders adapting to climate and market challenges. The participation of a high-powered Malaysian delegation led by Dr. Cheryl Barr Kumarakulasinghe reflected Malaysia's continued leadership and engagement on issues relating to sustainable commodity development, responsible trade, and inclusive growth. Malaysia's interventions highlighted the importance of ensuring that sustainability transitions remain practical, balanced, and supportive of developing-country realities and livelihoods.

A particularly important contribution to the discussions came from H.E. Mr. Kumar Tuhin, Ambassador of India to the Kingdom of the Netherlands, who emphasized the importance of people-

centred development approaches in strengthening resilient and sustainable commodity systems. Ambassador Tuhin highlighted the need to ensure that sustainability and resilience policies remain anchored in the realities of smallholder producers and rural communities whose livelihoods depend directly on commodity sectors.

Academic insights were provided by Prof. Ajay Bailey, Chair in Geographies of Health, Inclusion, and Development at Utrecht University. Prof. Bailey emphasized the importance of human-centred approaches to resilience, inclusion, and long-term development, particularly in vulnerable and commodity-dependent communities. The discussions reinforced the view that poverty alleviation and resilience-building cannot be separated from broader questions of dignity, inclusion, social justice, and equitable participation in global economic systems.

India's participation was widely appreciated for bringing strong attention to the developmental dimensions of commodity systems and for reinforcing the importance of balancing sustainability ambitions with the livelihoods and welfare of millions of smallholder farmers across the developing world. Participants also recognized India's longstanding experience in rural development, agricultural transformation, digital public infrastructure, and inclusive growth models, which continue to offer valuable lessons for many commodity-dependent economies seeking more resilient and equitable development pathways.

Dr. Kamran Shams



Photo: CFC

Prof. Ajay Bailey

Mr. Peter Nielsen



Photos: CFC

Inclusive Financing and Practical Project Experience

The side event also highlighted practical examples of inclusive development models and sustainable commodity production. Practical project experience from the private sector was presented through remarks delivered by Mr. Peter Nielsen of the Common Fund for Commodities on behalf of Mr. Jan Hein de Vroe, Founder and Chief Executive Officer of Planting Naturals (Goldtree Ltd.). The presentation showcased lessons from certified organic and fair-trade palm-oil production in Sierra Leone, demonstrating how inclusive outgrower systems, responsible supply-chain development, and innovative financing mechanisms can contribute to improved livelihoods for smallholder farmers while strengthening environmental sustainability and resilience.

Additional perspectives on inclusive financing were shared by H.E. Mr. Syed Haider Shah, Ambassador of Pakistan to the Kingdom of the Netherlands, who highlighted the importance of development-oriented partnerships in strengthening rural economies and promoting poverty alleviation.

Introduced by the Managing Director, Dr. Kamran Shams, Chief Executive Officer of the Akhuwat Foundation, presented the remarkable experience of Akhuwat as one of the world's largest interest-free microfinance institutions. His intervention demonstrated the uniqueness and transformative potential of ethical, interest-free microfinance rooted in solidarity, dignity, compassion, and social responsibility. The presentation illustrated how financing models without interest can successfully support agriculture, micro-enterprises, low-income households, and vulnerable communities at scale while preserving human dignity and social cohesion.

Participants noted that such innovative and ethical financing approaches could provide valuable lessons for strengthening financial inclusion across commodity-dependent economies where millions of smallholders continue to remain excluded from affordable and accessible financing systems.

Advancing Human-Centred Commodity Value Chains

Discussions throughout the event converged on the need to move beyond compliance-driven approaches towards commodity value chains that are equitable, resilient, and centred on the needs of producers themselves. Participants stressed that smallholder inclusion is essential not only for poverty alleviation, but also for the long-term sustainability, resilience, and stability of global commodity markets.

In his concluding remarks, Ambassador Sheikh Mohammed Belal expressed deep appreciation to the Governments of Spain and Brazil for their innovative, timely, and highly necessary leadership in advancing the Global Alliance Against Hunger and Poverty. He noted that, following the momentum created by the Sevilla Outcome Document and its renewed focus on inclusive development, solidarity, and poverty eradication, the world's poor and hungry now have greater reason to look toward the future with renewed hope and expectation.

Ambassador Belal emphasized that at a time of rising inequality, persistent hunger, climate stress, and growing pressures on commodity-dependent economies, such collective international initiatives are not merely desirable but morally imperative. He underscored that the fight against hunger and poverty cannot be separated from the realities facing commodity producers and smallholders, whose labour and production sustain global economies while too many continue to live in conditions of vulnerability and deprivation.

In this regard, Ambassador Belal also expressed sincere appreciation to the host country, the Kingdom of the Netherlands, for its longstanding global leadership in agriculture, innovation, trade, and sustainable development. He noted that despite its relatively small geographical size, the Netherlands has emerged as the world's second-largest exporter of agricultural products, demonstrating how science, technology, efficiency, and innovation can transform agricultural systems and food security outcomes.

Ambassador Belal observed that such an annual platform in The Hague could gradually evolve into an important global space for constructive dialogue, South-South and triangular cooperation, innovative financing partnerships, and collective reflection on how to build more human-centred and equitable commodity value chains. He emphasized that at a time when hunger, inequality, climate vulnerability, and commodity dependence continue to affect billions of people, the international community must work together with renewed urgency and solidarity to ensure that global prosperity reaches those who produce much of the world's food and raw materials, yet often remain the furthest behind.



Photo: Bongouanou, Côte d'Ivoire. © FAO/Candida Villa-Lobos

VII

Summary Financial Statements 2025

Statement of Financial Position – First Account, as at 31 December 2025

(expressed in United States Dollar and Special Drawing Rights)

	2025	2024	2025	2024
	USD	USD	SDR	SDR
ASSETS				
Non-current				
Right of Use Asset	149,100	275,400	108,900	211,200
Promissory Notes	35,376,500	31,435,200	25,831,700	24,104,300
Debt Securities	63,596,700	64,545,200	46,437,900	49,492,900
Participations in Investment Funds	95,000	1,489,100	69,400	1,141,800
Non-current assets	99,217,300	97,744,900	72,447,900	74,950,200
Current				
Debt Securities	16,140,700	9,843,700	11,785,800	7,548,100
Participations in Investment Funds	2,511,200	209,100	1,833,700	160,400
Prepayments and other short-term assets	491,800	164,100	359,100	125,800
Amounts receivable from Members -/- provision	908,400	803,500	663,300	616,100
Loan Receivables	0	0	0	0
Cash and Cash equivalents	1,087,300	765,100	793,900	586,700
Accrued Income on Investments	690,700	879,600	504,400	674,500
Recoverable Taxes on goods & services	52,200	54,400	38,100	41,700
Other current assets	500,000	3,883,400	365,100	2,977,800
Other receivables	1,706,700	1,514,900	1,246,200	1,161,600
Current assets	24,089,000	18,117,800	17,589,600	13,892,700
Total assets	123,306,300	115,862,700	90,037,500	88,842,900
EQUITY AND LIABILITIES				
Equity				
Paid-in-Shares of Directly Contributed Capital	104,591,600	100,545,300	76,372,100	77,097,600
Net Earning Programme	13,868,800	13,071,100	10,125,400	10,022,900
Accumulated Surplus/(Deficit)	3,681,500	1,086,600	2,688,200	833,200
Total Equity	122,139,900	114,703,000	89,185,700	87,953,700
Liabilities				
Non-current				
Lease liabilities	0	165,300	0	126,800
Türkiye settlement	156,600	156,600	114,400	120,100
CAFI settlement	73,800	0	53,900	0
Accrued liabilities	147,400	151,000	107,600	115,800
Non-current liabilities	377,800	472,900	275,900	362,700
Current				
Lease liability	193,100	180,300	141,000	138,300
Accrued liabilities	595,500	506,500	434,900	388,200
Current liabilities	788,600	686,600	575,900	526,500
Total liabilities	1,166,400	1,159,700	851,800	889,200
Total equity and liabilities	123,306,300	115,862,700	90,037,500	88,842,900

Statement of Financial Position – Second Account, as at 31 December 2025
(expressed in United States Dollar and Special Drawing Rights)

	2025	2024	2025	2024
	USD	USD	SDR	SDR
ASSETS				
Non-current				
Promissory Notes	5,662,500	5,008,500	4,134,700	3,840,500
Debt Securities	45,303,200	53,262,100	33,080,100	40,841,100
Participation in Investment Funds	1,841,400	2,423,400	1,344,500	1,858,200
Loan Receivable -/- Provision	6,400,700	4,222,900	4,673,700	3,238,100
Non-current assets	59,207,800	64,916,900	43,233,000	49,777,900
Current				
Debt Securities	14,041,500	9,191,900	10,253,000	7,048,300
Amounts receivable from Members -/- Provision	0	0	0	0
Loan Receivables -/- Provision	5,990,600	4,870,000	4,374,300	3,734,300
Cash and Cash equivalents	15,909,600	3,740,800	11,617,100	2,868,400
Accrued Income on Investments	1,461,300	1,406,400	1,067,100	1,078,500
Receivable from Dutch Trust Fund	0	0	0	0
Other current assets	8,200	7,743,600	5,900	5,937,800
Current assets	37,411,200	26,952,700	27,317,400	20,667,300
Total assets	96,619,000	91,869,600	70,550,400	70,445,200
EQUITY AND LIABILITIES				
Equity				
Paid-in-Shares of Directly Contributed Capital	25,078,500	24,424,500	18,312,100	18,728,600
Accumulated Surplus/(Deficit)	64,718,400	65,034,300	47,256,900	49,868,000
Total Equity	89,796,900	89,458,800	65,569,000	68,596,600
Liabilities				
Non-current				
Belgium Settlement	370,100	327,400	270,300	251,100
Luxembourg Settlement	3,500	3,500	2,500	2,700
Turkey Settlement	234,900	234,900	171,600	180,100
Non-current liabilities	608,500	565,800	444,400	433,900
Current				
Payable to Dutch Ministry	0	0	0	0
Other payables	1,690,400	1,845,000	1,234,200	1,414,700
FCDO Project Funds	3,936,300	0	2,874,300	0
ACT TA EUR Funds	586,900	0	428,500	0
Current liabilities	6,213,600	1,845,000	4,537,000	1,414,700
Total liabilities	6,822,100	2,410,800	4,981,400	1,848,600
Total equity and liabilities	96,619,000	91,869,600	70,550,400	70,445,200

Statement of Profit or Loss – First Account, for the year ended 31 December 2025

(expressed in United States Dollar and Special Drawing Rights)

	2025	2024	2025	2024
	USD	USD	SDR	SDR
Income				
Net Income from Investments	1,594,200	2,311,500	1,181,100	1,741,200
Other Income	2,236,200	1,802,500	1,656,800	1,357,700
Voluntary Contribution	15,000	0	11,100	0
Unrealized (loss)/gain on investments	339,000	(339,000)	251,100	(255,300)
Unrealized (loss)/gain on investment funds	837,800	163,700	620,700	123,300
Realized Exchange (loss)/gain on Operations	(1,200)	1,700	(900)	1,300
Unrealized Exchange (loss)/gain on translation of balance sheet items	2,510,300	(1,111,800)	1,859,800	(837,500)
Total income	7,531,400	2,828,600	5,579,700	2,130,700
Expenses				
Staff Salaries & Benefits	(3,203,900)	(2,852,800)	(2,373,600)	(2,148,800)
Operational Expenses	(544,100)	(354,600)	(403,100)	(267,100)
Meeting Costs	(82,000)	(106,300)	(60,800)	(80,100)
Premises Costs	(217,600)	(228,000)	(161,200)	(171,800)
Strategic Framework Expenses	(50,000)	0	(37,000)	0
ECL Provision for non performing loans	(1,100)	0	(800)	0
Information Dissemination	0	0	0	0
Contingency/Extra ordinary items	0	0	0	0
Total expenses	(4,098,700)	(3,541,700)	(3,036,500)	(2,667,800)
(Loss)/Profit for the year	3,432,700	(713,100)	2,543,200	(537,100)

Statement of Comprehensive Income – First Account, for the year ended 31 December 2025

(expressed in United States Dollar and Special Drawing Rights)

	2025	2024	2025	2024
	USD	USD	SDR	SDR
(Loss)/Profit for the year	3,432,700	(713,100)	2,543,200	(537,100)
Items that will not be reclassified to profit and loss	0	0	0	0
Items that will be reclassified to profit and loss:	(42,100)	(183,400)	(31,200)	(138,100)
Total comprehensive income for the year	3,390,600	(896,500)	2,512,000	(675,200)

Statement of Profit or Loss – Second Account, for the year ended 31 December 2025
(expressed in United States Dollar and Special Drawing Rights)

	2025	2024	2025	2024
	USD	USD	SDR	SDR
Income				
Net Income from Investments	2,224,800	2,413,600	1,648,300	1,818,100
Income from Loans	639,500	532,700	473,800	401,300
Realized Exchange (loss)/gain on Operations	13,200	55,500	9,800	41,800
Unrealized (loss)/gain on Investment Funds	(627,600)	67,800	(464,900)	51,100
Unrealized Exchange (loss)/gain on translation of balance sheet items	203,500	(183,900)	150,800	(138,500)
Total income	2,453,400	2,885,700	1,817,700	2,173,700
Expenses				
Project Payments	(121,100)	(197,500)	(89,700)	(148,800)
Administration fee on investment portfolio	(1,593,700)	(1,367,700)	(1,180,700)	(1,030,200)
Provision for overdue loan	(1,054,600)	(2,445,700)	(781,300)	(1,842,200)
Total expenses	(2,769,400)	(4,010,900)	(2,051,800)	(3,021,200)
(Loss)/Profit for the year	(316,000)	(1,125,200)	(234,100)	(847,500)

Statement of Comprehensive Income – Second Account, for the year ended 31 December 2025
(expressed in United States Dollar and Special Drawing Rights)

	2025	2024	2025	2024
	USD	USD	SDR	SDR
(Loss)/Profit for the year	(316,000)	(1,125,200)	(234,100)	(847,500)
Items that will not be reclassified to profit and loss	0	0	0	0
Items that will be reclassified to profit and loss	0	0	0	0
Total comprehensive (loss)/income for the year	(316,000)	(1,125,200)	(234,100)	(847,500)

Directly Contributed Capital, as at 31 December 2025 (USD)

	First Account			Second Account		
	Outstanding Contributions ¹	Payments		Outstanding Contributions ¹	Payments	
		Cash	Promissory Notes		Cash	Promissory Notes
Afghanistan	0	399,412	385,690	0	0	0
Algeria	0	862,744	0	0	0	0
Angola	0	61,786	0	0	339,823	429,769
Argentina	0	0	396,680	0	635,460	46,349
Bangladesh	149,133	95,062	0	0	308,154	367,324
Benin	5,143	344,491	367,324	0	0	0
Bhutan	0	3,424	3,673	0	338,969	363,651
Botswana	5,143	344,491	367,324	0	0	0
Brazil	0	1,692,815	0	0	701,208	0
Bulgaria	781,687	284,202	0	0	0	0
Burkina Faso	5,143	344,491	367,324	0	0	0
Burundi	0	34,239	36,732	0	308,154	330,591
Cameroon	0	990,853	0	0	0	0
Cape Verde	0	342,393	367,324	0	0	0
Central African Republic	10,284	346,588	367,324	0	0	0
Chad	15,428	364,254	367,324	0	0	0
China	0	3,807,113	4,080,968	0	0	0
Colombia	0	1,060,568	0	0	0	0
Comoros	0	342,393	367,324	0	0	0
Congo-Brazzaville	1,067,315	0	0	0	0	0
Congo, Democratic Republic	0	1,213,098	0	0	0	0
Costa Rica	0	833,938	0	0	0	0
Côte d'Ivoire	3	1,273,830	0	0	0	0
Cuba	0	291,399	312,269	0	393,960	310,441
Denmark	0	599,933	420,219	0	718,430	0
Djibouti	0	388,206	367,324	0	0	0
Ecuador	0	126,968	0	0	699,028	0
Egypt	0	616,445	539,966	0	0	0
Equatorial Guinea	0	734,443	0	0	0	0
Eswatini (former Swaziland)	0	94,101	382,015	0	262,885	0
Ethiopia	41,140	187,975	183,662	0	171,197	183,662
Finland	0	586,004	628,124	0	154,611	27,157
Gabon	320,703	455,118	0	0	0	0
Gambia	10,285	346,588	367,324	0	0	0
Germany	0	5,954,753	6,317,971	0	657,485	102,425
Ghana	0	1,085,935	0	0	0	0
Greece	0	347,901	367,324	0	0	0
Guatemala	0	423,346	0	0	408,621	0
Guinea	25,713	13,911	3,673	0	338,969	363,651
Guinea-Bissau	0	342,393	367,324	0	0	0
Haiti	15,428	348,685	367,324	0	0	0
Honduras	40,406	37,758	0	363,651	339,823	0
India	0	370,828	393,037	0	560,088	95,345
Indonesia	0	449,328	121,217	0	579,573	141,337
Iraq	1	878,501	0	0	0	0
Ireland	0	3,455	3,673	0	615,094	109,474
Italy	0	2,558,455	2,740,236	0	612,520	120,645
Jamaica	0	48,056	51,425	0	612,816	132,023
Kenya	0	906,469	0	0	0	0
Korea, Dem. People's Republic	764,034	0	0	0	0	0
Korea, Republic	0	517,919	554,659	0	0	0
Kuwait	0	941,579	0	0	0	0
Lao People's Dem. Republic	0	387,130	370,997	0	0	0

Directly Contributed Capital, as at 31 December 2025 (USD)

	First Account			Second Account		
	Outstanding Contributions ¹	Payments		Outstanding Contributions ¹	Payments	
		Cash	Promissory Notes		Cash	Promissory Notes
Lesotho	0	342,393	367,324	0	0	0
Madagascar	0	48,209	0	0	703,374	0
Malawi	15,428	348,685	0	0	0	367,324
Malaysia	0	832,788	910,963	0	0	0
Maldives	0	34,239	0	0	308,154	367,324
Mali	15,428	40,531	36,732	0	308,154	330,591
Mauritania	41,140	395,774	367,324	0	0	0
Mexico	0	170,697	0	0	770,650	158,435
Morocco	0	471,279	3,673	0	375,021	135,612
Mozambique	0	439,549	346,423	0	0	0
Myanmar	20,570	342,665	370,262	0	0	0
Nepal	5,142	310,251	330,592	0	34,239	36,732
Netherlands	0	752,209	1,579,493	0	730,118	0
Nicaragua	0	98,166	0	0	653,459	0
Niger	5,143	344,491	0	0	0	367,324
Nigeria	0	124,171	128,563	0	624,220	99,139
Norway	0	347,901	378,344	0	608,489	104,043
Pakistan	0	871,363	0	0	0	0
Papua New Guinea	0	120,151	0	0	699,703	0
Peru	0	1,074,903	0	0	0	0
Philippines	0	614,978	0	0	785,857	0
Portugal	0	171,346	0	0	447,097	108,232
Russian Federation	6,850,590	6,368,048	0	0	0	0
Rwanda	15,428	348,685	367,324	0	0	0
Samoa	0	342,393	367,324	0	0	0
São Tomé e Príncipe	0	734,443	0	0	0	0
Saudi Arabia	0	360,373	385,690	0	0	0
Senegal	0	959,157	0	0	0	0
Sierra Leone	15,428	348,685	367,324	0	0	0
Singapore	0	227,143	246,107	0	411,896	65,029
Somalia	372,466	344,491	0	0	0	0
Spain	0	2,547,890	0	0	619,883	0
Sri Lanka	0	422,309	455,482	0	0	0
Sudan	123,421	290,011	257,127	0	102,718	110,197
Sweden	0	874,180	969,735	0	640,618	104,969
Syrian Arab Republic	0	916,910	0	0	0	0
Tanzania	66,853	198,462	183,662	0	171,197	183,662
Thailand	0	485,578	503,234	0	0	0
Togo	0	763,530	0	0	0	0
Trinidad & Tobago	0	680,870	0	0	0	0
Tunisia	2	959,840	0	0	0	0
Uganda	92,566	380,145	367,324	0	0	0
United Arab Emirates	1,046,591	0	0	0	0	0
United Kingdom	0	3,166,031	3,017,092	0	664,193	0
Venezuela, Bolivarian Republic	0	878,775	0	0	0	0
Yemen	10,285	688,981	734,648	0	0	0
Zambia	198,752	912,100	0	0	0	0
Zimbabwe	0	725,106	0	0	0	0
Total	12,152,217	68,306,642	35,376,538	363,651	19,415,907	5,662,456

¹ As stated in Schedule B of the Agreement Establishing the Common Fund for Commodities, Members in the category of least developed countries as defined by the United Nations shall pay only 30% of the number of shares exceeding 100, over a period of three years. The remaining 70% (of shares exceeding 100) shall be paid as and when decided by the Executive Board. This remaining 70% is also included in the Outstanding Contributions.

Voluntary Contributions, as at 31 December 2025 (USD)

Pledge (3rd 5YAP)			Payments Cash up to 31 Dec. 2024	Payments Cash 2025	Payments Total 31.12.2025
Country	Currency	USD ¹	USD	USD	USD
Austria ²	USD	2,000,000	2,000,000	0	2,000,000
Belgium ²	EUR	3,000,000	3,235,542	0	3,235,542
Cameroon	USD	0	7,994	0	7,994
China	USD	2,000,000	2,000,000	0	2,000,000
Denmark	DKR	2,188,064	794,987	0	794,987
Ecuador	USD	0	45,311	0	45,311
Finland	USD	2,000,000	2,011,089	0	2,011,089
France ²	USD	15,000,000	2,385,648	0	2,385,648
Germany	USD	22,549,790	22,549,790	0	22,549,790
India	USD	5,000,000	5,000,000	0	5,000,000
Indonesia	USD	1,000,000	1,000,201	0	1,000,201
Ireland	USD	250,000	250,000	0	250,000
Italy	USD	15,000,000	14,999,999	0	14,999,999
Japan ²	USD	27,000,000	32,231,940	0	32,231,940
Luxembourg ²	USD	150,000	149,989	0	149,989
Madagascar	USD	8,643	8,616	0	8,616
Malaysia	USD	1,000,000	999,922	0	999,922
Netherlands	USD	17,000,000	19,560,207	0	19,560,207
Nigeria	USD	150,000	150,000	0	150,000
Norway	USD	22,490,000	22,446,462	0	22,446,462
OPEC Fund ³	USD	29,250,000	29,250,000	0	29,250,000
Papua New Guinea	USD	0	70,055	0	70,055
Philippines ⁴	USD	0	0	15,000	15,000
Republic of Korea	USD	300,000	300,000	0	300,000
Singapore	USD	250,000	250,000	0	250,000
Sweden	USD	2,345,996	2,345,996	0	2,345,996
Switzerland ²	USD	6,000,000	3,000,000	0	3,000,000
Thailand	USD	1,000,000	1,000,000	0	1,000,000
United Kingdom ¹	STG	5,438,060	7,399,909	0	7,399,909
Total		182,370,553	175,443,657	15,000	175,458,657

¹ Payment of MOU of GBP 4,270,000 received considered as contribution under Article 18.1.(e)

² Not a member of CFC

³ Observer

⁴ Received from Philippines in the First Account, to sponsor the strategic Framework

2025 Administrative Budget, Summary

	2025	2025
	USD	EUR
Staff Costs	3,780,900	3,501,200
Operational Costs	745,500	690,400
Meeting Costs	137,700	127,600
Contingency	10,800	10,000
Total	4,674,900	4,329,200

Auditors



The Governing Council of the Common Fund for Commodities

Baker Tilly (Netherlands) B.V.
Fascinatio Boulevard 268
PO Box 8545
3009 AM Rotterdam
Netherlands

T: +31 (0)10 253 59 00
F: +31 (0)10 253 59 99

rotterdam@bakertilly.nl
www.bakertilly.nl

Reg.no.: 24425560

REPORT OF THE INDEPENDENT AUDITOR

Our opinion

The summary financial statements 2025 as included in the Annual Report 2025 on the pages 123 to 129 (hereafter: 'the abbreviated financial reports') of the Common Fund for Commodities, based in Amsterdam, are derived from the audited financial statements 2025 of the First Account and Second Account of the Common Fund for Commodities.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements 2025 of the First Account and Second Account of the Common Fund for Commodities in accordance with the accounting policies as applied in the 2025 financial statements of the First Account and Second Account of the Common Fund for Commodities..

The abbreviated financial reports comprise:

- the summary statement of financial position at 31 December 2025 of the First Account and Second Account;
- the following statements for 2025 of the First Account and Second Account: the statement of Profit or Loss and the summary statement of comprehensive income.

Abbreviated financial reports

The abbreviated financial reports do not contain all the disclosures required by the International Financial Reporting Standards. Reading the abbreviated financial reports and our report thereon, therefore, is not a substitute for reading the audited financial statements of the First Account and Second Account of the Common Fund for Commodities and our auditor's report thereon. The abbreviated financial reports and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those financial statements of June 29, 2026.

Our auditor's report does not include all the other information, in addition to the abbreviated financial reports, on the pages 123 to 129 of the Annual Report 2025.

The audited financial statements and our auditor's report thereon

We expressed an unqualified audit opinion on the audited financial statements 2025 of the First Account and Second Account of the Common Fund for Commodities in our auditor's report of June 29, 2026.

Baker Tilly (Netherlands) B.V. trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Baker Tilly (Netherlands) B.V. is a public limited company and is the exclusive contracting party in respect of all commissioned work. The company's general terms and conditions, filed with the registry of the Dutch chamber of commerce under no. 24425560, which include a limitation of liability, are applicable to all work performed and to all legal relationships with third parties.

Auditors



Responsibilities of management board for the summary financial statements

Management is responsible for the preparation of the abbreviated financial reports in accordance with the accounting policies as applied in the 2025 financial statements of the First Account and Second Account of the Common Fund for Commodities.

Our responsibilities

Our responsibility is to express an opinion on whether the abbreviated financial reports are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810, "Engagements to report on summary financial statements".

Rotterdam, 30 June 2026

Baker Tilly (Netherlands) B.V.

Signed by

L. den Boer RA



Photo: Bananey, Jowhar, Somalia. © FAO/Diiradfilms/Said

Governors and Alternate Governors as of 31 December 2025

Chairperson of the Governing Council during 2025:

H.E. Ms. Mirjam Blaak Sow, Ambassador (Uganda)

Vice-Chairpersons during 2025:

Africa: H.E. Ms. Caroline Kitana Chipeta, Ambassador (Tanzania)

Asia and Pacific: H.E. Ms. Rekha Gunasekera, Ambassador (Sri Lanka)

China: Mr. JIN Yuan, Counsellor for Economy and Commerce

Latin America and Caribbean: (To be confirmed later by the group)

OECD: Ms. Anna Tofftén, Deputy Director-General (Sweden)

Russian Federation: Ms. Evgenia Drozhashchikh, Deputy Director General

Country	Governor	Alternate Governor
Afghanistan	H.E. Mr. Mohammed Asif Rahimi Ambassador Embassy of Afghanistan, The Hague	Mr. Sayed Mahdi Alavi Counsellor Embassy of Afghanistan, The Hague
Algeria	H.E. Ms. Salima Abdelhak Ambassador Embassy of Algeria, The Hague	Mr. Abdelmoumene Senoussaoui Counselor of Foreign Affairs Embassy of Algeria, The Hague
Angola	H.E. Ms. Lizeth N. Satumbo Pena Ambassador Embassy of Angola, The Hague	Mr. Anatólio Mikotene Domingos Director of the Legal and Exchange Office Ministry of Industry and Commerce, Luanda
Argentina	Ambassador Embassy of Argentina, The Hague	Mr. Diego Emilio Sadofski Minister Plenipotentiary Embassy of Argentina, The Hague
Bangladesh	Mr. Mahbubur Rahman Secretary Ministry of Commerce, Dhaka	Ambassador Embassy of Bangladesh, The Hague
Benin	H.E. Ms. Corinne Brunet Ambassador Embassy of Benin, Paris	Amb. Angelo Dan Deputy Head of Mission Embassy of Benin, Paris
Bhutan	H.E. Ms. Tshering Lhadn Ambassador Permanent Mission of Bhutan, Geneva	Mr. Passang Dorji Counsellor Permanent Mission of Bhutan, Geneva
Botswana	H.E. Ms. Mmasekgoa Masire-Mwamba Ambassador Embassy of Angola, The Hague	Mr. Kabelo Ebineng Permanent Secretary Ministry of Lands and Agriculture, Gaborone
Brazil	Minister Grace Tanno Head of the Agricultural Policy Division Ministry of Foreign Affairs, Brasília	Mr. Felipe Ferreira Marques Second Secretary Embassy of Brazil, The Hague
Bulgaria	c/o H.E. Ms. Elizabeth Konstantinova Varbanova Ambassador Embassy of Bulgaria, The Hague	-
Burkina Faso	H.E. Mr. Léopold Tonguénoma Bonkougou Ambassador Embassy of Burkina Faso, Brussels	Mr. Hadi Honoré Yonli General Director of Commerce Ministry of Industrial Development, Trade, Crafts and Small and Medium Enterprises, Ouagadougou
Burundi	Ambassador Embassy of Burundi, The Hague	Mr. Stany Muhizi First Counsellor Embassy of Burundi, The Hague
Cabo Verde	c/o Ambassador Embassy of Cabo Verde, Brussels	-
Cameroon	Mr. Luc Magloire Mbarga Atangana Minister of Trade Ministry of Trade, Yaounde	H.E. Ms. Madeleine Liguemoh Ondoua Ambassador Embassy of Cameroon, The Hague

Country	Governor	Alternate Governor
Central African Republic	c/o H.E. Mr. Daniel Emery Dede Ambassador Embassy of the Central African Republic, Brussels	-
Chad	c/o H.E. Dr. Bachar Brahim Adoum Ambassador Embassy of Chad, Brussels	-
China	Mr. ZHAO Chunfeng Deputy Director-General Department of International Trade and Economic Affairs, Ministry of Commerce, Beijing	Mr. JIN Yuan Counsellor for Economy and Commerce Embassy of China, The Hague
Colombia	H.E. Ms. Carolina Olarte Bácares Ambassador Embassy of Colombia, The Hague	Ms. Karol de la Paz Quintero Rodríguez First Secretary Embassy of Colombia, The Hague
Comoros	H.E. Mr. Mohamed Chatur Badaoui Ambassador Embassy of Comoros, Brussels	Mr. Mohamed Ali Abdou Attaché Embassy of Comoros, Brussels
Congo	Mr. Randy Aymand Noël Kamba Counsellor (Economics) Embassy of Congo, Brussels	-
Costa Rica	H.E. Mr. Arnoldo Brenes Castro Ambassador Embassy of Costa Rica, The Hague	Ms. Sofia Cob Briceño Minister Counsellor Embassy of Costa Rica, The Hague
Côte d'Ivoire	Mr. Kobenan Kouassi Adjoumani Minister of Agriculture, Rural Development and Food Production, Ministry of Agriculture, Rural Development and the Production of Food Crops, Abidjan	H.E. Mr. Aly Touré Ambassador/Permanent Representative Permanent Representation of Côte d'Ivoire to International Commodity Organizations, London
Cuba	Mr. Carlos Fidel Martín Rodríguez Director – International Economic Organizations Division (DOIE), Ministry of Foreign Trade and Foreign Investment (MINCEX), Havana	H.E. Ms. Eva Yelina Silva Walker Ambassador Embassy of Cuba, The Hague
Democratic People's Republic of Korea	c/o H.E. Mr. JO Chol Su Ambassador/Permanent Representative Permanent Mission of DPR of Korea, Geneva	-
Democratic Republic of the Congo	H.E. Mr. Paul Empole Efambe Ambassador/Permanent Representative Permanent Mission of DR Congo, Geneva	Mr. Jean-Claude Omba Olenga Minister Counsellor Embassy of DR Congo, The Hague
Denmark	Mr. Morten Skovgaard Hansen Minister Counsellor Embassy of Denmark, The Hague	-
Djibouti	H.E. Mr. Aden Mohamed Dileita Ambassador Embassy of Djibouti, Brussels	-
Ecuador	H.E. Mr. Andrés Terán Parral Ambassador Embassy of Ecuador, The Hague	Mr. Javier Llorca-Vega Minister/ Deputy Head of Mission Embassy of Ecuador, The Hague
Egypt	H.E. Mr. Emad Magdy Hanna Kamel Ambassador Embassy of Egypt, The Hague	Ms. Rania Abdel Megied Director, International Economic Relations Division Ministry of Foreign Affairs, Cairo
Equatorial Guinea	c/o H.E. Mr. Juan Ndong Nguema Mbengono Ambassador/Permanent Representative, Permanent Representation of Equatorial Guinea, Geneva	-
Eswatini	Mr. Newman S. Ntshangase Director, International Trade Department (ITD) Ministry of Commerce, Industry and Trade, Mbabane	Mr. Mluleki S. Dlamini Director, Micro, Small and Medium Enterprise (MSME) Ministry of Commerce, Industry and Trade, Mbabane
Ethiopia	H.E. Mr. Eshete Tilahun Woldeyes Ambassador Embassy of Ethiopia, Brussels	Amb. Fortuna Dibaco Cizare Deputy Head of Mission Embassy of Ethiopia, Brussels
Finland	Mr. Kent Wilska Director, Unit for Technology and Sustainability Department for International Trade Ministry for Foreign Affairs, Helsinki	Ms. Emilia Vahri Senior Specialist Department for International Trade Ministry for Foreign Affairs, Helsinki
Gabon	H.E. Ms. Zenaba Gninga Chaning Minister of Entrepreneurship, Trade and SMEs/SMLs Ministry of Entrepreneurship, Trade and SMEs/SMLs, Libreville	H.E. Mr. Eudes Régis Immongault Tatangani Ambassador Embassy of Gabon, Brussels
Gambia	H.E. Mr. Pa Musa Jobarteh Ambassador Embassy of Gambia, Brussels	Mr. Ousainou Senghore Chief Executive Officer, Gambia Investment and Export Promotion Agency (GIEPA), Banjul
Germany	Ms. Elke Redemann-Paul Head of Division IVB1, Federal Ministry for Economic Affairs and Climate Action (BMWK), Berlin	Mr. Oliver Knoerich Head of Division 410 Federal Foreign Office, Berlin
Ghana	The Honourable Elisabeth Ofosu-Adjare (MP) Minister for Trade and Industry Minister for Trade and Industry, Accra	H.E. Mr. Eddison Mensah Agbenyegah Ambassador Embassy of Ghana, The Hague
Greece	Mr. Apostolos Michalopoulos First Counsellor for Economic and Commercial Affairs Embassy of Greece, The Hague	Ms. Eleni Karaïskou Third Secretary for Economic and Commercial Affairs Ministry of Foreign Affairs, Athens

Country	Governor	Alternate Governor
Guatemala	H.E. Mr. Eduardo Sperisen Yurt Ambassador/Permanent Representative Permanent Representation of Guatemala, Geneva	Ms. Debora Maria Cumes Mariscal Counsellor Permanent Representation of Guatemala, Geneva
Guinea	Mr. Emile Yombouno National Coordinator of CFC Projects (CNP-CFCG) Ministry of Commerce, Conakry	Mr. Housseine Bangoura Deputy Director General of the Office of Strategy and Development, Ministry of Commerce, Conakry
Guinea-Bissau	c/o H.E. Mr. Helder Jorge Vaz Gomes Lopes Ambassador Embassy of Guinea-Bissau, Brussels	-
Haiti	c/o H.E. Ms. Ann-Kathryne Lassègue Ambassador/Permanent Representative Permanent Mission of Haiti, Geneva	-
Honduras	c/o Ambassador Embassy of Honduras, Brussels	-
India	Mr. Shri Yashvir Singh Economic Adviser, Department of Commerce Ministry of Commerce & Industry, New Delhi	Mr. Pawan Tripathi Second Secretary Embassy of India, The Hague
Indonesia	Mr. Tri Tharyat Director General for Multilateral Cooperation Ministry of Foreign Affairs, Jakarta	Mr. Bobby Wahyu Hernawan Director, Center for Climate Change and Multilateral Policy, Fiscal Policy Agency, Ministry of Finance, Jakarta
Iraq	Mr. Riyadh Fakher Al-Hasani Director General, Foreign Economic Relations Department, Ministry of Trade, Baghdad	Mr. Munther Abdulameer Asad Director General, Directorate General of Iraqi Free Zones & Iraqi Customs, Ministry of Finance, Baghdad
Ireland	H.E. Ms. Ann Derwin Ambassador Embassy of Ireland, The Hague	-
Italy	Mr. Lucio Loiero Director of Division II, Ministry of Foreign Affairs and International Cooperation (MAECI), Rome	Mr. Jacopo Gattarella First Secretary Embassy of Italy, The Hague
Jamaica	The Honourable Floyd O'Brian Green Minister of Agriculture, Fisheries and Mining Minister of Agriculture, Fisheries and Mining, Kingston	H.E. Dr. Richard Brown Ambassador/Permanent Representative Permanent Mission of Jamaica, Geneva
Kenya	H.E. Ms. Halima Yussuf Mucheke Ambassador Embassy of Kenya, The Hague	Amb. Anthony Mayo Deputy Head of Mission Embassy of Kenya, The Hague
Kuwait	Ambassador Embassy of Kuwait, The Hague	Mr. Ibrahim Aldai First Secretary Embassy of Kuwait, The Hague
Laos	Mr. Samly Boutsady Director General, Department of Industry and Handicraft, Ministry of Industry and Commerce, Vientiane	H.E. Mr. Kingphokeo Phommahaxay Ambassador Embassy of Laos, Brussels
Lesotho	The Honourable Lejone Mpotjoana Minister of Foreign Affairs and International Relations Ministry of Foreign Affairs and International Relations, Maseru	H.E. Ms. Mantoetsi Liteboho Mohatonyane Ambassador Embassy of Lesotho, Brussels
Madagascar	Ms. Aly Mirana Tsimbazafy Minister Embassy of Madagascar, Brussels	Ms. Volatiana Andriamanalina Economic Counsellor Embassy of Madagascar, Brussels
Malawi	H.E. Dr. Naomi A. Ngwira Ambassador Embassy of Malawi, Brussels	Mr. Richard Chiputula Deputy Head of Mission Embassy of Malawi, Brussels
Malaysia	Dato' Yusran Shah Bin Mohd Yusuf Director General Ministry of Plantation and Commodities (KPK), Putrajaya	Dr. Sharifah Adlina Syed Abdullah Deputy Director General (Strategic Planning & Management) Ministry of Plantation and Commodities (KPK), Putrajaya
Maldives	H.E. Mr. Moosa Zamir Minister of Finance and Planning Ministry of State of Finance and Planning, Male	H.E. Mr. Hussain Zamir Minister of State for Economic Development and Trade Ministry of Economic Development and Trade, Male
Mali	H.E. Mr. El Hadji Alhouseini Traore Ambassador Embassy of Mali, Brussels	Ms. Mama Mininian Bore Third Counsellor Embassy of Mali, Brussels
Mauritania	H.E. Mr. Mohamed Mahmoud Brahim Khilil Ambassador Embassy of Mauritania, Brussels	Ms. Lalla Sidi Aly First Counsellor Embassy of Mauritania, Brussels
Mexico	H.E. Mr. Edgar Amador Zamora Secretary of Finance and Public Credit Secretariat of Finance and Public Credit, Mexico City	H.E. Mr. Juan Ramón de la Fuente Ramírez Secretary of Foreign Affairs Ministry of Foreign Affairs, Mexico City
Morocco	H.E. Mr. Mohamed Basri Ambassador Embassy of Morocco, The Hague	Ms. Sanaa Ziati Minister Plenipotentiary Embassy of Morocco, The Hague
Mozambique	Mr. Claire Mateus Zimba National Director of Foreign Trade Ministry of Industry and Trade, Maputo	Ms. Joaquina Gumeta General Director of the Institute for the Promotions of Small and Medium-sized Enterprises Ministry of Industry and Trade, Maputo

Country	Governor	Alternate Governor
Myanmar	H.E. Mr. Chit Swe Union Minister Ministry of Commerce, Nay Pyi Taw	Mr. Myint Thura Director General, Department of Trade Ministry of Commerce, Nay Pyi Taw
Nepal	H.E. Ms. Sewa Lamsal Ambassador Embassy of Nepal, Brussels	Ms. Aayusha Khanal Second Secretary Embassy of Nepal, Brussels
Netherlands	Mr. Jérôme Larosch Head of Department – International Financial Institutions, Ministry of Foreign Affairs, The Hague	Ms. Carljin Ashmead Policy Officer – International Financial Institutions Ministry of Foreign Affairs, The Hague
Nicaragua	Mr. Erwin Vincente Ramírez Colindres Minister of Development, Industry and Trade Ministry of Development, Industry and Trade, Managua	H.E. Mr. Carlos J. Argüello Gómez Ambassador Embassy of Nicaragua, The Hague
Niger	H.E. Mr. Alhassane Ide Ambassador Embassy of Niger, The Hague	Mr. Issoufou Garba First Counsellor Embassy of Niger, The Hague
Nigeria	Amb. Nura Abba Rimi Permanent Secretary, Federal Ministry of Industry, Trade and Investment, Abuja	Ms. Nnenne Ebere Ibekaku Chargé d'Affaires a.i. Embassy of Nigeria, The Hague
Norway	Ms. Elisabeth Walaas Senior Adviser, Department for European Affairs and International Trade, Ministry of Foreign Affairs, Oslo	Ms. Kristin Hefre Minister Counsellor, Legal and Multilateral Affairs Embassy of Norway, The Hague
Pakistan	H.E. Mr. Syed Haider Shah Ambassador Embassy of Pakistan, The Hague	Mr. Muhammad Shafiq Haider Trade & Investment Counsellor Embassy of Pakistan, The Hague
Papua New Guinea	c/o H.E. Mr. Joseph Varo Ambassador Embassy of Papua New Guinea, Brussels	-
Peru	H.E. Ms. Franca Deza Ferreccio Ambassador Embassy of Peru, The Hague	Ms. Sandra Luisana Rodríguez Sánchez Counsellor Embassy of Peru, The Hague
Philippines	H.E. Mr. J. Eduardo Malaya Ambassador Embassy of the Philippines, The Hague	Ms. Nolet Fulgencio Agricultural Attaché Embassy of the Philippines, Brussels
Portugal	Mr. Joaquim Miranda Sarmento Minister of State and Finance Ministry of Finance, Lisbon	Mr. José Carlos Azevedo Pereira Director-General, Office for Economic Policy and International Affairs, Ministry of Finance, Lisbon
Republic of Korea	Hon'ble Mr. Yun-cheol Koo Deputy Prime Minister and Minister of Economy and Finance, Ministry of Economy and Finance, Seoul	Mr. Chang Yong Rhee Governor The Bank of Korea, Seoul
Russian Federation	Ms. Evgenia Drozhashchikh Deputy Director General, Department of the Multilateral Economic Cooperation and Special Projects Ministry of Economic Development, Moscow	Ms. Tatiana Romanova Head, UN Cooperation Desk, Department of the Multilateral Economic Cooperation and Special Projects Ministry of Economic Development, Moscow
Rwanda	Mr. Richard Niwenshuti Permanent Secretary Ministry of Trade and Industry (MINICOM), Kigali	Mr. Antoine Kajangwe Director General in charge of Trade and Investment Ministry of Trade and Industry (MINICOM), Kigali
Samoa	To be nominated	-
Sao Tome and Principe	c/o H.E. Mr. José Cardoso dos Ramos Cassandra Ambassador Embassy of Sao Tome and Principe, Brussels	-
Saudi Arabia	Mr. Abdulaziz A.S. Alturki Executive Director of Financial Sector The Saudi Fund for Development (SFD), Riyadh	Mr. Saeid M. Alkahtani Financial Operations, General Director The Saudi Fund for Development (SFD), Riyadh
Senegal	H.E. Ms. Ramatoulaye Ba Faye Ambassador Embassy of Senegal, The Hague	Mr. Henry Pierre Sarr First Secretary Embassy of Senegal, The Hague
Sierra Leone	Mr. James Vibbi Executive Chairman Produce Monitoring Board (PMB), Freetown	Mr. Didan Sankoh Director Produce Monitoring Board (PMB). Freetown
Singapore	H.E. Mr. Hung Seng Tan Ambassador/Permanent Representative Permanent Mission of Singapore, Geneva	Mr. Edmund Leong Second Secretary Permanent Mission of Singapore, Geneva
Somalia	H.E. Ms. Khadija Ossoble Ali Ambassador Embassy of Somalia, Brussels	Mr. Jaffar Jama Deputy Head of Mission Embassy of Somalia, Brussels
Spain	Mr. Jaime Camps Almiñana Deputy Director General for International Trade in Goods Ministry of Economy, Trade and Business, Madrid	Mr. Juan Antonio Varela Donoso Economic and Commercial Counsellor Embassy of Spain, The Hague
Sri Lanka	Ms. Ameena Mohin Director General of Commerce (Acting), Ministry of Industry, Commerce and Food Security, Colombo	H.E. Ms. Rekha Gunasekera Ambassador Embassy of Sri Lanka, The Hague
Sudan	Ms. Omaina M.A. Alsharief Minister Plenipotentiary Embassy of Sudan, The Hague	Dr. Rasha Beshir Ahmed Yousif Agricultural Attaché Embassy of Sudan, The Hague

Country	Governor	Alternate Governor
Sweden	Ms. Anna Tofftén Deputy Director-General Ministry of Rural Affairs and Infrastructure, Stockholm	-
Syrian Arab Republic	H.E. Mr. Milad Atieh Permanent Representative Permanent Representation of the Syrian Arab Republic to the OPCW, The Hague	Mr. Loai Al Oja Deputy Permanent Representative Permanent Representation of the Syrian Arab Republic to the OPCW, The Hague
Thailand	Ms. Narumol Sanguanvong Deputy Permanent Secretary Ministry of Agriculture and Cooperatives, Bangkok	Mr. Chantanon Wannakejohn Secretary-General, Office of Agricultural Economics Ministry of Agriculture and Cooperatives, Bangkok
Togo	Mr. Kommabou Fandjinou Chargé d'Affaires a.i. Embassy of Togo, Brussels	Mr. Seyiram K. Amefian First Secretary Embassy of Togo, Brussels
Trinidad & Tobago	Senator the Honourable Kazim Hosein Minister of Agriculture, Land and Fisheries, Chaguanas	Ms. Nela Dwarika-Ali Permanent Secretary (Ag.) Ministry of Agriculture and Cooperatives, Chaguanas
Tunisia	H.E. Mr. Skander Denguezli Ambassador Embassy of Tunisia, The Hague	Ms. Nadia Rouissi Minister Plenipotentiary Embassy of Tunisia, The Hague
Uganda	Mr. Emmanuel Mutahunga Ag. Commissioner, External Trade Ministry of Trade, Industry and Cooperatives, Kampala	H.E. Ms. Mirjam Blaak Sow Ambassador Embassy of Uganda, Brussels
United Arab Emirates	c/o Ambassador Embassy of the United Arab Emirates, The Hague	-
United Kingdom of Great Britain and Northern Ireland	Mr. Simon Calvert Senior Commercial Agriculture Adviser, Department for Business & Trade, Foreign, Commonwealth & Development Office (FCDO), London	-
United Republic of Tanzania	Hon'ble Dr. Hashil T. Abdallah Permanent Secretary Ministry of Investment, Industry & Trade, Dodoma	H.E. Ms. Caroline Kitana Chipeta Ambassador Embassy of Tanzania, The Hague
Venezuela	Mr. Rubén Darío Molina Vice Minister of Multilateral Affairs Ministry of Popular Power for Foreign Affairs, Caracas	H.E. Mr. Hector Constant Rosales Ambassador/ Permanent Representative, Permanent Mission of the Bolivarian Republic of Venezuela to the OPCW, ICC and other international organisations and courts in the Kingdom of the Netherlands, The Hague
Yemen	H.E. Ms. Sahar Mohammed Abduljabbar Ghanem Ambassador Embassy of Yemen, The Hague	Mr. Adel H.H. Al-Sheikh Counsellor Embassy of Yemen, The Hague
Zambia	H.E. Ms. Mary Chirwa Ambassador Embassy of Zambia, Brussels	Ms. Melissa Mwaliteta Summerton First Secretary Trade and Investments Embassy of Zambia, Brussels
Zimbabwe	Amb. Albert Chimbindi Permanent Secretary, Ministry of Foreign Affairs and International Trade, Harare	H.E. Mr. Ammon Mutembwa Ambassador Embassy of Zimbabwe, Brussels

Organization	Governor	Alternate Governor
Andean Community (CAN)	c/o Amb. Gonzalo Gutiérrez Reinol Secretary-General	-
African Union (AU)	c/o H.E. Moses Vilakati AU Commissioner for Agriculture, Rural Development, Blue Economy, and Sustainable Environment (ARBE)	c/o H.E. Francisca Tatchouop Belobe AU Commissioner for Economic Development, Tourism, Trade, Industry, Mining (ETTIM)
Caribbean Community (CARICOM)	Dr. Natalie Barnett, PhD, CBE Secretary-General	-
Common Market for Eastern and Southern Africa (COMESA)	Ms. Chileshe Kapwepwe Secretary-General	-
East African Community (EAC)	Hon. (Dr.) Peter M. Mathuki Secretary-General	-
Economic Community of West African States (ECOWAS)	c/o H.E. Dr. Omar Alieu Touray President of the ECOWAS Commission	-
European Union (EU)	Mr. Regis Meritan Senior Expert, Head of Sector 'Agricultural Growth'	-
Southern African Development Community (SADC)	c/o H.E. Elias Mpedi Magosi Executive Secretary	-
West African Economic and Monetary Union (WAEMU/UEMOA)	c/o Mr. Abdoulaye Diop President of the UEMOA Commission	-



Photo: Farmer collecting coffee, Chiang Mai, Northern Thailand, Adobe Stock



ANNEX II

Member States, Institutional Members and Votes as of 31 December 2025

Country	Region	No. of votes	LDC
Afghanistan	Asia	357	X
Algeria	Africa	395	
Angola	Africa	391	X
Argentina	LAC	496	
Bangladesh	Asia	426	X
Benin	Africa	347	X
Bhutan	Asia	343	
Botswana	Africa	347	
Brazil	LAC	1,024	
Bulgaria	Europe	417	
Burkina Faso	Africa	347	X
Burundi	Africa	343	X
Cameroon	Africa	389	
Cabo Verde	Africa	343	
Central African Republic	Africa	349	X
Chad	Africa	351	X
China	Asia	3,000	
Colombia	LAC	490	
Comoros	Africa	343	X
Congo	Africa	351	
Costa Rica	LAC	393	
Côte d'Ivoire	Africa	476	

Photo: Adobe Stock

Country	Region	No. of votes	LDC
Cuba	LAC	584	
Democratic People's Republic of Korea	Asia	355	
Democratic Republic of the Congo	Africa	476	X
Denmark	Europe	643	
Djibouti	Africa	343	X
Ecuador	LAC	391	
Egypt	Africa	476	
Equatorial Guinea	Africa	347	
Eswatini	Africa	355	
Ethiopia	Africa	366	X
Finland	Europe	535	
Gabon	Africa	368	
Gambia	Africa	349	X
Germany	Europe	4,362	
Ghana	Africa	426	
Greece	Europe	309	
Guatemala	LAC	401	
Guinea	Africa	357	X
Guinea-Bissau	Africa	343	X
Haiti	LAC	353	X
Honduras	LAC	372	
India	Asia	621	
Indonesia	Asia	575	
Iraq	Asia	376	
Ireland	Europe	309	
Italy	Europe	2,065	
Jamaica	LAC	380	
Kenya	Africa	387	
Kuwait	Asia	351	
Lao People's Dem. Republic	Asia	345	X
Lesotho	Africa	343	X
Madagascar	Africa	360	X
Malawi	Africa	351	X
Malaysia	Asia	768	
Maldives	Asia	343	
Mali	Africa	351	X
Mauritania	Africa	366	X
Mexico	LAC	469	
Morocco	Africa	449	
Mozambique	Africa	360	X
Myanmar	Asia	355	X
Nepal	Asia	345	X
Netherlands	Europe	1,086	
Nicaragua	LAC	382	
Niger	Africa	347	X
Nigeria	Africa	440	
Norway	Europe	549	
Pakistan	Asia	407	
Papua New Guinea	Asia	389	
Peru	LAC	445	
Philippines	Asia	580	
Portugal	Europe	309	

Country	Region	No. of votes	LDC
Republic of Korea	Asia	490	
Russian Federation	Europe	4,257	
Rwanda	Africa	351	X
Samoa	Asia	343	
Sao Tome and Principe	Africa	345	
Saudi Arabia	Asia	357	
Senegal	Africa	382	X
Sierra Leone	Africa	351	X
Singapore	Asia	441	
Somalia	Africa	347	X
Spain	Europe	1,126	
Sri Lanka	Asia	413	
Sudan	Africa	413	X
Sweden	Europe	929	
Syria	Asia	382	
Thailand	Asia	449	
Togo	Africa	358	X
Trinidad and Tobago	LAC	353	
Tunisia	Africa	380	
Uganda	Africa	395	X
United Republic of Tanzania	Africa	380	X
United Arab Emirates	Asia	347	
United Kingdom of Great Britain and Northern Ireland	Europe	2,550	
Venezuela	LAC	401	
Yemen	Asia	544	X
Zambia	Africa	505	X
Zimbabwe	Africa	343	
EC	Europe	0	
AU	Africa	0	
COMESA	Africa	0	
EAC	Africa	0	
CAN	LAC	0	
CARICOM	LAC	0	
SADC	Africa	0	
ECOWAS	Africa	0	
WAEMU/UEMOA	Africa	0	
TOTAL		57,364	

LDC: Least Developed Country

LAC: Latin America and the Caribbean Countries

Institutional Members of the Common Fund for Commodities

African Union (AU) – Addis Ababa, Ethiopia

Andean Community (CAN) – Lima, Peru

Caribbean Community (CARICOM) – Greater Georgetown, Guyana

Common Market for Eastern & Southern Africa (COMESA) – Lusaka, Zambia

East African Community (EAC) – Arusha, Tanzania

Economic Community of West African States (ECOWAS) – Abuja, Nigeria

European Union (EU) – Brussels, Belgium

South African Development Community (SADC) – Gaborone, Botswana

West African Economic & Monetary Union (WAEMU/UEMOA) – Ouagadougou, Burkina Faso

Designated International Commodity Bodies (ICBs)

- | | |
|--|---|
| 1 International Cocoa Organization (ICCO) | 13 FAO – Intergovernmental Sub-Group on Bananas |
| 2 International Coffee Organization (ICO) | 14 FAO – Intergovernmental Group on Citrus Fruit |
| 3 International Copper Study Group (ICSG) | 15 FAO – Intergovernmental Sub-Committee on Fish Trade |
| 4 International Cotton Advisory Committee (ICAC) | 16 FAO – Intergovernmental Group on Grains |
| 5 International Grains Council (IGC) | 17 FAO – Intergovernmental Group on Hard Fibres |
| 6 International Lead and Zinc Study Group (ILZSG) | 18 FAO – Intergovernmental Sub-Group on Hides and Skins |
| 7 International Bamboo and Rattan Organisation (INBAR) | 19 FAO – Intergovernmental Group on Meat and Dairy Products |
| 8 International Nickel Study Group (INSRG) | 20 FAO – Intergovernmental Group on Oils, Oilseeds and Fats |
| 9 International Olive Council (IOC) | 21 FAO – Intergovernmental Group on Rice |
| 10 International Rubber Study Group (IRSG) | 22 FAO – Intergovernmental Group on Tea |
| 11 International Sugar Organization (ISO) | 23 FAO – Intergovernmental Sub-Group on Tropical Fruits |
| 12 International Tropical Timber Organization (ITTO) | |

Institutions with Memoranda of Understanding

The Common Fund for Commodities has concluded Memoranda of Understanding with the following institutions:

- 1 African Development Bank (AfDB)/African Development Fund
- 2 African Export-Import Bank (AFEXIM)
- 3 Arab Organization for Agricultural Development (AOAD)
- 4 Authority for Integrated Development of the Liptako-Gourma Region (ALG)/L'Autorité de Développement Intégré de la Région du Liptako-Gourma
- 5 Food and Agriculture Organization of the United Nations (FAO)
- 6 Grupo de Países Latino Americanos y del Caribe Exportadores de Azúcar (GEPLACEA)
- 7 Inter-American Institute for Cooperation on Agriculture (IICA)
- 8 International Atomic Energy Agency (IAEA)
- 9 Islamic Centre for Development of Trade (ICDT)
- 10 OXFAM
- 11 Sistema Económico Latino Americano (SELA)
- 12 United Nations Conference on Trade and Development (UNCTAD)
- 13 United Nations Convention to Combat Desertification (UNCCD)
- 14 United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)
- 15 United Nations Economic and Social Commission for Latin America and the Caribbean (ECLAC)
- 16 United Nations Human Settlements Programme (UN-HABITAT)
- 17 United Nations Industrial Development Organization (UNIDO)
- 18 United States Agency for International Development (USAID)
- 19 West African Economic and Monetary Union (WAEMU)/Union Economique et Monétaire Ouest Africaine (UEMOA)
- 20 Dutch-Bangla Chamber of Commerce and Industries (DBCCI)
- 21 Council on Smallholder Agricultural Finance (CSAF)
- 22 International Think Tank for Landlocked Developing Countries (ITTLDC)

Abbreviations

A16	Absolute Sixteen
AATIF	Africa Agriculture Trade and Investment Fund
ACT	Agricultural Commodity Transformation (ACT) Fund
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
AFEXIM	African Export-Import Bank
AOAD	Arab Organization for Agricultural Development
ASM	Artisanal and Small-scale Mining
ATAF	Moringa Agroforestry Technical Assistance Fund
AU	African Union
BMUKN	Federal Ministry for the Environment, Climate Action, Nature Conservation and Nuclear Safety
BMZ	Federal Ministry for Economic Cooperation and Development
CAFI	Central African Forest Initiative
CAN	Andean Community
CARICOM	Caribbean Community
CFC	Common Fund for Commodities
CGIAR	Consultative Group on International Agricultural Research
COMESA	Common Market for Eastern & Southern Africa
COVID	Coronavirus Disease 2019
CSAF	Council on Smallholder Agricultural Finance
DAC	Development Assistance Committee
DBCCI	Dutch-Bangla Chamber of Commerce and Industries
DIB	Development Impact Bond
DRC	Democratic Republic of Congo
EAC	East African Community
EB	Executive Board
EC	European Commission
ECLAC	United Nations Economic and Social Commission for Latin America and the Caribbean
ECOSOC	United Nations Economic and Social Council
EHS	Environmental, Health and Safety
ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
ESMS	Environmental and Social Management Systems
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FCDO	Foreign, Commonwealth & Development Office
FDI	Foreign Direct Investment
FMO	The Netherlands Entrepreneurial Development Bank
FRMi	FRM Ingénierie
G20	Group of Twenty
GC	Governing Council
GCF	Green Climate Fund
GEPLACEA	Grupo de Países Latino Americanos y del Caribe Exportadores de Azúcar
GIIN	Global Impact Investing Network
Ha	Hectares
HVC	Humanizing the Value Chains
IADB	Interamerican Development Bank
IAEA	International Atomic Energy Agency
ICAC	International Cotton Advisory Committee
ICBs	International Commodity Bodies
ICCO	International Cocoa Organization
ICDT	Islamic Centre for Development of Trade

ICJ	International Court of Justice
ICO	International Coffee Organization
ICSG	International Copper Study Group
IFC	International Finance Corporation
IGC	International Grains Council
IICA	Inter-American Institute for Cooperation on Agriculture
ILO	International Labour Organization
ILZSG	International Lead and Zinc Study Group
INBAR	International Bamboo and Rattan Organization
INSG	International Nickel Study Group
IOC	International Olive Council
IRSG	International Rubber Study Group
ISO	International Sugar Organization
ITLLDC	International Think Tank for Landlocked Developing Countries
ITTO	International Tropical Timber Organization
JKCC	Just Know Your Coffee Cup
LDC	Least Developed Country
LLDC	Landlocked Developing Country
MD	Managing Director
MT	Metric tonne
MRV	Monitoring, Reporting and Verification System
NEI	Natural Extracts Industries Limited
NGO	Non-Governmental Organization
OECD	Organisation for Economic Co-operation and Development
PPP	Public Private Partnership
PROBAK	Payment for Environmental Services Programme for the Kinshasa Supply Basin
PSE	Payments for Environmental Services
RCN	Raw Cashew Nut
RED	Renewable Energy Directive
REDD+	Reducing Emissions from Deforestation and forest Degradation
S&P	Standard & Poor's
SADC	South African Development Community
SDG	Sustainable Development Goal
SELA	Sistema Económico Latino Americano
SEMS	Social and Environmental Management Systems
SES	Social and Environmental Standards
SIDS	Small Island Developing States
SMEs	Small and medium sized enterprises
SSA	Sub Saharan Africa
TA	Technical Assistance
TAF	Technical Assistance Facility
TAHA	Tanzania Horticultural Association
ToC	Theory of Change
TWN	Third World Network
UN-HABITAT	United Nations Human Settlements Programme
UN-OHRLS	UN Office of the High Representative for the LDCs, LLDCs and SIDS
UNCCD	United Nations Convention to Combat Desertification
UNCTAD	United Nations Conference on Trade and Development
UNIDO	United Nations Industrial Development Organization
USAID	United States Agency for International Development
WAEMU/UEMOA	West African Economic and Monetary Union
WEF	World Economic Forum
WHO	World Health Organization
WTO	World Trade Organization
WUR	Wageningen University and Research

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Visiting Address

Rietlandpark 301
1019 DW Amsterdam
The Netherlands

Postal Address

P.O. Box 74656, 1070 BR Amsterdam
The Netherlands
t +31 (0)20 575 4949
f +31 (0)20 676 0231
e managing.director@common-fund.org
i www.common-fund.org

Graphic Design

Anita Simons, symsign, Amersfoort



Mission & Vision Statement

Mission

"To contribute to poverty alleviation by strengthening the income-generating capacity of commodity producers and mitigating vulnerability to their economic well being"

Vision

"To strengthen and diversify the commodity sector in developing countries and transform it to be a major contributor to poverty alleviation and sustained economic growth and development"