Annual Report **2018**

common fund for commodities

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Foreword

It is my honour to present the Annual Report of the Common Fund for Commodities (CFC) for the year 2018. This Report highlights the work done during the year and contains a summary of major initiatives undertaken by the Fund.

Since its inception in 1989 the CFC has been constantly engaged in adjusting its structures and operations to respond to the changes occurring worldwide. It has evolved and progressed from an organization dealing mainly with issues relating to commodity production and trade, to social, economic, environmental and governance issues emerging in commodity value chains, focusing in particular on innovation and impact. All this has been feasible with the continuous support of Member Countries, International Commodity Bodies, and other international organizations.

The year 2018 full of new initiatives and discussions in a range of subjects covering commodities and their impact on producing and consuming countries, while assessing proposals received under the Open Call for proposals. The focus has been on new activities which are aligned with the CFC's vision of the role of commodities as the foundation of the economic development for the poor. We continue to target critical weaknesses along the value chains affecting the smallholder producers, which enables us to achieve visible results with maximum efficiency. This also helps us to prioritize innovative commodity development projects with high development impact and replicability as well as financial sustainability.

We at the Common Fund are happy that the Member Countries have reemphasized their commitment to the Fund to enable CFC to fulfil its Mission prevailing in the emerging international development paradigm. We are glad that more sustained efforts have been made to expand the activities of the Fund. These initiatives would not have been possible without the unstinting support of Member Countries and the OPEC Fund for International Development (OFID).

Implementation of projects remains the core function of the CFC. The CFC continues to develop a portfolio approach to its operations, prioritizing the projects which improve the overall impact of CFC activities in the context of the mission and vision of the CFC, supplemented with sustainable development of the commodities. The CFC's new commitments to projects in 2018 stood at about USD 3.2 million, while the overall portfolio size of the CFC has reached USD 43.9 million.

Photo: CFC

Parvindar Singh,
Managing Director

During the year 2018 the CFC continued its strategic approach to promote involvement of the private sector in its projects, particularly focussing on the organisations and institutions seeking to invest in Environmental, Social and Governance (ESG) goals in the Developing Countries alongwith financial returns, broadly known as Impact Investors, or Triple Bottom Line Investors. This new and rapidly expanding area of investment continues to present opportunities in financing projects in commodity development, and it calls for continued innovation and development of new instruments of partnership.

Further, on broader policy advocacy matters, in 2018 the CFC participated in several high-level events, in line with the Fund's mandate to articulate the need for an open and flexible strategy as a pillar of sustainable growth and development cooperation.

Responding to the interests of the Members of the CFC, this report includes feature articles on emerging topics of strategic importance:

(i) Gender lens investing,
(ii) The Fourth technological revolution and its impact on commodities, and
(iii) The impact of certification on smallholder farmers.

The CFC remains committed to making a concrete and identifiable contribution to sustainable development goals. As the global community in development is expanding and growing, the CFC continues to play its leading role in focussing its attention and resources on the needs of the most vulnerable people in commodity-dependent developing countries to meet their rising expectations.

I hope that this report will serve as an invitation to a dynamic dialogue on issues of shared concern.

Parvindar Singh

Photo: ©Pep Bonet/NOOR for FAO

I
CFC at a glance

The Goals of the CFC

The CFC is founded on the principles of equitable distribution of economic, social and environmental benefits from commodity production, processing and trade, serving the long-term interests of both Developed and Developing countries.

In particular the CFC aspires that production, processing and trade of commodities benefits producers and consumers alike so that commodity sectors contribute to the development of society as a whole. The CFC acts to promote the development of the commodity sector and to contribute to sustainable development in its three dimensions i.e. social, economic and environmental; acknowledging the diversity of ways towards sustainable development and in this regard recall that each country has the primary responsibility for its own development and the right to determine its own development paths and appropriate strategies.

Towards this goal, the Fund provides financial support for innovative projects with high impact promoting the interests of the small holder farmers and small and medium enterprises (SMEs) engaged in commodity production, processing and trading in Developing Countries.

Main Activities

The Fund supports and expands its financial interventions in commodity value chains in partnership with the public and private sector, development institutions, and civil society. In particular, the CFC invests in realizing the potential of commodity production, processing, manufacturing, and trade for the benefit of the poor. The CFC supports implementation of activities that:

(i) are innovative and target new opportunities in commodity markets leading to commodity based growth, employment generation, increase in household incomes, reduction in poverty, and enhancement of food security,
(ii) are scalable, replicable and financially sustainable,
(iii) have a potential measurable positive socio-economic and environmental impact on the stakeholders in commodity value chains as compared to the prevailing baseline situation,
(iv) develop stronger connections with existing markets or create new markets along the value chain,
(v) increase financial or other services to commodity producers and commodity based businesses,
(vi) enhance knowledge generation and information dissemination, and
(vii) build effective and cost efficient collaboration between producers, industry, governments, civil society organisations and other stakeholders for commodity based development.

Key Themes

The CFC provides technical and financial support to all aspects of the value chain from production to consumption i.e. from 'field to the fork'. The CFC support can extend across local, national, regional and international markets. Examples of specific target areas include:

- Production, productivity and quality improvements,
- Processing and value addition,
- Product differentiation,
- Diversification,
- Marketing,
- Technology transfer and upgradation,
- Introduction of measures to minimise the physical marketing and trading risks,
- Facilitation of trade finance, and
- Risk Management, including price risk, weather risk etc.

Financing Instruments

The CFC finance is mainly in form of loans. Support in form of equity, quasi equity, lines of credit and guarantees is considered on an exceptional basis. Limited amount of grants may be provided, e.g. to support specific new activities or support the loan based projects through activities such as capacity building, technical assistance etc.

The activities of the CFC are financed from its resources. These resources consist of voluntary contributions and capital subscriptions by Member Countries transferred to the CFC's Second Account and interest earned from its investments.

Box 1 - The Organization of the Common Fund for Commodities

Establishment and Membership

The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution established within the framework of the United Nations. The Agreement Establishing the Common Fund for Commodities was negotiated in the United Nations Conference on Trade and Development (UNCTAD) from 1976 to 1980 and came into effect in 1989. Financing for the first development project was approved in 1991.

The Common Fund for Commodities forms a partnership of 101 Member States plus nine institutional members. Membership of the Fund is open to all States which are Members of the United Nations or any of its specialised agencies, or of the International Atomic Energy Agency, and intergovernmental organisations of regional economic integration which exercise competence in the fields of activity of the Fund.

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. The Executive Board is advised by a Consultative Committee, composed of nine independent experts, on technical and economic aspects of projects submitted to the Fund. The Governing Council meets once a year, and the Executive Board and Consultative Committee biannually.

Headquarters

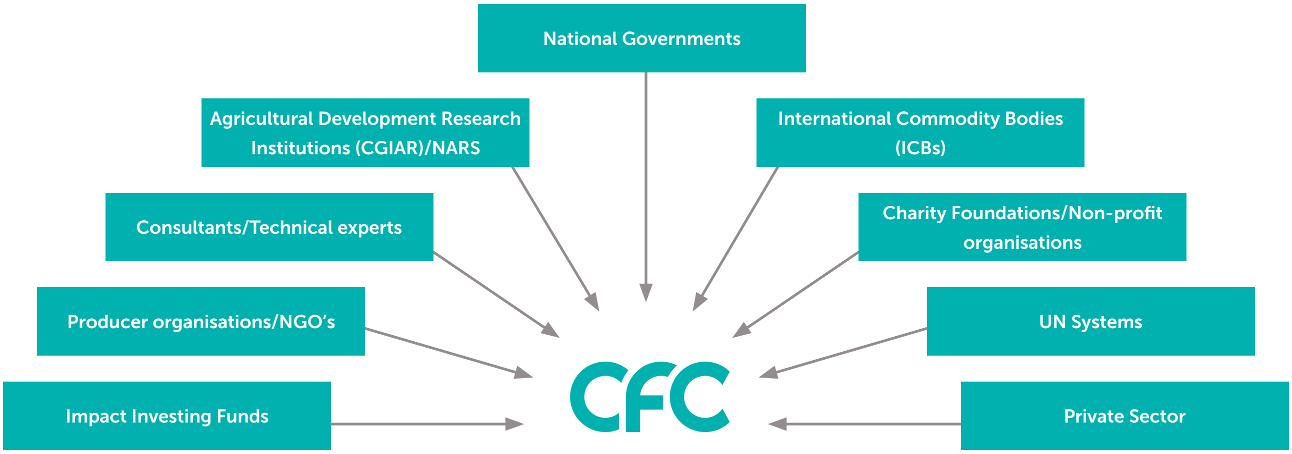
The Headquarters of the Common Fund are located in Amsterdam, The Netherlands.

Partner Institutions

The CFC works in partnership with public and private institutions, bilateral and multi-lateral development institutions, cooperatives, producer organisations, small and medium enterprises, processing and trading companies, and local financial institutions that:

- operate in commodity value chains or provide financial and other forms of services to small business operators, SMEs, cooperatives, producer organisations,
- have a proven track record in commodity development,
- have the ability to invest in the value chain to reduce transaction costs or increase revenues of producers / processors / storage / marketing,
- have a clear plan focusing on developing and/or diversifying their production / services,
- have a clear plan to expand their markets at local, national, regional and international level,
- have the technical, managerial and financial capacity to effectively and efficiently implement its activities,
- include social-, economic- and environmental aspects in their interventions,
- share CFCs values, including internationally recognized principles concerning human rights, labour standards, environment and anti-corruption, and
- collaborate with CFC to extend their core activities in ways that create additional opportunities for commodities and the stakeholders in the commodity value chains.

The CFC Partnership Network



Box 2 - Agreement Establishing the Common Fund for Commodities: Collective Action to Unlock the Development Potential of Commodities

The CFC main objective is to 'Promote the development of the commodity sector and to contribute to sustainable development in its three dimensions i.e. social, economic and environmental; acknowledging the diversity of ways towards sustainable development and in this regard recall that each country has the primary responsibility for its own development and the right to determine its own development paths and appropriate strategies.'

To further its objectives, the Fund exercises, inter alia, the following functions:

(i) To mobilize resources and to finance measures and actions in the field of commodities as hereinafter provided;

(ii) To establish partnerships to encourage synergies through co-operation and implementation of commodity development activities;

(iii) To operate as a service provider; and

(iv) To disseminate knowledge and to provide information on new and innovative approaches in the field of commodities.

The CFC provides a range of financial instruments for the support of activities in the field of commodity development, including agriculture, minerals and metals in Developing Countries that, besides giving a sound financial return, also provide for a measurable social and environmental return.

The CFC supported activities promote the development of the commodity sector in CFC member countries and contribute to sustainable development in the following aspects:

*(i) **Social:** Create employment (particularly for youth and women), provide sustained increase in household incomes, reduce poverty, and enhance food security.*

*(ii) **Economic:** Enhance production and productivity, achieve higher local value addition; improve competitiveness of producers, producer organisations and small and medium sized industries, support the financial sector development.*

*(iii) **Environmental:** Enhance production taking into account the environment and its long term possibilities for the same, or increased use of productive resources while maintaining or reducing the impact on the environment.*

Feature Articles

Photo: M. Yousuf Tushar

Photo: Ray Witlin / World Bank

Gender lens impact investing: a catalyst for change in **commodity value chains**

Introduction to gender lens investing

Gender lens investing has gained great momentum during the last few years. As a result, there are multiple gender lens impact investing initiatives, funds and tools available for different stakeholders in the (impact) investment world. While the many initiatives show the importance of using a gender lens in investment decisions, so far, a relatively low amount of money has been invested gender-sensitively. According to a report of the 2018 Gender Smart Investing Summit (Drakeman & Biegel, 2018), globally USD 1.61 trillion is invested 'with gender consideration'. This ranges from the USD 4.6 billion that has an intentional gender lens mandate to funds that look at gender 'as part of their analysis.' In comparison, the total investment marketplace is worth USD 60 trillion (Drakeman & Biegel, 2018).

Gender lens investing is the intentional integration of gender analysis into financial analysis to make better investment decisions and to achieve gender-equitable social change that benefits women and girls (USAID, 2015). A gender lens can be applied to different asset classes, such as debt instruments (i.e. bonds), private and public equity (i.e. stocks, venture capital) but also cash, foreign currencies, real estate, infrastructure and commodities. Gender lens investing is not an asset class in itself, but rather cuts across asset classes (Krainer, Heaney & Jones, 2018) and can be used to address risks and look for higher financial returns. Gender lens investing ranges from investing in microfinance (i.e. prioritising female borrowers) in impact investing (i.e. looking at the gendered impact of the companies in which they invest) and in public investments (i.e. requirements tied to governments' priorities around women and girls).

This article shows how the field of gender lens investing is emerging and how that is relevant for the work of the Common Fund for Commodities (CFC). The article explores how different types of financial instruments, especially in agricultural value chains, have been looked through a gender lens. It also provides recommendations to improve impact from a gender lens and how finance and investments can be used to contribute to greater gender equality.

Gender lens investing: What is it?

The Global Impact Investing Network (GIIN)[1] uses the term 'gender lens investing' and defines this as: *"Investment strategies applied to an allocation or to the entirety of an investment portfolio, which seek to examine gender dynamics to better inform investment decisions and/or intentionally and measurably address gender disparities."* According to GIIN, gender lens investing comprises two broad categories:

1. Investing with a specific focus on women with the intent to address gender issues or promote gender equity;
2. Mainstreaming gender in investment decisions.

The first category leads to investments in:
- women-owned or women-led enterprises;
- enterprises that promote workplace equity,
- enterprises that offer products or services that substantially improve women's lives (e.g. clean cookstoves)[2].

Examples of this are venture capital funds like First Round Capital, which invests in women-led companies. They have shown that women-led companies outperform their male counterparts by 63%.[3] Or angel networks, like Golden Seeds, which have invested over USD 100 million in start-up businesses led by women.[4]

The second category refers to a process that focuses on gender from pre-investment activities (i.e. sourcing and due diligence) to post investment monitoring and evaluation. A gender perspective can highlight financial risks, financial opportunities and financial levers for the company as a whole. It requires examining the following in an enterprise:
- Their vision or mission to address gender issues;
- Their organisational structure, culture, internal policies, and workplace environment;
- Their use of data and metrics for the gender-equitable management of performance and to incentivise behavioral change and accountability; and,
- How their financial and human resources signify overall commitment to gender equality.

Gender lens investing[5] refers to using a gender lens in investment decisions, as well as how investments can reach gender equity. Gender lens investing is also referred to as gender smart investing.

What is the gender lens?

The term gender in relation to social change is used *"to emphasize that making change means looking at the socially constructed roles, relationships, and expectations of women and men and the ways that these are reinforced by educational, political, economic, and cultural systems."* (Calvert report, 2018).

Socially constructed roles determine the relative influence and control people exercise over their own lives. The way resources are divided, the role men and women play and the influence they have is all very contextual and shaped by local norms and values. A gender lens departs from four interrelated areas as gender defines:
1. What women and men can do (roles);
2. What they have (resources, assets);
3. Their influence (decision-making); and
4. The social norms and values that influences these three former areas.

The four main domains are intrinsically linked and provide the frame for conducting a gender analysis. A gender analysis framework encompasses a continuum from simply counting the percentage of women in a certain setting to valuing gender (USAID, 2015). Realising gender equity also requires transformation of the social structures (norms and values) that contribute to and reinforce some of the apparent inequalities. These same social structures also shape how markets, financial markets and investments work. Hence, addressing social structures will not only lead to gender equity, it will also lead to a change in how markets and investments work.

Addressing social structures will not only lead to gender equity, it will also lead to a change in how markets and investments work.

Gender inequity leads to specific vulnerabilities, especially among women. Women are often the ones overrepresented in unpaid care work, lack access to productive resources such as land, and therefore lack income as high as men have for example. These vulnerabilities are a social construct, and can therefore be addressed through interventions. Gender equity has become part of CFC's mission to ensure equitable value to all participants in commodity value chains.

[1] https://thegiin.org/
[2] For more information see https://www.cleancookingalliance.org/home/index.html
[3] https://firstround.com
[4] https://goldenseeds.com/
[5] This article uses the term gender lens, as this term seems to be best described in the documents that have been reviewed, and can be used in multiple ways

Box 1: Gender equality versus equity

Gender equality	Gender equity
Different behaviours, aspirations and needs of women and men are considered and valued equally	*Fairness of treatment for women and men according to their respective needs*
Rights, responsibilities and opportunities do not depend on whether people are born male or female	*Acknowledging that women and men need different treatment in order to receive the same benefits and experience their rights*

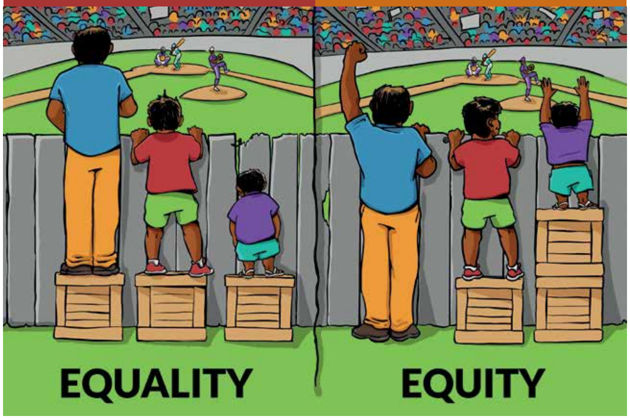


Photo: Interaction Institute for Social Change | Artist: Angus Maguire

Gender is not the only social identify that matters in gender analysis. Race, age, religion and other social markers also determine what different impact an investment may have on different people (see Box 2).

Box 2: Intersectionality

Gender is not the only social identity that influences the position of men and women in society. Other social markers such as ethnicity, race, caste, disability, sexual orientation, age, and location (urban/rural/etc.) also influence what men and women can do, have and influence. These social markers intersect and result in potential disadvantage and marginalisation of certain groups.

Current debates in gender lens investing

While gender lens investing is booming, it is still far from a mainstream practice or even a mainstream idea. Investors seem still not sure why they would invest from a gender lens, and consequently, how they should be doing this. According to the recent Calvert report (2018), there are two main reasons why gender lens investing has not become more mainstream:

1 The business case still needs to be built in different types of markets (i.e. private markets)

Most of the evidence about the link between gender and financial outperformance comes from public companies[6] and does not resonate as strongly with private ones. According to the Calvert report (page 4): *Gender considerations primarily remain in the social impact category, and are not seen as a critical element of investment performance or business strategy, unless that strategy includes an explicit goal of targeting women.*

2 Investors are confused about how to apply a gender lens and it is not seen as part of their core business

Investors are often confused and easily overwhelmed by the number of tools that are available to use a gender perspective and to conduct a gender analysis, and fear that they do not have the expertise to apply them. Also, gender is not seen as being part of their core business, and is looked at as something additional to their daily business activities. They do not see addressing gender equality as an opportunity to both improve the performance of the company, as well as to contribute to gender equity objectives.

Because gender lens investing is not yet mainstream, the risk is that gender lens investing becomes a box-ticking exercise for companies, and might be used as 'pink-washing' (Gender Smart Investing Summit report, 2018). Companies might not want to make the effort to fully understand what gender lens investing entails. According to Sapna Shah, director of strategy at the Global Impact Investing Network[7]: *"It's easy nowadays to invest in a company that happens to have some female leadership, to then retroactively claim a gender lens motivation, without evaluating whether the investment had a positive additional impact."*

Gender lens investing as a box-ticking exercise is likely to result in a focus on 'women's outreach'. When outreach becomes an objective on its own, it is hard to know whether women in fact benefit and/or whether investments are contributing to empowerment. The majority of the business cases are currently built on the relationships between the number of women reached out to (i.e. the number of women in leadership positions) and the improved financial returns for a company (i.e. women have a higher payback rate). Such a business case is relatively easy to define, as the numbers are easily available, especially for public companies (Calvert, 2018). Defining objectives, strategies and indicators to measure progress towards benefits and empowerment is more difficult and requires data that are not always readily available (see Figure 1 on the next page).

[6] The **main difference between** a **private** vs **public** company is that the shares of a **public** company are traded on a stock exchange. Stocks, also known as equities, represent fractional ownership in a company, while a **private** company's shares are not. https://publicmarketdevelopment.com/what-is-a-public-market-2/

[7] https://thegiin.org/

Figure 1: Outreach, Benefit and Empowerment continuum; adapted from IFPRI[8]

Outreach

Objective: *Include women in program activities*

Strategy: *Invite women as participants, reduce barriers to participate*

Indicators: *# of women as representatives, number of women in training etc.*

Benefit

Objective: *Increase women's wellbeing (food security, income, health)*

Strategy: *Design projects considering gender needs, preferences and constraints, to ensure women benefit*

Indicators: *productivity, income, assets, nutrition, time use etc.*

Empowerment

Objective: *Strengthen ability of women to make strategic life choices and to put those choices into action*

Strategy: *Enhancing women's decision making power in households and communities, addressing key areas of disempowerment*

Indicators: *Women's decision making power over agricultural production, income or food consumption*

Without defining other types of business cases, based on women's benefit and empowerment, gender lens investing remains in the social impact investments category, and stays in the periphery of the investment world (Calvert, 2018). Instead, mainstream finance can be a good way to create financial returns, as well as be a tool for social change.

Moving ahead: Finance as a tool for social change

There is an increasing evidence base that demonstrates that finance and investments can be tools to advance positive changes beyond targeting women, such as addressing the gender wage gap, labour conditions, equitable access to resources and power issues.

According to Anderson et al. (2015), gender lens investing represents an opportunity to change finance systems, and to make the systems work for the advancement of gender equity and women's empowerment as stand-alone goals. In order to make the system work for these goals, a change is needed in how financial markets operate, the information that is needed to decide about investments, and the way impact is measured. This will result in different strategies for the programmes and businesses that investors aim to finance. The same authors argue that gender lens investing finds itself at the intersection of two different developments:

- The first relates to the reform of the finance and investment sector itself, in which contributions to social and environmental impact are desirable.
- The second refers to the women's movements that are reaching out to the financial world to start using finance as a way to contribute to gender equity.

Together, these developments are evolving into an approach in which finance is increasingly used as a tool for social change and in which structural (gender) inequities are dealt with at

Figure 2: Towards finance as a tool for social change, adapted from Figure 1

Current Business Case

Outreach

# of women in boards

# of women in leadership

# of female entrepreneurs

Benefit

Increased financial performance of companies

Equal payment for women

Client level: Who benefits from investments and how?

Institutional/contextual level: *Screening companies on the number of women in leadership, looking at equal pay, investments in women owned business etc.*

New Business Case

Empowerment

Shifting power relations

Inclusive decision making in companies

Changing business strategies (no business as usual)

Client level: Equal access and control over resources

Institutional/contextual level: *Institutional change in how investment decisions are made, who are investing, behavioural change*

[8] http://www.ifpri.org/blog/reach-benefit-or-empower-clarifying-gender-strategies-development-projects

the same time (Anderson & Bolis, 2018).[9] For this to happen, it is necessary for all actors involved in gender lens investing to think beyond outreach and benefits for women, and to make empowerment and gender equity an important goal of investments. In this way, strategies can be formulated that may change the current financing and investing systems and the related financial instruments.

Finance for empowerment in practice

In order to make finance a tool for sustainable development and to contribute to social change and gender equality, the following steps are required:

1 Analysis

Conduct a gender analysis, embedded in a baseline, to contextualise the investment. This gender analysis should, at a minimum, contain gender disaggregated data, but preferably it should also include data on division of labour, access and control over resources and local norms and values.

2 Setting your goals

Based on the baseline contextualisation analysis, objectives and impact goals should be formulated which, ideally, focus on outreach, benefit as well as empowerment.

3 Investment and implementation strategy

Depending on the financial instruments that are available to the investors (loans, bonds, equity etc.), the amount that is available and the gender equity goals, the necessary strategies can be defined to invest and to monitor progress.

Overall, the key to a successful gender-lens investment strategy is learning and iteration. This means that good practices and data should be used to continually refine goals and strategies (Anderson & Miles, 2015). There are multiple tools, checklists and reporting formats available that can help to invest from a gender lens.

CFC as a gender lens investor

CFC provides a range of financial and technical instruments to support projects proposed by enterprises, cooperatives and institutions along the entire commodity value chain. While CFC provides loans against an interest rate, CFC is also behind the first impact bond (Belt, 2013).

Finance for empowerment through loans

In Tanzania, CFC invested in the Small and Medium enterprise (SME) Impact Fund (SIF). This fund invests in SMEs in East Africa that operate in agriculture value chains. While the female-led companies that received a loan outperform men-led companies, the proportion of women in the overall SIF portfolio is still small. The fund intends to invest in more women-led companies, but is still looking for a strategy yet in place to do so.

Case study 1: Empowering female entrepreneurs in Tanzania[10]

Mrs. Oliver Schwiyo, Founder and Director of Kipipa

While women do a significant proportion of agricultural work in sub-Saharan Africa, there's a huge imbalance when it comes to land ownership and access to resources. In Tanzania, three-quarters of all landholders are men; those women who do have land tend to have smaller plots. Women also own less livestock than men, and have limited access to new technology, training and financial services. Fortunately, some investors are trying to address this situation, including the SME Impact Fund (SIF) supported by the CFC. Created in 2013, SIF is a small fund with an initial value of €4 million, targeting investments in SMEs operating in commodity value chains in East Africa, mainly in Tanzania.

SIF's team finds and finances entrepreneurs with great potential who are not supported by the local banking system. One such example is Mrs Oliver Schwiyo, founder and director of Kipipa, a maize processing company: "The limited availability of capital is the main challenge," she says. "SIF's working capital loan allows me to buy raw materials when prices are favourable. It really boosted my business to the next level." Among the more than 40 entrepreneurs currently in the fund's portfolio, the female-led enterprises are some of the best performing. According to Mr Allert Mentink, SIF's CEO, "Not is only the repayment rate higher among women, but they also tend to pay on time." Given the numerous constraints to female entrepreneurship in the region, the proportion of women in the overall portfolio is still small. However, the fund intends to finance more female entrepreneurs, addressing gender issues and lowering the portfolio credit risk at the same time.

9 Other existing documents on this issue of finance for social change include the Criterion toolkit: Finance as a Tool for Social Change. Also, in 2015, the Criterion Institute collaborated with USAID to create a webinar series about finance as a tool for social change designed specifically to invite gender experts into the conversation.
10 http://www.common-fund.org/doc-centre/documents/pdf/70.pdf

One of the main constraints for female entrepreneurs is the lack of access to finance. However, this is also the case for men. So what are the specific constraints that women face in addition to the constraints faced by men? A gender analysis will help to answer that question (Farmer Income Lab, 2018). Due to women's role in the house and the household chores they are responsible for, they may spend less time on their business than men are able to do. Due to their lack of access to resources such as land, housing or other types of collateral, they do not have access to formal financial services. Due to their lack of time and collateral, the options for women are limited. As a result, their businesses are often smaller, they hesitate to take a loan and, even when they get one, they may not have any control over it. Many female entrepreneurs remain in the periphery of doing business and operate in the informal sphere. This is also one of the main reasons that the proportion of the women in the SIF portfolio is still small. It seems that the majority of female entrepreneurs do not fit the requirements of SIF, which means that different strategies are needed to reach out, to make women benefit and to empower them.

Recommendations for finance for empowerment through loans

There are generally two main strategies being used to reach out to more women. The first is to build the capacity of female entrepreneurs by organising them in groups, and to help them with their business plans so that they can grow. The aim is to make these women investment ready or bankable.

Another strategy is to adjust the criteria of a fund, such as SIF in the example above. But also to rethink the investment model as a whole, so that more women are eligible. This requires rethinking of the purpose of such a fund, the way financial returns are made and the way risks are defined. The way this could be done is:

- The majority of investment decisions are made by men; including women in influential positions in financial institutions is important to rethink financial instruments, their criteria and scope.
- Conduct research in the area to find out what challenges female and male entrepreneurs face, how these are interrelated and also how these differ.[11]
- Invite women to express their challenges, and define how these can be addressed under the conditions of the loan and the repayment period.[12]
- Make social criteria a requirement of the loan, such as common land-titles in the household, collective planning between husband and wife, so as to strengthen collaboration, instead of divisions by targeting women and men separately.
- Make equal access and control over natural resource management an explicit impact area that the loan should contribute to, and define activities to achieve this (see Gender Action Learning System methods).[13]
- Create ownership by asking female entrepreneurs to nominate their peers to receive a loan.

The above strategy requires a shift in thinking about investments, how to report, in what detail and how impact is measured. It shows that the investment strategies matter, and that the process of investing can be empowering in and of itself for women in these programmes.

Finance for empowerment through investing in business

CFC recently invested in Kenya-based Shalem Investments,[14] which is a for-profit business led by a woman called Ruth Kinoti. Besides the fact that the owner is a woman, and that the majority of the management team are female, the company also explicitly reaches out to female smallholders.

Case study 2: CFC case on Kenya based Shalem Investments[15]

Shalem founder and CEO Ruth Kinoti (left)

Image: Shalem Investments

CFC has recently invested in the Kenya-based Shalem Investments, which is a for-profit business led by a woman named Ruth Kinoti. The company aggregates, transports and markets grains, cereals and legumes from a network of over 30,000 smallholder farmers. The company works closely with the smallholders to provide ongoing support and a stable demand for their crops. Financial support from CFC will enable Shalem to construct a new factory, enabling it to expand its operations and increase its impact across the region. Shalem also supports smallholders by offering technical assistance and conducting training programmes.

Shalem also promote several initiatives for women, who represent about 70% of the network of smallholder farmers. For example, they encourage the creation of women's groups, which makes it easier for Shalem to collect the crops and, at the same time, provides a social network for the women. Furthermore, they help them access financial services through local banks. This gives the women new opportunities to develop their own businesses, and have more control over their financial decisions.

[11] http://www.doingbusiness.org/content/dam/doingBusiness/media/Special-Reports/Womens-Entrepreneurship.pdf
[12] https://www.care.org/sites/default/files/documents/ECON-EDU-MH-2009-SigProg_Overview_v1.pdf
[13] http://www.galsatscale.net/_documents/GALSatScale0overviewCoffee.pdf
[14] http://www.common-fund.org/project-view/reducing-vulnerability-to-price-volatility-kenya/
[15] CFC briefing note on Shalem Investments and CFCs role

The above example is an illustration of the strategies that were used to reach out to women, and to make women benefit. It also shows that female smallholders need different strategies than men in order to access, as well as benefit from, a loan. However, this example does not show how the results will be sustained.

Recommendations for finance for empowerment through business

While this case is about a women-led enterprise, and while women are well represented in the management team (three out of four), this does not mean that a company is gender equal in how it works and how they do their operations. A case like this would require more data on how the smallholder women benefit (in terms of income and prices, as well as in terms of regular market access). Questions from CFC for the company could be:

- What is the impact for women in the social networks when it comes to access and control over resources?
- How has women's decision-making evolved, and how does that affect their financial position?
- What does it mean that women control their financial decisions?
- How can this be replicated?

The answers to these questions allows goals and strategies to be defined.

Secondly, it requires more data on how the company deals with issues such as equal pay, career development for women, safety issues and participation of women and men in decision-making.

Finance for empowerment through development impact bonds

Development impact bonds (DIB) seem an appropriate, innovative financial mechanism to use private funding to support public goals (Gustafsson-Wright et al., 2015). One of the first initiatives to work on a DIB was a partnership between CFC, the Rainforest Foundation UK (RFUK) and the Schmidt Family Foundation (SFF) in order to support sustainable cocoa production by the indigenous Asháninka people of Peru.

Box 3: Development Impact Bond (DIB)

DIBs bring together private investors, service providers and governments or donors to deliver results that society values. DIBs are result-based contracts where private investors pay in advance for interventions with predefined results, and work with service providers to ensure that these results are achieved. Donors and/or governments make payments to investors if the interventions succeed, with returns linked to progress achieved, which is verified by an independent party. DIBs are designed not just to be a new way to attract funding for development, but also to provide a new business model for development programmes encouraging innovation and flexibility for better results (Belt et al., 2017).

Case study 3: Sustainable cocoa production in Peru[16]

Image: Mike Goldwater

The Asháninka people of the Ene River live in remote forest villages in one of the most biologically diverse areas on the planet – the Peruvian Amazon. They rely on the forest for food but are impoverished due to extremely limited infrastructure and poor quality health and education services. Moreover, diseases affecting the cocoa trees attacked nearly 70% of the cocoa production areas, which affected more than 50% of national production. CFC, RFUK and the SFF entered into a partnership to invest in the quality of cocoa produced by the Asháninka people.

The aim of the partnership was to provide better infrastructure for the post-harvest process and to restore approximately 20 hectares of cocoa plots used by around 40 producers. SFF wanted to invest in this programme, RFUK implemented the programme, CFC was the sponsor (paying the investor back based on results achieved), and KIT was the independent verifier of the results achieved by the project. The DIB amounted to US$110,000 and was payable upon achievement (even partial achievement) of four key performance indicators, contractually agreed by the parties, which covered the following targets:

1. *60% of Kemito Ene cooperative members increase their supply to the cooperative by at least 20% thereby improving income received from Kemito Ene;*
2. *At least 60% of Kemito Ene members improve their cocoa yield to 600 kg/ha or more;*
3. *At least 35 tons of cocoa bought and sold by Kemito Ene in the last year of the project;*
4. *At end of the project, 40 producers have 0.5 ha of newly established coffee plots with leaf rust resistant varieties.*

Based on these main performance indicators, a schedule was made with all parties to define the exact payment for the achievements made for each of the four results. In the end, most of the results were achieved, but not all. This has meant that CFC did not pay the full amount, as stated in the DIB contract, to SFF, the investor. While this was the case, the project was seen as a success. The farmers benefitted from their increased production and the investor was happy with the financial returns.

[16] http://www.common-fund.org/project-view/sustainable-cocoa-and-coffee-production/

While the DIB has the potential to change the way these types of programmes are implemented and managed, the lack of focus on the process makes it hard to integrate a gender lens. The above example does not show the number of men and women in the Kemito Ene cooperative. It is therefore difficult to say how the project reached out to men and women. In addition, the assumption is that increased supply of cocoa results in higher sales and thus higher income. However, a higher income does not necessarily result in sustainable impact, such as food security. By only looking at measurable impact goals, such as increased productivity and therefore higher income, it is not clear who really benefits from a higher income. What if the income is used for drugs and alcohol? What if that results in higher numbers of domestic violence? Higher income can also have a negative impact on women's lives.

In order to create sustainable impact, it matters who has access to the increased income, who makes the decision about how the income is used and whether that contributes to livelihoods improvements, such as food security, education etc. An empowerment perspective allows for the monitoring of the process towards empowerment, which will give more insights into the real impact of an investment.

Recommendations for finance for empowerment through impact development bonds

In order to know more about the gendered impact of the above example of a DIB, the following could be included in the next DIB contract:

- Disaggregate the performance indicators by gender;
- Define in a baseline what different challenges male and female cocoa farmers are facing (and think of intersectionality, as there may be other social identities that influence what challenges men and women face);
- Define new/additional performance indicators based on these insights, such as do men and women discuss what they do with their income and/or share the higher income (see Figure 3);
- Define ways to report on process as well as outcome areas. For example, the types of capacity building activities that are successful for both the productive and financial goals, and how that goes together with women's empowerment goals;
- Also, impact indicators in relation to gender equality will help to contribute to gender equality, as well as to reach sustainable goals.[17]

Conclusions

Building on the current momentum of gender lens investing and the funds available for social impact, it is essential to start documenting how a gender lens can be integrated, as well as what changes will be needed in the financial systems, financial instruments, and how they are applied. Documenting lessons learnt will allow different actors to learn how the financial sector can change, what will be needed to achieve this, and who is willing to play a leading role. Important questions for current investors would be: Who is investing and who influences investment decisions? What is needed to make finance more accessible for the purpose of establishing social change, without losing the financial perspective? What structures in the finance system are contributing to social inequalities without having the intention to do so? CFC, which is already taking the lead in new ways of financing for development, is in the perfect position to take a leading role in promoting gender lens investing.

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[17] http://www.ifpri.org/blog/reach-benefit-or-empower-clarifying-gender-strategies-development-projects

Photo: S. Mojumder/Drik/CIMMYT

The impact of **voluntary sustainability standards** on small-scale farmers in **global commodity chains**

The rise of voluntary sustainability standards

The United Nations' Sustainable Development Goals (SDGs) explicitly highlight the importance of sustainable production and consumption patterns (Goal 12). Initiatives which certify products against set social and environmental standards play a central role in this regard. Since their emergence in the mid-1990s, voluntary sustainability standards (VSS) have been propelled from specialty niches into mainstream markets due to rising demand among consumers, buyers and producers to address socio-economic, environmental and food safety concerns. More than 400 VSS are being used worldwide, covering a large number of products, including forestry, agricultural crops and fisheries. For instance, about 23% of the world's cocoa and 26% of the coffee areas are now certified by different sustainability standards (Lernoud et al., 2018). The popularity of VSS is such that certified products, which demonstrate compliance with sustainability standards, are growing at a pace that exceeds markets for conventional products.

The continuous rise of certification as a form of sustainability governance is grounded in various factors. These include the inability or unwillingness to pass and enforce robust legislation on sustainable production at the national level, high levels of poverty among small-scale producers and poor working conditions, pervasive challenges of environmental degradation and biodiversity loss, and increasing public pressure from non-governmental organisations (NGOs) and consumers to combat social injustices and protect the environment.

VSS range from efforts by single firms or NGOs, to industry associations and social movement organisations, business-NGO collaborations, multi-stakeholder initiatives, and, less commonly, public agencies. Although content and scope vary from one standard to another, they all aim to offer guidelines for producing, selling and purchasing products which are identified as "sustainable". At the same time, the proliferation of an increasing number of standards that address the same commodity or product in similar, yet slightly different, ways has led to competition between sustainability standards and a fragmented market for certified products. Consumers are faced with a myriad of products carrying logos of certification schemes, with varying levels of credibility and transparency, which has fuelled an intense debate on the lessons learned on VSS so far, their impact and expected future developments.

This article offers a brief review of the current state of the debate, by presenting existing evidence on the impact of certification on smallholder farmers and discussing emerging efforts to move 'beyond certification'.

The Theory of Change of standards and certification

Certification schemes in global supply chains are usually a combination of set requirements (standards) on three main themes: environmental sustainability, social sustainability, and safety and quality. These themes are the result of public and NGO pressure and consumer concerns, mostly in European and North American markets.

Whereas similarities between certification schemes exist, they can differ on a great number of characteristics, such as commodity focus, standard criteria, audit methodologies and consumer markets. An important distinction lies in the question of 'who sets the standard?'. This refers to whether standards are developed by single organisations, particularly by businesses to mitigate risks in their supply chains, or emerge through multi-stakeholder processes for sector-wide outcomes. The latter are often considered the most legitimate type of standards due to their inclusion of a broad range of stakeholders in standard development and governance (Bennett, 2017) (see Box 1).

Box 1: Key elements for credible standard and certification systems

1. *Multi-stakeholder participation. Standard requirements should be developed and governed through a multi-stakeholder process, involving businesses, civil society, producers and local communities, governments and research, with balanced decision-making.*
2. *Transparency. Details of the standard, how it is applied and how decisions are made, including certification assessments, should be clear and publicly available.*
3. *Independent verification. Compliance with the standard should be verified by an accredited, independent third party auditor or certification body.*
4. *Continuous improvement. The standard and certification system should be regularly reviewed to incorporate the latest information and lessons learned and ensure it delivers its goals.*

Source: WWF & ISEAL, 2017

The specific target group of certification also varies: who gets certified? Many standards aim to deliver social and environmental outcomes at producer level, often seeking to improve livelihoods of smallholder farmers or working conditions for labourers on farms, plantations or in factories. Individual producers, producer groups, factories or exporting companies can get certified against VSS. The availability of group certification can be the deciding factor for smallholder farmers of whether they can have access to services and support to obtain certification at all.

VSS are a means to an end and often illustrate their desired impact in a Theory of Change. In agricultural commodity chains, certification relies heavily on the assumption that training of farmers in good agricultural practices (intervention) leads to higher yields and better quality products (outputs), which results in increased productivity and profitability (outcomes), ultimately improving incomes and livelihoods for certified farmers (impact).

A second route of envisaged impact of VSS regards focuses on the relation between certification and market transformation (Glasbergen, 2018). Information about the social and environmental conditions of production is provided to consumers, usually in the form of a label, to influence their purchasing behaviour. This creates a market for certified products which producers in the Global South can supply. In some cases, consumers are asked to pay a higher price for certified products, which will then trickle down to producers and thus incentivise producers to seek or maintain certification.

Measurement and reporting challenges

In view of the rapid growth rates of certification schemes, high quality information on their impact is necessary to guide policymaking and improve practice. However, it remains difficult to report on the impact of certification. Complexity is high as certification stretches across a wide variety of actors, locations, commodities, methods, goals and monitoring and evaluation methodologies (Oya et al., 2018). Some sectors and standards, such as coffee and Fairtrade, have received much attention when it comes to impact measurement, whereas others have remained largely understudied. There are also methodological challenges, such as lack of counterfactuals, attribution difficulties, lack of baseline data and data over time, lack of consistency in outcome variables, and selection biases (Elliott, 2018). The challenge of impact evaluation is further compounded by the fact that many producers are certified under more than one scheme, but there is little information on the share of multiple certifications (Lernoud et al., 2018). Certification schemes also constantly evolve and change through periodic reviews, which makes it difficult to generalise results across time (van der Ven & Cashore, 2018). Finally, the epistemology of many impact studies can be questioned, as there is a strong tendency to put the certifications at centre stage and neglect the sustainability challenges that triggered the rise of certification in the first place – such as smallholder poverty or biodiversity loss (Glasbergen, 2018).

Impact on smallholder farmers in the spotlight

Various reports have attempted to investigate the impact of VSSs on smallholder farmers, but the findings are relatively ambiguous. Some studies find positive social-economic and environmental impacts, while others conclude that effects are insignificant, highly variable, or even negative. Overall, results seem to be more positive than negative, but they also indicate that VSSs are not a sufficient condition to improving social outcomes and incomes for smallholder farmers (DeFries et al., 2017).

A recent systematic review of agricultural VSSs in developing countries found evidence that certification leads to higher product prices (Oya et al., 2018). Yet, the study found inconclusive evidence for household incomes and no evidence for improved wages for farm workers. Among others, income from certified production is limited by the extent to which markets absorb the total volume of certified products. This is a critical factor: only one-third to one-half of standard-compliant production is actually sold as compliant due to a consistent situation of oversupply of certified agricultural commodities (Elliott, 2018).

Box 2 offers an overview of the detected impact of certification in coffee, cocoa and palm oil, as the most advanced crops in terms of certification coverage.

Many of the VSS studies emphasise that impact is highly context dependent, shaped by how production is embedded within local landscapes, supply chains and social systems (Bray & Neilson, 2018). What seems like an obvious observation, actually points to the importance of studying the relative contribution of certification to promoting sustainable livelihoods of producers. This would involve supporting livelihood options beyond certified coffee, cocoa or palm oil production. Yet, this is where a mismatch between the Theories of Change of VSS and agricultural livelihoods has been identified (Glasbergen, 2018). If VSS encourage increased specialisation of agricultural production without considering producers' livelihood decisions, including engagement in off-farm activities, they restrict their potential for poverty alleviation (Bray & Neilson, 2018).

Photo: Neil Palmer (CIAT)

Box 2: Certification in coffee, cocoa and palm oil

Coffee

The coffee sector has the highest presence of sustainability standards among agricultural commodities and, in 2016/2017, about 55% of global coffee production (in terms of volume) conformed to a certification standard (Hivos, 2018). The largest certification schemes in coffee are 4C, organic, Fairtrade, Rainforest Alliance and Utz (which merged in 2017), Starbucks' C.A.F.E Practices and Nespresso's AAA programme.

Available evidence suggests that coffee certification can have modest, positive effects and researchers find relatively few negative effects (Elliott, 2018). In several cases, the adoption of sustainability standards is found to increase selling prices of coffee, which is also the primary incentive for farmers to enrol in certification (Oya et al., 2018; Elliott, 2018). However, higher prices do not necessarily translate into higher incomes, considering the cost of certification and compliance, and many studies only find marginal improvements (Oya et al., 2018; Giuliani et al., 2017). Environmental impacts seem to be stronger, with studies reporting some positive environmental effects of organic and Rainforest Alliance certification and improved use of agrochemicals and water resources (Elliott, 2018; DeFries et al., 2017; Ibanez & Blackman, 2016). Studies on social conduct are few and find little or no effects, e.g. on worker protection and salaries (Oya et al., 2018; Elliott, 2018; Giuliani et al., 2017).

Cocoa

The cocoa sector features four main VSS, namely Utz – as the biggest scheme in cocoa – Fairtrade, Rainforest Alliance and organic. In 2016, more than 3.1 million tonnes of cocoa were certified against one of these standards (Ingram et al., 2017).

Photo: Kennemer Foods International

Studies assessing the effects of cocoa certification on small-scale farmers are fewer, compared to coffee, and positive effects are reported, especially on income, productivity and market access, and natural capital, but also some negative effects, such as increased costs of labour (Ingram et al., 2018; Fenger et al., 2017). The amount of (external) support for farmers seems to play a pivotal role in determining the significance and duration of positive effects. For instance, when looking at Utz certified cocoa farmers in Ghana and Côte d'Ivoire, a recent study finds significant increases in cocoa productivity and income for certified farmers receiving a full package of services (especially input provision and training). However, service delivery has often decreased over time, as a result of which productivity and income increases are levelling off, and non-certified farmers receiving similar services are catching up (Ingram et al., 2018). Thus, positive impacts of certification are at risk of not being sustained in the longer run if farmers are not continuously supported in their efforts to meet the certification standard (Fenger et al., 2017).

Palm oil

Three standards – the Roundtable on Sustainable Palm Oil (RSPO), organic and Rainforest Alliance – certify oil palm production, mostly concentrated in Indonesia and Malaysia as the biggest producing countries worldwide. In 2018, about 20% of global production of palm oil was certified as sustainable (Raghu, 2019).

Most of this falls under the RSPO standard, which is also the most frequently one debated in literature. While many studies focus on assessing the RSPO's governance structure as a multi-stakeholder initiative and on its enforcement capacity, few investigations have been undertaken to evaluate the RSPO's effectiveness in achieving its sustainability aims on the ground.

Two high-profile studies were published in 2018, with partially contradictory findings. A first study in Indonesia (Morgans et al., 2018) found no significant differences between certified and non-certified plantations for any of the environmental, social and economic sustainability metrics investigated: no protection for orang-utans (their populations declined in both certified and non-certified concessions between 2009 and 2014), no reduction in fire outbreaks and no evidence of improving wealth levels for surrounding communities. The only area where RSPO certification was found to make a positive impact was in higher yields and prices for certified companies.

The second study, however, discovered that RSPO certification reduced deforestation in Indonesian oil palm plantations by 33 percent from the business-as-usual scenario between 2001 and 2015 (Carlson et al., 2018). At the same time, this study also conceded that reduced deforestation mostly happened in older plantations, where much of the forest had already been cleared prior to certification, leaving little to deforest. As a result, by 2015, certified areas held less than 1% of forests remaining within Indonesian oil palm plantations. Moreover, certification had no causal impact on forest loss in peatlands or active fire detection rates.

With regard to the impact of RSPO certification on smallholder farmers, slightly higher prices than for uncertified farmers have been observed, mostly attributed to better organisation of farmer groups and the training they get in Good Agricultural Practices (Hidayat et al., 2016). Studies also emphasise the high costs of certification for smallholder farmers, which offset the price premiums received if certification costs are not covered by NGOs or the miller companies the smallholders collaborate with (Hidayat et al., 2016).

Photo: COOPAC Holding Ltd

Seeking certification is also not a viable strategy for all segments of smallholder producers. Studies suggest that successful engagement with certification is more likely for farmers with larger land sizes and more farming experience, who can afford the costs of certification, including costs of increased labour and audits (Oya et al., 2018). Smallholders who are very poor (in terms of finances, land, labour, skills and other resources), on the other hand, have trouble getting certified without external assistance and support. Even Fairtrade, with its focus on smallholders, does not appear to attract the poorest or most marginalised producers (Elliott, 2018).

Studies also reveal another point of uncertainty. As the poorest segment of the farming community are, in any case, not smallholders, but (migrant) labourers who do not have the resources to own land, the extent to which they benefit from VSS remains unclear. To implement the standards' requirements, farmers are likely to face higher labour costs (Ingram et al., 2018). Poorer producers, in particular, may cope with this by resorting to cheaper labour sources, such as household members (which can even lead to more reliance on child labour) (Oya et al., 2018).

Furthermore, concerns have been voiced that VSS tend to encourage farmers to specialise in cash crop production, potentially at the expense of food production and with negative gender effects (Vellema et al., 2015). Cash crops are often the domain of men, while women are responsible for crops that contribute to household food security. Certification can therefore lead to the replacement of food crop production, which not only undermines food security, but also results in a lower share of the income controlled by women. A comparison of certified (Fairtrade, organic and Utz) to non-certified coffee farmers in Uganda, however, revealed that certified households tend to be more food secure and have a higher energy and micronutrient intake (Chiputwa & Qaim, 2018). The study suggested that this was because certification had given women greater control of coffee production and income from coffee.

Overall, however, the effects of certification on women's empowerment are far from clear-cut. Certification may increase women's workloads while social factors may keep women farmers from entering certified producer organisations, limit their access to financial support, and restrict their decision-making power (Oya et al., 2018; Elliott, 2018). It also seems that even in cases where there are positive gender effects, male farmers tend to reap higher benefits from certification than women (Meemken & Qaim, 2018). There are also important gaps on gender equality in VSS, specifically the issue of women's unequal ownership of land and access to other productive resources, which most VSS leave largely unaddressed (Sexsmith, 2019).

The aspects of food security and women's empowerment illustrate how the debate on the impact of VSS is both deepening and broadening, as an increasing number of studies are investigating both the intended and unintended effects of VSS on smallholder farmers.

Photo: Adobe Stock

Certification and beyond?

Debates on standards and certification show no signs of reducing in intensity but, in addition to a pronounced focus on impact on the ground, the phrase 'beyond certification' finds increasing resonance in the conversation. This does not necessarily echo in calls to abandon certification, but refers to a growing consensus that certification alone is not enough to address the various sustainability challenges at production level. Below we discuss the main trends of 'certification and beyond'.

Broadening the debate beyond individual standards' requirements

The role of certification is already changing and, partly, this has been driven by the certification schemes themselves. VSS increasingly take on roles as facilitators of discussions between companies, NGOs and governments, and as collaborators to become partners in rural development efforts (Fransen, 2018). Key in this is their ability to be recognised as innovators on sustainability and contribute to cross-scheme learning and adoption of best practices.

One of the most prominent discussions revolves around the issue of living income (or living wages) and how to ensure that farmers and workers achieve a decent standard of living. While many VSS have broached this topic in their standards, they have now embarked on driving innovation on living income through targeted research and joint development projects.

For instance, in 2018, Fairtrade published a Living Income Reference Price (or benchmark) for cocoa from Ghana and Côte d'Ivoire based on data from the monitoring of the impact of their standard, which showed that the Fairtrade minimum price was insufficient for a living income (Fairtrade, 2017). The new living income benchmark has been formulated in consultation with other supply chain actors, highlighting the role of Fairtrade as a facilitator of sustainability debates. The living income benchmark can be used by other stakeholders in the cocoa supply chain to calculate and properly address the issue of living income.

There is a growing consensus that certification alone is not enough to address the various sustainability challenges at production level.

A similar example is provided by the Rainforest Alliance, which has presented a strategy to effectively address deforestation. This responds to the growing debate on zero-deforestation (or deforestation free) value chains. Many VSS are a key strategy for companies to eliminate deforestation from their supply chains, yet not all VSS are equally relevant and effective to zero deforestation. Calls for improving traceability systems of existing standards and strategies for ascertaining zero deforestation at landscape level have therefore gained momentum and several VSS have utilised this to reposition themselves vis-à-vis other value chain actors, including companies and governments, and to initiate new sustainability programmes.

Addressing sustainability through a landscape approach

Certification demands fundamentally reflect the concerns and preferences of consumers, but not the values and interests of those undergoing certification: the producers themselves. This also shows in certification impact assessments, which investigate whether standards meet their objectives, but not whether they meet producers' needs (Glasbergen, 2018). Continued high levels of poverty and environmental degradation, despite certification, testify to the limits of fragmented farm-level and commodity-focused approaches.

Landscape approaches, originating in international conservation programming, have therefore enjoyed growing popularity to achieve landscape-wide change and recognise the need to engage with a wider set of stakeholders at local level, including poorer smallholders, governments and businesses (Nelson & Philips, 2018). The aim of these approaches is to realise benefits for farmers, the community and the environment and certification is no longer seen as the beginning of a process of change, but a possible culmination of that process (Glasbergen, 2018). Certification thus gets embedded in a comprehensive rural development approach. So far, however, rhetoric on landscape approaches has not yet translated into demonstrable impact given the operational challenges and the unclear business case of these approaches (Nelson & Philips, 2018).

Replacement of sector-wide standards with company

Particularly in the coffee and cocoa sectors, companies increasingly question the effectiveness of VSS and have started developing their own sustainability programmes, whilst lowering their commitments to VSS. Rather than convergence, a further multiplicity of competing efforts can thus be observed. This is grounded in strong competition between industry actors and fierce struggles to control the distribution of value along supply chains by shaping the definition and implementation of sustainability (Grabs, 2018). At the same time, company-own supply chain programmes represent an opportunity for businesses to respond to evolving stakeholder pressures and show commitment to impact in the face of increasing concerns over VSS' ability to drive substantial change on the ground (Thorlakson, 2018).

For instance, global food giant Mondelez replaced Fairtrade for its cocoa products with its own company verification programme called Cocoa Life. The Mondelez programme is illustrative for a new role of VSS: While Fairtrade is still an implementing partner of Cocoa Life, it is no longer the standard setter or certifier. Fairtrade has abandoned its regulatory role (standard setting) and moved into a supporting and consulting role.

The implications of the move towards company-own sustainability programmes still remain to be seen. A possible consequence is that, in the future, consumers will learn of a products' sustainability through brand association rather than a Fairtrade or Rainforest Alliance logo (Fransen, 2018). There are also concerns about transparency and reliability of reporting, or that farmers – who are already struggling with severe power asymmetries in the relationship with buyers – become even more dependent on large branded companies. Such dependence increases the vulnerability of smallholder farmers, and has the potential to undermine, or even reverse any development gains. Indeed, the rise of company sustainability programmes may diminish the inclusiveness of standard setting and undermine the decision-making power of other actors in sustainability governance, mainly that of producers (Fransen, 2018; Thorlakson, 2018).

Emergence of Southern standards

Much of the trend of VSS has been driven by actors from 'Northern' consumer markets, which has raised questions of inclusiveness and resulted in legitimacy and effectiveness challenges of VSS. Recently, however, an emergent countertrend can be observed, which manifests in the development of standards by actors from Southern producer countries in issue areas where Northern-driven VSS have tended to dominate (Schouten & Bitzer, 2015). This is also connected to the growing importance of South-South trade, which creates new market opportunities for producers of agricultural commodities that are not subject to the sustainability demands from European or American buyers (Schleifer & Sun, 2018).

Examples of Southern standards include the public standards for sustainable palm created by the Indonesian and Malaysian governments rivalling the RSPO; China's efforts to promote its own domestically-driven forest certification scheme rather than endorse the global Forest Stewardship Council; the Sustainability Initiative of South Africa, an ethical programme of the South African fruit industry; and the Brazilian Soja Plus initiative to rival the Roundtable on Responsible Soy. These cases testify to the attempt of producer countries to reposition themselves in global value chains, and could represent a new trend in sustainability governance affecting global value chains (Schouten & Bitzer, 2015).

Conclusion

Standards and certification are continuously evolving amidst persistent struggles for legitimacy and demonstrable impact on the ground. Multiple developments progressing in parallel can be discerned: growing research dedicated to investigating the effects of VSS; enhanced attention on the different areas where certification can have positive or negative, intended or unintended 'side effects'; and an increasingly widespread debate on 'certification and beyond'. What these developments perhaps best express is a recognition of the complexity of sustainability challenges at production level, highlighting the limits of current approaches and driving a continued search for new, improved responses.

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Photo: Mitr Phol

The **Fourth Industrial Revolution:** benefits and threats for commodity-dependent developing countries

Introduction

With the development of new technologies such as artificial intelligence, advanced robotics, and genetic editing, humankind is considered to have entered the fourth industrial revolution[1] (Figure 1). This provides the world with opportunities to tackle challenges such as climate change, dwindling natural resources, a growing population (projected at 9.8 billion people by 2050 (FAO, 2017), and an increase in the demand for food of 50% (FAO & OECD, 2018). However, the disruptive impact of wide-spread technological change combined with the vulnerabilities of commodity dependent developing countries (CDDCs) may also result in the emergence of a new technological divide which could further constrain the competitiveness and affect the rising aspirations of CDDCs to sustainable development.

The emergence of integrated cyberphysical systems combining existing elements of commodity value chains with numerous new technological breakthroughs in Information Technology (IT) space has the potential to make agricultural production and commodity chains more efficient, sustainable and transparent. For example, satellite and drone imagery is being used to detect problems (e.g. pests, disease, nutrient and water deficiency, etc.) in crops to allow farmers to act fast to mitigate the issue. The internet of things creates a possibility of setting up a decentralized grid of smart soil sensors reporting in real time on the status of the soil, the weather conditions, and other relevant parameters, supplying all this information to a central "cyber agronomist" computer which will analyze and predict crop condition and advise the farmer on the best use of water, fertilizer and other inputs. Similarly, trackers worn by cattle can record the exact location and health of the animals from birth. Block-chain, another disruptive and much hyped technology, is already revolutionizing logistics, enabling, inter alia, simple and effective tracking of food from farm to plate to allow consumers to make more conscious decisions about food and driving the whole food chain to adopt more sustainable and ethical practices.

[1] The Fourth Industrial Revolution is a term coined at the World Economic Forum in Davos by Klaus Schwab, Founder and Executive Chairman of the World Economic Forum. This Fourth Industrial Revolution "is characterized by a fusion of technologies that is blurring the lines between the physical, digital, and biological spheres". https://www.weforum.org/agenda/2016/01/the-fourth-industrial-revolution-what-it-means-and-how-to-respond/

Figure 1: The four industrial revolutions

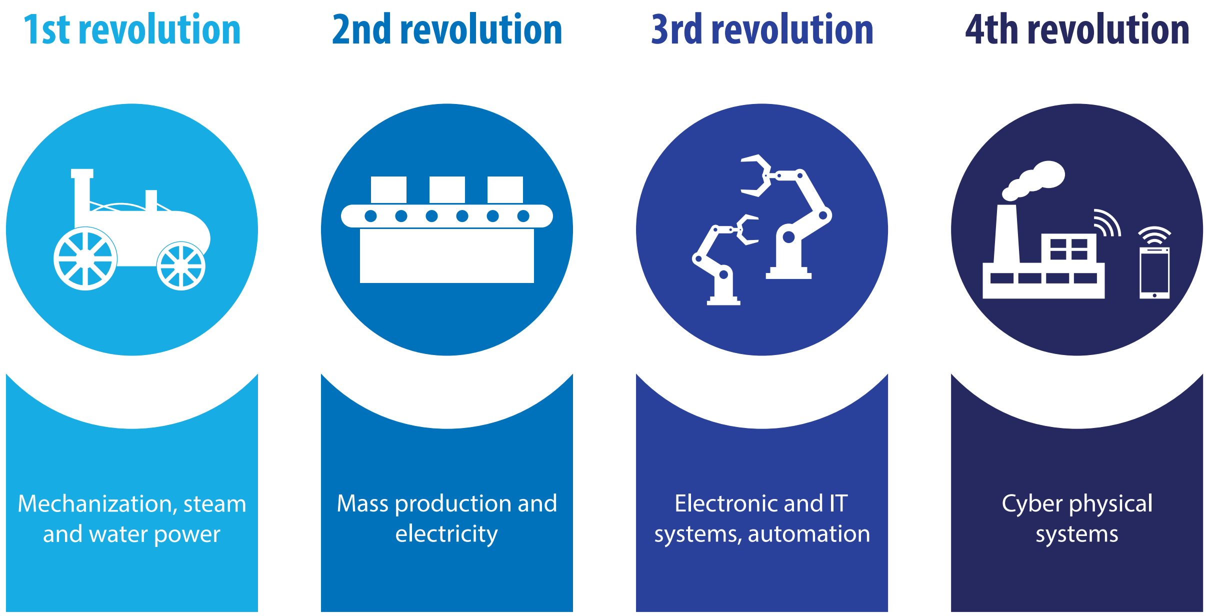


Photo: Adobe Stock

Despite their overall positive economic and development impact, every new technological breakthrough has always created both winners and losers. Unemployment, loss of sources of income, economic migration and other major social changes have been routinely witnessed in every industrial revolution. The fourth industrial revolution will likely not be an exception. Indeed, there are concerns that this new industrial revolution can increase inequality, as the majority of the world is still not connected to the internet[2] or do not have access to new technologies. In the absence of suitable mitigation strategies, CDDCs may face significant social challenges in the coming years resulting from the global expansion of new technological models, undermining the competitiveness and sources of income of the most vulnerable people in CDDCs. This article explores the potential of the fourth industrial revolution for CDDCs and its potential threats.

Technologies and their potential benefits for agriculture

A large number of new technologies are already being used in agriculture, including CDDCs. A selection of technologies is presented below.

Satellite and unmanned aerial vehicle (UAV) imagery

UAVs are a specialized tool in precision farming as they capture very high resolution imagery (e.g. 5-10 cm). High resolution satellites have the advantage of instantaneous measurement for large areas but the resolution is lower (e.g. 0.5 – 2.5 m). UAVs can also be equipped with motion video cameras for close-up visual inspections, or with a LiDAR (Light Detection and Ranging) sensor to detect the height of trees or crop canopy. LiDAR can also be used to create a 3D model of the farm or forest, which can be very useful for environmental projects and better farm planning. Satellites and UAVs equipped with multispectral sensors are able to cover entire farms and at high resolution. In addition to providing views of the farm, these images provide remote-sensing data and can be used to map crop health.

Satellite and UAV imagery can also be used to detect changes over time by processing imagery acquired on multiple dates over a particular period. This allows farmers to determine variability in crop health and make timely management decisions to increase the efficiency of input use, crop yield, quality, and farm profitability.

Satellite and UAV imagery, can also be used for index-based insurance. This is starting to become an important mechanism for farmers to manage the risks of circumstances outside of their control such as weather, pests, and diseases. For example, sensors can be used to determine the amount of rainfall in a certain region over a whole season. If the amount of rainfall is less than a certain threshold then the farmer gets paid by the insurance company. This will allows farmers to reduce their exposure to risk and feel more comfortable making investments into their

[2] https://www.voices360.com/technology/the-fourth-industrial-revolution-threatens-more-global-inequalities-17438938

farms. Satellite data can also be used to determine vegetation levels and to use it as an index.[3]

Global navigation satellite systems (GNSS)

Global navigation satellite systems are satellite constellations that provide world-wide positioning, navigation, and timing information. GNSS can be used for increased accuracy in farm management and agricultural planning, leading to added efficiency in land use. For example, due to the precise navigation capabilities, these systems are being used in machinery to precisely measure the distance in planting crops more efficiently. Farmers and crop consultants can also use GNSS-based applications to do crop scouting and to determine the exact location where pesticide, fertiliser or irrigation needs to be applied for improving resource utilisation, maximise output and land use.[4]

Unmanned aerial vehicle (UAV) transportation (drone-driven logistics)

UAVs can also be utilised to transport small goods to places that are not easily reachable. In case of an emergency, a drone can be used to transport emergency equipment to a remote location and provide fast action. Generally, electric drones are capable of reaching places around half an hour from the base station. UAV charging stations could enable drones to reach longer distances in the future. Drone-driven logistics is already being used in Rwanda ("Zip-line") and aims to transport high value products, such as blood or medication, within half hour to any location within over 100 km from the base station. The use of AI eliminates the need to piloting the drones, which drop supplies by parachute within 3 meters from the GPS target spot in any reasonable weather conditions. The technology is economically efficient because it eliminates the need to maintain local hospital stocks of medicine, with all the costs, losses and poor storage conditions. The experience of the operation demonstrates that a technology based solution is entirely viable in a developing country.[5]

Internet of things (IoT)

The internet of things consists of devices connected to the internet and there are many new technologies being used in agriculture. For example, sensors can be placed across fields to measure soil moisture, air pressure, temperature, wind, among

Colombian fruit farmer using his hand-held GPS device for planting decisions

Photo: Neil Palmer (CIAT)

[3] https://ccafs.cgiar.org/es/themes/index-based-insurance
[4] https://www.gps.gov/applications/agriculture/
[5] https://flyzipline.com (accessed December 2018)

Photo: Mitr Phol

Sugarcane production in Thailand supported by AI and Internet of Things (IoT) to assess crop health, soil moisture, and pest and disease infestation risk

other things to maximise analytical data opportunities. Livestock can also use wearable technology, such as collars, that transmit information about the exact position and health of the animals starting from the day they were born. In addition, tablets and smartphones enable data to be gathered. A farmer or crop consultant can do crop scouting with a hand-held device and upload pictures of the field, and write notes about field conditions. All the information transmitted by the sensors can then be correlated and translated into actionable information that the farmer can use to improve production.

Weather modelling

Being able to predict the weather is essential for farmers' planning. Through the use of weather satellites that transmit weather data, there are weather modelling systems that correlate this information with weather stations and sensors on the ground to predict weather patterns and warn farmers about conditions such as hail. Weather models are tools that can also be used to foresee how the next season will be and use that information to plan for the amount of irrigation that will be needed.

Irrigation systems

Water usage must be strategically utilised to maximise appropriate coverage. New irrigation systems can be automatically and remotely controlled to ensure uniform water delivery throughout the crop field. The irrigation system can also be set to irrigate in the right amount and in the right places, preventing water wastage. Satellite and UAV imagery can help detect if there is a problem in the irrigation system, like having a micro-sprinkler clot, so that fast remedial action can be taken.

Gene editing

The traditional way of breeding crops may take many years and a crop may be generated that is improved in one trait but worse in another. New gene editing techniques using Artificial Intelligence for the analysis of genetic traits has the potential of accelerated, more precise breeding programmes producing plants specifically adapted to climate, soils, or nutrient composition. This amounts to significant productivity improvements.

Blockchain and traceability

Tracking and tracing the history of food products allows consumers to make more informed decisions about the products they buy. Active traceability, via blockchain technologies, provides open information and transparency to the whole food supply chain, which helps improve food safety and decreases the chances of illegal activities, such as deforestation due to land appropriation for agriculture.

Artificial intelligence (AI) and machine learning

Satellite and UAV data, field data gathered by sensors, and weather modelling may all be correlated to generate actionable information. Machine learning and AI are then being used to determine specific problems in the field and suggest recommendations on how to solve it. These technologies can also be used to predict crop yield and even estimate prices based on global data.

Box 1: The case of Santos Lab in Brazil

There are many small companies in CDDCs that focus on agriculture technology (AgTech). For example, Santos Lab, a Brazilian company which was established in 2006 by a young entrepreneur who was passionate about UAVs and their use to benefit the Brazilian economy. Santos Lab started as a research and development company for the Brazilian armed forces, developing mainly unmanned aerial systems and integrating intelligence software. In 2014, with the airspace opening for civilian drones and with Brazil's huge demand for technology in the agricultural sector, the company decided to focus their expertise and technology to address issues in the agricultural sector. Since then, the company has been creating, developing and integrating diverse technologies in order to provide better solutions for farmers and their activities.

Gabriel Klabin, founder and CEO of Santos Lab says that "one of the many issues farmers face, and the one Santos Lab is trying to address, is lack of precise information about what is happening with their crops so that they can better manage and avoid the many issues that happen during the crop season and soil preparation". The company uses UAV and satellite imagery, together with soil and leaf-sampling to determine crop health, pest infestation, yield forecasting, and multispectral maps, among other things. After analysing all the data, they provide the farmer with recommendations on water, fertiliser and other input applications, thus reducing resource consumption and increasing productivity and profitability. They also monitor pasture quality in cattle grazing. If the soil is not degraded, it can sequestrate the greenhouse gas emissions produced by the cattle. Besides, the animal's manure also helps to fertilise the soil.

Santos Lab is an example of social entrepreneurship, since the company is a business and generates a positive impact at the same time. The new technologies of the fourth industrial revolution bring great opportunity for startups and small and medium enterprises (SMEs) to solve pressing problems in agricultural production and commodity chains. These companies thereby also generate employment in the region and boost the economy.

Photo: Santos Lab

Gabriel Klabin, founder and CEO of Santos Lab next to one of his UAVs

Challenges to widespread adoption of new technologies

These new technologies promise to make agriculture more efficient, improve food security, mitigate climate change and reduce poverty, but, at the same time, numerous challenges of practical implementation exist which may result with the fourth industrial revolution leading to more inequality.

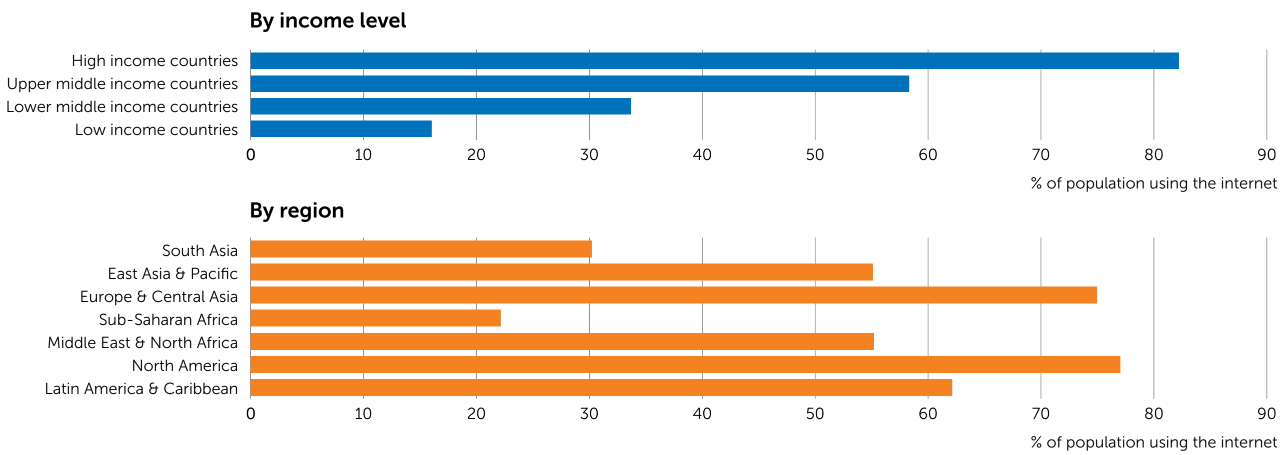
Internet connectivity

While many of the new technologies are based on real-time data and broadband internet, the ability to adopt these technologies differs a lot across the globe. Data on internet use show that there is a major difference in the use of the internet, between lower and higher income countries, and between regions (Figure 1). Access to broadband internet in particular, has even larger variations between countries; for example only 0.1% of the population in Myanmar and Afghanistan had a fixed-broadband subscription in 2016, while in Japan and New Zealand more than 30% did[6]. Where internet cannot be used due to a lack of connectivity, the adoption and development of the key cyberphysical technologies, such as AI, will be uneven.

Access to finance

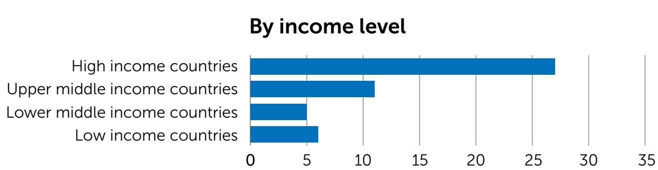
Another issue that may exacerbate inequality as a result of the fourth revolution is unevenness in access to finance to afford these new technologies. A lack of access to credit and financing has long been a major impediment for smallholders to invest and innovate, as they are more likely to be unable to fulfil lenders' requirements (e.g. minimum incomes, collateral), or are unable to pay the often high interest rates. There are major differences between countries in the ability of people to borrow money for farming or business innovation (Figure 2). The agricultural sector is considered high-risk by financial institutions, as farm production and incomes are variable. Digital technology (i.e. mobile phones and digital financial services) has the potential to improve people's access to finance, and a potential virtuous circle may exist with technology improving access to finance, which, in turn, will further improve access to technology. However, such virtuous circle will also likely amplify inequalities and vulnerabilities because the unbanked may have greater difficulties in making the first few steps as they are also relatively less likely to have both a mobile phone and access to the internet (Demirgüç-Kunt et al., 2018). In addition, there are gender gaps as women are less likely to have a mobile phone.

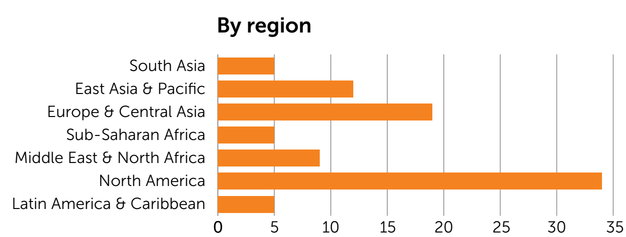
Figure 2: Individuals using the Internet (% of population, 2017)



Source: https://data.worldbank.org/indicator/it.net.user.zs

Figure 3: Borrowed to start, operate, or expand a farm or business (% age 15+)





Source: https://globalfindex.worldbank.org/

[6] https://www.unescap.org/sites/default/files/06Chapter4.pdf

Photo: USDA by Lance Cheung

Technological capabilities

A major factor in the adoption of new technologies are access to knowledge, skills and technological capabilities. This in itself is a huge source of inequality because the CDDCs face impediments to knowledge access which are most acute in areas constituting the key innovations of the cyberphysical revolution. This includes limited skills available for technology adoption, brain drain from commodity dependent economies, weak linkages from commodity based industries to academia, as well as limited availability of vocational education and training. Technological capabilities in a country can also be hampered by a lack of investment in national technology development, and national capacity to innovate. CDDCs are likely to have limited resources available to invest in Research and Development, and regulatory frameworks for AI are also more likely to be weak (ESCAP, 2018).

The technological divide and inequality

The inequality in the adoption of the technologies of the fourth industrial revolution as a result of a different starting point with regard to access to the internet, access to finance and technological capabilities, could result in further unevenness in economic growth. These technologies impact productivity and are therefore strongly linked to long-term economic growth, although the growth can also be a result of non-technological innovations. Furthermore, financial globalization, digitization and monopolies on intellectual property rights, may mean that the profits of certain technologies may be captured by a few large companies (ESCAP, 2018).

Inequality can also be created by the effect of new technologies on the composition and nature of jobs and the wages being paid. This effect was also apparent during earlier industrial revolutions. Technology has the potential to increase labour productivity, but it can also substitute jobs for workers altogether. New technologies will also create new employment, although these are likely to be jobs that require different kinds of skills. With past industrial revolutions unemployment effects have however usually been most apparent in the short term (ESCAP, 2018).

The way forward

The technologies of the so-called fourth industrial revolution such as AI, have a major potential to increase efficiency and transparency in agricultural production and commodity chains. With an enabling policy environment, such technologies can reduce inequality in opportunities. For example, solar panels have provided access to electricity for many who are not connected to the grid. Digital technologies have increased access to information and finance, and have provided farmers access to online platforms to sell their products. However, these technologies also carry the potential threat of creating more inequality, leaving CDDCs behind. As this article has highlighted, there are a number of factors that create or exacerbate these inequalities, such as a lack of access to fast and reliable internet, and finance, as well as limited technological capabilities.

Therefore, policymakers in CDDCs need to work with farmers and the private sector in creating an enabling environment so that technologies can be adopted. This needs to consist of a number of key elements (ESCAP, 2018):

- Ensuring the availability of ICT infrastructure, by investing in broadband internet.
- Development of appropriate skills to identify and use technologies by updating existing curricula and developing new vocational education programs, and making sure that both men and women find their way into these programs.
- Develop a better understanding of potential impacts on employment and wages of new technologies and develop policies to mitigate these impacts.
- Develop policies that create a conducive environment for the development and adoption of new technologies, and ensure that wealth generated by new technologies is not accumulated by only some.
- Invest in and promote the development of technologies that address the needs of low-income and vulnerable groups, including women, and promote adoption and dissemination of such technologies.

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Photo: ©FAO/Desmond Kwande

III

Report on progress of **projects under implementation**

This chapter focuses on progress of projects and highlights trends, patterns and constraints emerging during project approval, supportive agreements and implementation procedures in 2018. The overview brings out salient features, patterns and/or trends with respect to:

- commitments, financing and disbursements;
- commodity coverage, project types and beneficiaries; and
- project start-up, execution, monitoring and supervision.

The Common Fund for Commodities (CFC) implements projects in partnership with governments, international organizations and other development partners from private and public sectors, which support commodity development measures and actions that promote and accelerate development, expansion and modernization of commodity sectors and contribute to sustainable development in its three dimensions i.e. social, economic and environmental.

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:

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

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 till 31st December 2012. Under these operational guidelines, the Fund had approved financing for 198 Regular projects plus a further 150 Fast Track projects, together 348 projects, with an overall cost of USD 602.9 million, of which the Fund financed USD 304.1 million (about 50%). The balance of project costs was co-financed by other institutions (USD 130.4 million or 22%) and by counterpart contributions in cash and/or in kind (USD 168.4 million or about 28%), provided either by the

Project Executing Agencies, collaborating institutions, governments or International Commodity Bodies (ICBs). The Common Fund financing of projects under the original operational guidelines comprises USD 275.1 million in grants (90%) and USD 29.0 million (10%) in loans.

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 35 Regular projects plus a further 22 Fast Track projects, (a total of 57 projects) at various stages of start-up and implementation, with an overall cost of USD 136.3 million. In addition, the Fund is participating in 8 Investment Funds with Equity and partnership financing, which together have the total assets under management of USD 523.0 million. Of the total project cost of USD 136.3 million, the Fund financed USD 43.9 million, (about 32.2%) as financial interventions. 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 40.7 million in loans/equity etc. (92.7%) and USD 3.2 million in grants (7.3%).

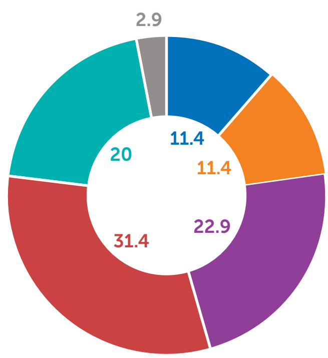
According to the Fund's audited statements, the direct project related disbursements in 2018 stood at USD 0.27 million as grant and USD 5.03 million as loan/equity etc. (comprising USD 4.67 million as loan and USD 0.36 million as equity etc.). Special efforts are in place to streamline the components of the Agreements between the Fund and the Recipient of resources to reduce the delays between the approval of project and commencement of actual implementation on the ground and more of these efforts will be in place in 2019.

The CFC has funded projects in over 40 different types of commodities and in partnership with Investment Funds or Equity financing etc. The commodities funded include abaca, arachis, bamboo & rattan, bananas, cashew, cassava, castor seeds, citrus, cocoa, coconut, coffee, coir, copper, cotton, fish, fonio, groundnuts, gum arabic, hides & skins, jute, lead, maize, meat and livestock, medicinal herbs and plants, olive, palm oil, paprika, potatoes, rice, natural rubber, shea nut, sisal, sorghum & millet, soybean, cane sugar, tea, timber, tropical fruits, spices and zinc, most of which are produced almost entirely in Developing Countries and in partnership with investment Funds among which are: Africa Agriculture & Trade Investment Fund (AATIF), Africa Agriculture SME Fund, Eco Enterprise Funds, Moringa Agro-forestry Fund and agRIF Coopertief U.A.

CFC-supported Regular Projects by Type

Project types were reclassified as a result of the current operational guidelines involving more public and private sector participation. The focus is on commodity value chain and to monitor its involvements into different related activities, the CFC classifies its funded projects according to the following categories. The table below shows the classification of 35 Regular projects in various stages of implementation or at a start-up stage:

Distribution of Regular Projects by Value Chain



Type	Number of Projects	%
Finance • Providing finance to smallholders for purchase of inputs • Operating microfinance schemes in rural areas	4	11.4
Market Access/Extension • Buying and selling inputs to farmers • Aggregating and selling produce from farmers	4	11.4
Partnership • In partnership with investment funds or investees	8	22.9
Processing • Schemes that convert produce into semi-finished or finished goods	11	31.4
Production • Various operations in agriculture, aquaculture, floriculture, horticulture, and silviculture mainly for smallholders	7	20.0
Others • Other funding activities not classified in the above categories	1	2.9
Grand Total	**35**	**100.0**

As at 31 December 2018, a total of 190 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 contribute social, technical, commercial and financial inputs to CFC funded projects and lead to larger innovation. Moreover, in order to promote and assess developmental impact, replicability and sustainability of project results, within and across countries, relevant private companies are required to document, report and communicate the same, including operational and financial performance as well as impacts achieved. More than 150 private firms have, in the past, shared the results of the CFC projects at dissemination workshops, while several other operating companies are directly participating in recording, establishing and maintaining consistent and systematic reporting of impact in projects or interventions receiving CFC financial support. The interest of the private sector in technical cooperation with CFC projects increases by the day. Offers from the private sector to seek finance for specific commodity development activities are increasing.

Operational & completed Projects upto and including 2018

Active

	EB Meeting	Project Title	Country(ies)/Area Involved	Page No.
	Year 2013			
1	EB55	Commercial Farm Development in Central and Northern Ethiopia - CFC/2012/01/0030	Ethiopia	43
2	EB55	SME Agribusiness Development in East Africa - CFC/2012/01/0076FA	Tanzania	44
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6	EB56	Commercial Meat Processing/Marketing in Lagos - CFC/2013/02/0042FT	Nigeria	46
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10	EB57	Rural Injini (Engine) Inclusive Maize Trading and Processing - CFC/2013/03/0120	Uganda	48
11	EB58	Preparation of a Technical Dossier for Geographical Indication (GI) for Ceylon Cinnamon in the EU - CFC/2014/04/0006FT	Sri Lanka	48
12	EB58	Commodity Value Chain Tropical Timber from Commodity Forests - CFC/2014/04/0047FT	Cameroon	49
13	EB58	Optimizing the Smallholder Maize Value Chain in Western Kenya - CFC/2014/04/0094	Kenya	49
14	EB58	Moringa Agroforestry Technical Assistance Fund - CFC/2014/04/0103FT	Latin America; Africa	50
15	EB58	Modern Processing & Value Chain Development for Prosopis Charcoal and Nutritious Animal Feeds, Kenya - CFC/2014/04/0107FT	Kenya	50

	EB Meeting	Project Title	Country(ies)/Area Involved	Page No.
	Year 2015			
16	EB59	Scaling Smallholder based Premium Coffee Production in Congo and Rwanda - CFC/2014/05/0079	Congo, Democratic Republic of	51
17	EB59	Scaling Smallholder based Premium Coffee Production in Congo and Rwanda - CFC/2014/05/0079FT	Congo, Democratic Republic of; Rwanda	51
18	EB60	Tolaro Global Cashew Factory Expansion, Benin - CFC/2015/06/0032	Benin	52
	Year 2016			
19	EB61	Intensified Livelihoods Improvement and Environmental Conservation through Social Business Activities (Natural Fertilizer, Myanmar) - CFC/2015/07/0020FT	Myanmar	52
20	EB61	Coffee Value Chain - Uganda - CFC/2015/07/0022FT	Uganda	53
21	EB61	Accelerating Lending to Food & Agri sector in East Africa Supply Chain Financing - CFC/2015/07/0028	East Africa	53
22	EB61	Irrigated Perfumed Rice and Normal Rice Production in Thiagar, Senegal - CFC/2015/07/0030	Senegal	54
	Year 2016			
23	EB61	Upscaling the Integrated Production and Processing of Selected Estranged Oilseeds, Nigeria - CFC/2015/07/0032	Nigeria	54
24	EB61	Kupanua Project – Asili Farms Ltd., Uganda - CFC/2015/07/0078	Uganda	55
25	EB62	Manufacture of Moringa Oleifera from Smallholder Farmers, Kenya - CFC/2016/08/0052FT	Kenya	55
26	EB62	Start-up of Innovative Agriculture Finance Company for Cocoa, Philippines - CFC/2016/08/0064	Philippines	56
27	EB62	Upscaling Coffee Flour Production Plant of Sanam, Colombia - CFC/2016/08/0077FT	Colombia	56
	Year 2017			
28	EB63	Empowering Smallholder Farmers Affected by Conflict - Sri Lanka - CFC/2016/09/0069FT	Sri Lanka	57
29	EB63	agRIF Cooperatief U.A.,Netherlands - CFC/2016/09/0089	Netherlands	57
30	EB63	Reducing Vulnerability to Price Volatility - Kenya - CFC/2016/09/0097	Kenya	58
31	EB63	Acquisition of a processing plant for the aquaculture sector - Peru - CFC/2016/09/0122	Peru	59
32	EB63	Africa Food Security Fund - Ghana - CFC/2016/09/0124	Ghana	59
33	EB63	Babban Gona 40,000 Farmer Scale up Project - Nigeria - CFC/2016/09/0125	Nigeria	60
34	EB63	Good seeds for all farmers project - Burkina Faso - CFC/2016/09/0138	Burkina Faso	60
35	EB64	EcoEnterprises Fund III - CFC/2017/10/0066	Latin America	61
36	EB64	Testing of Fertilizer bio-formulations, India - CFC/2017/10/0069	India	61
37	EB64	Scaling Up Acess to Finance for Smallholder Potato Farmers, Malawi - CFC/2017/10/0091	Malawi	62
38	EB64	The conservation of the forest of Ashaninka communities, Peru - CFC/2017/10/0109	Peru	62
39	EB64	Formulation and fertilizer distribution for smallholder farmers, Côte d'Ivoire - CFC/2017/10/0111	Côte d'Ivoire	63
40	EB64	Soybean Processing for Farmer and Market Impact, Rwanda - CFC/2017/10/0123	Rwanda	63
	Year 2018			
41	EB65	Integrated Lime Production In Bahia - Brazil - CFC/2017/11/0005	Brazil	64

Completed

	EB Meeting	Project Title	Country(ies)/Area Involved	Page No.
	Year 2013			
1	EB55	**Commodity Branding/ (Winward/Shell Foundation) - CFC/2012/01/0044**	Mozambique; Ghana; India	41
	Year 2015			
2	EB58	**Revival of the Robusta Coffee Chain in Madagascar - CFC/2014/04/0064**	Madagascar	42
3	EB58	**The SME Impact Investment Opportunities - CFC/2013/03/0107FT**	Peru, Guatemala, Honduras, Nicaragua, Costa Rica, Kenya and Tanzania	42

Operational Projects as of 2018 under the old rule[1]

	CC/EB Meeting	Project Title	Country(ies)/Area Involved
1	EB44	**Income Generation Potentials from Oil Palm - CFC/FIGOOF/28**	Cameroon, Nigeria
2	EB46	**Small-holder Kenaf Production System - CFC/IJSG/25**	Bangladesh, China, Malaysia
3	EB49	**Pilot Coffee Rehabilitation - CFC/ICO/11**	Nicaragua, Honduras
4	EB50	**Diversification of Livestock Sector in the Caribbean - CFC/FIGMDP/20**	Jamaica, Trinidad and Tobago
5	EB53	**Integrated Management of Cocoa Pests & Pathogens - CFC/ICCO/43**	Cameroon, Côte d'Ivoire, Ghana, Nigeria, Togo
6	EB53	**Olive Genetic Resources Creation, Phase II - CFC/IOOC/09**	Algeria, Tunisia, Morocco, Syria, Egypt

[1] Details available on CFC website & can be made available on request.

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Projects Completed
in 2018

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1	**Commodity Branding - CFC/2012/01/0044**
Submitting Institution	***Windward Strategic ltd.***
Location	***Malawi, Zimbabwe, Mozambique, India, and other ACP countries***
Commodity	***Pineapple etc.***
Total Cost	***USD 1,600,000***
CFC Financing	***USD 475,000 (Grant of which USD 230,000 is financed by OPEC Fund for International Development (OFID))***
	USD 562,500 (Shell Foundation)
Co-financing	***USD 562,500 (Windward Strategic ltd.)***

Project Description

The project seeks to establish a portfolio of sustainable consumer brands across two commodity sectors for the benefit of commodity producers. For that, the CFC provides funds to Windward Strategic Ltd. who will create value-adding consumer brands for the commodities i.e. sugar, pineapple, coffee and chillies which will then be commercially marketed under approved licensing agreements. The CFC support is also directed towards sugar and chillie value chain. Windward will invest in intellectual property that adds value to primary commodities ('brands') and provide licenses to commercial partners with existing supply chains and product expertise. A share of the added value from branding sugar and chillies will be channelled to small farmers and other involved labourers.

The project is financially and technically supported by the Shell Foundation as part of their mission to establish sustainable enterprise-based solutions to development problems.

Current Status

A branded chillie sauce ('Chillie Power') was introduced in the domestic Zimbabwe market in 2015 and is now available in more than 250 stores and supermarkets. A sugar brand ('Four Elements') was ready to be released in 2018, but its distribution postponed due uncertainties related to the 'Brexit' process. It is now planned to release the brand and stock around 350 stores in the United Kingdom later in 2019. The chillie brand will be commercially used by the Zimbabwean company WISTCO to be further expanded in Southern African countries, while the rights for the Sugar brand will be used by a large commodity trader for its European markets.

The CFC engagement successfully de-risked and facilitated the development, and licensing and launch of the two brands. Plans for further market development by the private sector stakeholders will enable, after five years, around 12,000 farmers to benefit from raw material supply for these brands with an average additional household income of USD 600 p.a.

The CFC was informed that funding is no longer required for the further development and expansion of the brand. It has, therefore, been mutually agreed to terminate CFC's project engagement, which was orderly closed in May 2018.

2 Revival of the Robusta Coffee Chain, Madagascar - CFC/2014/04/0064

Submitting Institution	***Sangany Café***
Location	***Madagascar (LDC)***
Commodity	***Coffee***
Total Cost	***USD 2,336,000***
CFC Financing	***USD 1,078,000 (Loan of which USD 115,000 financed by OPEC Fund for International Development (OFID) and USD 115,000 by the Dutch Trust Fund)***

Project Description

Sangany Café aimed to improve Robusta coffee production and quality in Madagascar, targeting European and domestic markets for high-quality green, roasted and wet-processed coffee. The main activities include improving production, processing and marketing of Robusta coffee (inter)nationally, benefitting 10,000 farmers. Main shareholders of Sangany Café are Fair and Sustainable Participations BV, the Netherlands, and HERi Africa GmbH, Germany.

Projections of the project are based on a detailed analysis conducted in the field regarding coffee production and commercialization, level of access by farmers to fair credit and improved technologies and product and market diversification. Coffee quality needs to be improved to enable access to export markets.

The finalization and formal registration of all relevant documents for the CFC financed intervention took considerable time. The first disbursement of the CFC loan, an amount of USD 230,000, was made in July 2016.

Current Status

In the course of 2016, Sangany succeeded in attracting a new shareholder, ZITAL S.A. an industrial carpentry firm based in Madagascar. Furthermore, Sangany Café merged with Sangany Spices to make more efficient use of resources to increase production and improve quality of the traditional export crops in south-eastern Madagascar, targeting the same farmers who grow both coffee and spices. A partnership has been developed with the Caisses d'Epargne et de Crédit Agricole Mutuels (MFI CECAM), which offers credit to smallholders. These credits are guaranteed by delivery contracts to Sangany. A partnership with providers of mobile payment systems has been established for quick, reliable, fast and safe payment after delivery, linking the payment system to Sangany's financial planning and monitoring system allowing efficient control and supervision of collection points and field staff.

Sangany set-up fully equipped collection points in the main production areas with warehouse, balances, humidity meters, and computerized management system.

A strong decrease in production of coffee was witnessed directly related to the plants increasingly getting older and with lack of rains affecting coffee cultivated. In 2017, the shareholders of Sangany Café S.A. decided to dissolve the Company due to disappointing financial results linked to the prolonged drought period that had a negative effect on local coffee prices and doubts about the company future prospects linked to the non-competitive coffee prices in Madagascar. As consequence the CFC loan – principal and interest – was fully repaid.

3 The SME Impact Investment Opportunities - CFC/2013/03/0107FT

Submitting Institution	***Financial Alliance for Sustainable Trade***
Location	***Peru, Guatemala, Honduras, Nicaragua, Costa Rica, Kenya and Tanzania***
Commodity	***Fruits, vegetables, coffee, cocoa***
Total Cost	***USD 2,284,307***
CFC Financing	***USD 120,000 (Grant)***

Project Description

The project, proposed by the Financial Alliance for Sustainable Trade (FAST), aimed at creating a service enabling Small and Medium Enterprises (SMEs) in Africa and Latin America to take advantage of Impact Investment financing. Impact investment combines financial returns with achieving clearly defined social, economic and environmental indicators of sustainability. Sustainable SME present, in principle, the core target group for the rapidly growing number of impact investment. However, bridging the information gap between SMEs and impact investors remains an unresolved challenge which severely constrains their cooperation. The project, supported by the CFC, aimed to bridge this gap by developing a SME Impact Investment Platform, making financing opportunities more transparent to Financial Service Providers (FSPs).

FAST is a member-driven organization representing a global community of financial institutions and SMEs dedicated to bring sustainable products and sustainable finance to market. FAST develops resources and activities aimed at increasing the number of producers in developing nations that successfully access quality finance.

Current Status

The SME Impact Investment Platform, AXIIS (www.axiis.ca), was launched in December 2016, with a total initial financial request of USD 32 million from agriculture and forestry SMEs. Additionally, on the supply side there was USD 2.3 billion worth of FSPs assets under management. Based on the initial SMEs registered on the platform, the overall findings demonstrate that around 66% were located in Latin America, 27% in Africa and 7% in the Caribbean. Also, there was a balanced distribution of the commodities produced where 30% of the SMEs produces fruits and vegetable, followed by coffee 23% and grains and cereals 20%.

By early 2018, the platform had more than USD 6.7 billion declared available by the FSPs to invest in SMEs. At the same time, the needs of the SMEs in the platform summed USD 44 million. Currently, the platform is active and operating, helping to connect the funds available from the FSPs to the needs of the SMEs in the agriculture sector. The CFC involvement in support of the platform has ended in December 2018.

Active Projects
in 2018

Photo: ©FAO/Saul Palma

1 Commercial Farm Development in Central and Northern Ethiopia - CFC/2012/01/0030

Submitting Institution	***Solagrow plc.***
Location	***Ethiopia (LDC)***
Commodity	***Vegetables***
Total Cost	***USD 6,255,000***
CFC Financing	***USD 1,100,000 (loan, of which USD 750,000 (financed by the Dutch Trust Fund), and USD 55,000 (as a grant to cover administrative and legal costs))***
Counterpart Contribution	***USD 5,155,000***

Project Description

Solagrow provides seed potatoes supplemented by seeds from other crops and mechanization services to organized out growers and other small farmers. In addition, the company produces quality food crops for local and for export markets on its own nucleus farms and offers 'for out growers' collective marketing of produce is offered on a voluntary basis. The company works closely together with the Ethiopian Institute of Agricultural Research (IAR) for release of new Ethiopian potato varieties and introduction of new multiplication technologies.

Through CFC funding, it is anticipated that some 1,600 new jobs will be created and that the establishment of surrounding out grower schemes will eventually involve some 2,500 new farmers as out growers on around 3,000 ha of land, who will benefit from quality input provision, mechanization services and access to markets. In addition, indirectly, Solagrow is expected to offer its services around each of its farms and reach another 25,000 farmers.

Current Status

After disbursement of CFC resources, Solagrow was able to procure additional machinery and equipment for expansion of its farming operations. During the implementation of the project, Solagrow encountered unforeseen operational expenses due to loss of inputs (such as seeds, fertilizer), and damages incurred on farm equipment which deprived it from planting of potatoes in 2016. This placed Solagrow in a very precarious liquidity position which ultimately led it to restructure its operations.

Several corrective measures have been taken in the course of 2017 and 2018 which enabled Solagrow to continue its operations, albeit on a substantially reduced scale to 175 ha (compared to the originally managed 650 ha). By end 2018, Solagrow had reproduced sufficient seed material to plant the first batch of potatoes for commercial harvest since 2016. Based on the achieved harvest results, a restructuring plan is expected to be finalized soon that will resume loan service payments to the CFC.

2 SME Agribusiness Development in East Africa - CFC/2012/01/0076FA

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)), USD 26,000 (as a grant to cover administrative and legal costs)***
Co-financing	***Balance to be sourced from other consortium partners***

Project Description

The SME Impact Fund (SIF) provides meso-level financing to SMEs in agribusiness in East Africa. SIF provides financing as loans, from USD 65,000 to USD 650,000, with an average loan size of USD 200,000. Four main types of loans are available: (i) input finance; (ii) crop finance; (iii) farm investment; and (iv) company investment.

SIF provides financing for SME's in local currency, at competitive rates ranging between 18-20% per annum, for a period up to 60 months. The focus is on companies which: (i) have 2-99 employees; (ii) currently operate in agricultural value chains; (iii) are registered in East Africa; and (iv) have financial need within the SIF target product range. Collateral, while desirable, is well below the level of 125%-140% generally required by banks.

The SIF successfully opened its lending operations upon reaching its initial size of Euro 4 million. The target size of Euro 10 million is expected to be reached within 3 years. The SIF expects to close 15-20 loans per year, with average size of Euro 200,000. The average lifespan of a loan is 24 months and repayments are recycled for new loans.

Project partners are currently Dutch NGO's like Hivos and Cordaid, and private investors including MatchMaker Associates (MMA). The local banking partner is National Microfinance Bank (NMB) Bank of Tanzania, which gives SIF strong outreach to cover rural districts in Tanzania. Technical partners include Financial Alliance for Sustainable Trade (FAST), MatchMaker Associates (MMA), and Tanzania Horticultural Association (TAHA) with Business Development Services (BDS) project.

Current Status

In 2018 SIF investments with a total of 98 loans reaching the loan portfolio size of over USD 7.7 million created 1,961 jobs, with outreach of almost 14,000 smallholder farmers. SIF closed its second round of fundraising reaching a fund size of Euro 5 million. It is estimated that the investments of the SME Impact Fund will reach over 66,000 of people, including the members of smallholders farmers' households.

The year 2018 was challenging for most agribusiness lenders in Tanzania due to poor harvests in 2017 and general business uncertainty. Several borrowers reported cash flow problems and some of them were not able to repay the loans. These challenges led to net losses at SIF for the year ending December 31, 2018. SIF is making efforts to get back to profitability in 2019 by increasing its pipeline of new clients. SIF plans to add new value chain borrowers to its portfolio and also increase collaboration with other organizations through cross-referrals. More details about SIF can be seen on http://www.smeimpactfund.com/our-portfolio/meet-our-smes.aspx

3 Identifying Growth Opportunities & Supporting Measures to Facilitate Investment in Value Chains in Landlocked Developing Countries - CFC/2012/01/ILZSG/0267

Submitting Institution	***UN Office of the High Commissioner for LLDC's***
Location	***Global***
Commodity	***Various***
Total Cost	***USD 418,000***
CFC Financing	***USD 335,000 (Grant)***
Co-financing	***USD 83,000***

Project Description

The project brings the matter of commodity sector contribution in the international support programmes for sustained structural transformation of Land Locked Developing Countries (LLDCs). The high-level dialogue on commodities started in the Second United Nations Conference on Landlocked Developing Countries held in Vienna, Austria in 2014. Stemming from this dialogue, the project developed a working paper on *'Turning Commodity Dependence into Sustainable and Inclusive Growth'* to focus the attention on the policies and strategies necessary to enhance the role of commodities in the development of LLDC's.

Current Status

The project enabled the CFC and its partners to contribute to the debate on the priority areas for commodity sector investments in landlocked developing countries. The project highlighted that LLDCs rely on limited products for their exports earnings, and struggle to achieve in-country value addition due to structural weaknesses. Furthermore, due to long supply chains, LLDCs are especially vulnerable to commodity price volatility.

The project in its analysis concluded, among its recommendations, that structural adjustment of commodity dependent LLDCs needs to give priority to policies encouraging the circular financial flows of domestically re-invested funds originating from the commodity sector. Such internally generated investment will promote diversification and value addition in-country, and minimize the relative impact of transport costs and market access. Investing in SMEs in these target sectors, encouraging them to expand their business vertically along the value chain, and enter into new local market segments empowers primary producers, giving them the tools and resources to transform their livelihoods and reduce their vulnerability.

In the preparation for the review of the Vienna Programme of Action (VPoA), the recommendations have been taken into consideration and the outcomes of the work supported by the CFC are being regularly reported in the Inter-Agency Working Group (IAG) preparing the review. The project serves to foster CFC collaboration and coordination with other international agencies financing economic development in commodity dependent LLDCs, including UN-OHRLLS, UNCTAD, UNDP, UNECA, and the World Bank. Following the satisfactory results, the project is expected to be concluded in 2019.

4 Partnership with the Africa Agriculture and Trade Investment Fund (AATIF) - CFC/2012/01/0268FA

Submitting Institution	***Africa Agriculture and Trade Investment Fund (AATIF)***
Location	***Africa***
Commodity	***Miscellaneous***
Total Cost	***USD 205,000,000 (Current fund size)***
CFC Financing	***USD 2,000,000 (Equity – First Account Net Earnings Initiative (FANEI))***
Co-financing	***Main other current investors are 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

AATIF, as an Impact Investing Fund, seeks to realise the potential of Africa's agricultural production, manufacturing, service provision and trade for the benefit of the poor. The Fund aims to provide additional employment and income to farmers, entrepreneurs and laborers alike. Increasing productivity, production, and local value addition by investing in efficient value chains and providing knowledge transfer are paramount. In this context, a dedicated effort will especially be made to support out-grower schemes.

AATIF is complemented through a (TA) Facility that provides grant funding for projects to strengthen the developmental aspects of individual investments. This TA Facility is managed under a service agreement by the CFC. Through its independent Social and Environmental Compliance Advisor from International Labour Organisation (ILO), AATIF is committed to closely monitor the social and environmental impact of each investment.

Current Status

AATIF's growing range of products and expanding loan portfolio currently consists of eight companies ranging from two primary farming operations, agri-processing companies and financial institutions who seek to increase their agricultural sector loan portfolio and expand their services towards lending to small and medium size agricultural enterprises By end 2018 several impact assessments of AATIF investment have been conducted.

In 2018 the Austrian Development Bank and the European Commission became a new partners of AATIF, which increase the capital base for investments above USD 200 million.

Under management of the CFC, as the AATIF TA Facility Manager, AATIF diligently assesses the impact of funding on each individual investment. A recently conducted baseline study on the AATIF impact on a cocoa out-grower scheme in Ghana suggests that participating farmers apply better agricultural practises, which results in significantly higher yields and an overall higher family income. The impact assessment on this particular investment has been selected by AATIF to be conducted with an elaborate scientifically robust methodology and includes a midterm and end line study which will be conducted in 2020 and 2022, respectively. The details of action taken by AATIF can be made available upon request.

5 Commercial Farm Development in Central and Northern Ethiopia: Solagrow PLC - CFC/2013/01/0030FT

Submitting Institution	***Solagrow PLC***
Location	***Ethiopia (LDC)***
Commodity	***Potato and others***
Total Cost	***USD 120,000***
CFC Financing	***USD 120,000***

Project Description

Solagrow is a farming and agribusiness enterprise with a focus on the production of potatoes and other high value crops for the Ethiopian local market, whereby the integration of Ethiopian smallholder farmers through provision of inputs, cropping technology and market access is a core concept of their business model. All additional income earned by Solagrow is invested in identified area in Ethiopia to further support the development of the agro-economy.

During the implementation of the project 'Commercial Farm Development in Central and Northern Ethiopia' (CFC/2012/01/0030), the borrower i.e. Solagrow encountered unforeseen operational expenses due to loss of inputs, such as seeds, fertiliser, and damages incurred on farm equipment's. Seeing the prevailing situation, in 2016, CFC requested Solagrow to provide an assessment of the company operational and financial status and to identify and specify steps required to adjust its farming operations. To overcome the difficult situation a short term cash inflow of USD 120,000 was requested as working capital to maintain and recommence farming operations on Solagrow's land.

Current Status

The working capital loan to Solagrow was disbursed in accordance with Solagrow's immediate need for enhancing working capital requirements in the course of 2017. The availability of these funds contributed to Solagrow's ability to continue operations and to consolidate its business to an extend where a restructuring process seems viable. By the end of 2018, Solagrow had reproduced sufficient seed material to plant the first batch of potatoes for commercial harvest since 2016. Based on the achieved harvest results, a restructuring plan will be finalized that with the goal to resume loan service payments to the CFC.

6 Commercial Meat Processing/Marketing in Lagos - CFC/2013/02/0042FT

Submitting Institution	***ESOSA Investments Ltd***
Location	***Nigeria***
Commodity	***Livestock***
Total Cost	***USD 250,000***
CFC Financing	***USD 120,000 (Zero interest loan)***

Project Description

This fast track project supports Esosa Investments Ltd, a small scale meat processor operating in Lagos, Nigeria, in restructuring and up-scaling its meat processing factory with the setting up of a pastry line for snacks and cakes and the value-adding expansion of the product range to include sausage based snacks. The CFC support will enable Esosa (i) to acquire additional equipment, optimizing via up scaling its market growth, (ii) increase its profit and diversification potentials associated with its main-line of business. In addition the Company would strengthen its local supply chains assisting 100 pig farmers in enhancing their farm yields with the introduction of improved breeds, the setting up of pig growing schemes and training in improved animal husbandry. The Fulani nomadic cattle herdsmen are also expected to benefit from the advantages of an enhanced commercial beef production.

Through the upscaling of its meat processing activities, ESOSA is expected to develop a partnership with 100 farmers with 3 piglets each (Landrace & Duroc) for multiplication in the first year (2014). Thus, each participating farmer is expected to increase monthly income from USD 1,500 to USD 2,200 per month at the end of 2014. This intervention will enable participating farmers to hire additional 5 persons thus creating 500 employment posts for farmhands. Farmers will be trained in improved animal husbandry practices.

The loan agreement was signed in July 2015 and fully disbursed in 3 tranches.

Current Status

The implementation of the project experienced some delays mainly due to market instability, fluctuation of the local currency and delays in receiving the certifications to start the production to be approved and released by the Nigerian Regulatory Body (NAFDAC). Consequently the repayment of the loan has been postponed, with a second deferral still not granted as of the date of this report as consent from the Federal Ministry of Industry, Trade and Investment of the Federal Republic of Nigeria, who is guarantor of the loan for an amount of USD 64,000 is awaited.

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

Submitting Institution	***Africa Agriculture SME Fund (AAF-SME)***
Location	***Africa***
Commodity	***Miscellaneous***
Total Cost	***USD 36,000,000 (Fund size)***
CFC Financing	***USD 2,000,000 (Equity), and USD 100,000 (as a grant to cover administrative and legal costs)***
Co-financing	***Other main investors: Agence Française de Dévéloppement (AFD), PROPARCO, Spanish Government (AECID), and African Development Bank (AfDB)***

Project Description

The AAF-SME fund supports private sector companies that implement strategies to enhance and diversify food production and distribution in Africa by providing financial resources and strengthening their management. AAF-SME Fund is Africa's first Impact Investing Fund with a focus solely on food producing and processing Small and Medium Size Enterprises (SME) throughout the continent. SME's active in the African agricultural sector offer significant growth opportunities and have an important impact on economic development and job creation, and are therefore widely regarded as the key for the economic development of Africa.

AAF-SME investments seek to demonstrate that investments in the African agricultural SME sector is a commercially viable proposition with associated manageable risks.

AAF-SME is being complemented through a Technical Assistance Facility (TAF) that provides grant funding for complementary projects to strengthen the developmental aspects of individual investments with an emphasis on the establishment of out grower schemes.

Current Status

The fund is fully invested in eight different agricultural SME's across Sub-Saharan Africa (SSA) that focus on different value chain segments from mixed farming operations to organic fertilizer production. Fund Managers are assisting the companies to follow individually developed business growth plans. Since AAF-SME Fund is scheduled to close in 2022, a number of investments are already preparing for sale. Through its investments, the AAF-SME fund created and maintained more than 660 jobs of which 133 are occupied by female employees and to the connection of 7,200 smallholders with AAF-SME funded companies, who supply with raw materials for processing. The details of action taken by AAF-SME can be made available upon request.

8 Partnership with the EcoEnterprises II Fund (EcoE II) - CFC/2013/02/0085FA

Submitting Institution	***EcoEnterprises Partners II L.P. (EcoE II)***
Location	***Latin America***
Commodity	***Miscellaneous***
Total Cost	***USD 35,250, 000 (Fund size)***
CFC Financing	***USD 500,000 (Equity), USD 25,000 (as a grant to cover administrative and legal costs)***
Co-financing	***Main other investors : Dutch Development Financial Institution (FMO), Interamerican Development Bank (IADB), and European Investment Bank (EIB)***

Project Description

EcoE II invests in small companies with a proven business model at expansion stage which are active in the sustainable agriculture and forestry (products) sector in Latin America. The targeted investee companies supply into a continuously growing market for organic food products and certified wood predominantly in the US (through main stream retail channels such as Walmart/ Home Depot and similar dominant food retailers and home improvement stores). The vast and globally appreciated natural resource base of Latin America can be seen as a comparative advantage that presents a widely untapped opportunity for sustainable food and timber products out of the region. EcoE II investments seek to demonstrate that the sustainable use of natural resources can be commercially viable and indeed can prove to be a competitive advantage. Success could lead to widespread recognition and replication by commercial funds and to a more receptive regional banking sector.

Current Status

The fund has made a total investment in 11 companies. These companies are engaged in eco/organic niche products such as tea, juices, baby food and dried fruit which source raw materials from smallholder producers. Since EcoE II is scheduled to close in 2021 and is at its wind-down phase, investments from 5 companies are either in the process of refunding or funds have already been returned.

Overall funding from EcoE II has led to the creation of 3,700 jobs and the connection of nearly 13,000 raw material suppliers (i.e. collectors, smallholder farmers, etc.) with investee companies, who increase their income through delivering to a reliable identified off-taker. In addition more than 4 million hectares of land are either being managed in a sustainable manner or are conserved. The details of action taken by EcoE II can be seen on website https://ecoenterprisesfund.com or can be made available upon request.

9 Partnership with the Moringa Agroforestry Fund - CFC/2013/02/0086FA

Submitting Institution	***Moringa Agroforestry Fund S.C.R.***
Location	***Latin America/Africa***
Commodity	***Miscellaneous***
Total Cost	***Euro 63,000,000 (Fund size)***
CFC Financing	***USD 1,349613 (Equity), and USD 75,000 (as a grant to cover administrative and legal costs)***
Co-financing	***Main other current investors : FMO, PROPARCO, Spanish Government (AECID), and Latin American Development Bank (CAF)***

Project Description

The CFC provides funds to the Moringa Agroforestry Fund (to be called 'Moringa') which seeks to invest agroforestry projects in Africa and Latin America that are able to commercially compete with deforestation drivers (like cattle ranching, crop farming and timber harvesting). At the same time Moringa investments are required to have a demonstrable positive impact on the environment and the livelihoods of local populations. while generating a clear positive impact on local populations and the environment. Moringa invests in agroforestry projects which usually have an industrial nucleus (being the investee company of Moringa) and a wider circle of integrated smallholder farms/value chain partners in its vicinity. Through its investments, Moringa targets a total of 8,000 new jobs created with an income effect on 35,000 dependants. In addition, about 60,000 outgrowers are expected to be associated to commercial investments of Moringa, with a development impact on 340,000 dependants.

Moringa investments are complemented through a Technical Assistance (TA) Facility that provides grant funding for projects to strengthen the developmental aspects of individual investments. This TA Facility is managed by the CFC.

Current Status

By end 2018, which marked the end of Moringa's investment period, the fund has made investments in 8 companies, of which three are in Latin America and five in Africa. Already around 6,500 smallholder farmers benefit as suppliers or work as out-growers to the Moringa investees through improved access to markets and receipt of better prices. In addition 1,500 jobs have been created so far and 7,500 ha of land have been rehabilitated and converted into sustainable agro-forestry farming systems. The details of action taken by Moringa can be seen on website https://www.moringapartnerships.com or made available upon request.

10 Rural Injini (Engine) Inclusive Maize Trading & Processing - CFC/2013/03/0120

Submitting Institution	***Joseph Initiative Ltd. (JI)***
Location	***Uganda (LDC)***
Commodity	***Maize***
Total Cost	***USD 1,929,000***
CFC Financing	***USD 500,000 (Financed by the Dutch Trust Fund)***

Project Description

The project aims to support Ugandan smallholder farmers to efficiently bulk and process maize to sell to regional wholesalers. Joseph Initiative Ltd. (JI) takes an integrated approach to trading, combining rural collection centres with village buying agents to collect maize in small quantities from remote farmers and making payments to them on the spot. This trading model provides a predictable market that incentivizes smallholders to improve quality and intensify production.

Joseph Initiative's business model concentrates on 'bottom of the pyramid' farmers producing 1 metric ton or less per year, as they are below the aggregation thresholds for commercial traders. A reliable market and access to inputs and finance will increase farmers' incomes. Inclusion of a large number of producers, increasing productivity and potentially reducing the current 40% post-harvest losses could lead to substantial improvement in Uganda's food security.

Current Status

JI expanded its processing facilities and used its ability to enhance procurement of maize from small producers. It also attracted partners to provide additional resources to expand its procurement and distribution.

In September 2017, JI formally became part of the East African agribusiness company Agilis Partner who also controls Asili Farms (also a borrower of a CFC loan). This is to achieve maximum synergies between JI as a maize trader and processor and suppliers from the larger scale arable maize farm Asili. As a result of the acquisition and the new role of JI in the Agilis Partner company structure, it was agreed during 2018 that the CFC would receive an early repayment of its funds invested into JI. Details of the repayment are under discussion.

11 Preparation of a Technical Dossier for Geographical Indication (GI) for Ceylon Cinnamon in the EU - CFC/2014/04/006FT

Submitting Institution	***Sri Lanka Export Development Board ('EDB')***
Location	***Sri Lanka***
Commodity	***Cinnamon***
Total Cost	***USD 100,000***
CFC Financing	***USD 60,000 (Grant)***

Project Description

The project supports the preparation of a technical dossier to obtain Geographical Indication (GI) registration for Ceylon Cinnamon in the European Union (EU).

Ceylon Cinnamon is only grown in Sri Lanka. GI registration has the purpose to differentiate Ceylon Cinnamon in the EU market from other cinnamons of lower quality. A GI will act as a source of competitive advantage which will help increasing market differentiation, product turnover and allow for a premium price from the consumer. An enhanced competitive position of Ceylon Cinnamon in the EU market will have a positive impact in terms of an increase in exports for Sri Lanka, higher income and employment generation across the cinnamon value chain, benefiting about 30,000 stakeholders involved in cinnamon production and processing.

The grant agreement was signed in July 2015.

Current Status

A total of about USD 33,000 has been disbursed as of 31.12.2018. The project implementation is progressing well as expected. Upon establishment of a traceability system, the application was submitted to the European Commission (EC). The authorities of EC examined the content and forwarded their 3rd observations on May 2018. Sri Lanka Export Development Board has received technical assistance to streamline the domestic control mechanism such as the establishment of GI Law and traceability system. Following the request from EDB and as given above, the CFC extended the project implementation period of one year up to June 2019.

Photo: Adobe Stock

12 Commodity Value Chain Tropical Timber from Community Forest - CFC/2014/04/0047FT

Submitting Institution	***Community Forest Group BV (CFGBV)***
Location	***Cameroon***
Commodity	***Tropical Timber***
Total Cost	***USD 280,000***
CFC Financing	***USD 120,000 (Funded from the Dutch Trust Fund)***
Co-financing	***USD 160,000 (Provided by FTT BV from the IDH grant)***

Project Description

The project focuses on implementing a community forest management scheme under the national community forest legislation to provide a source of income for poor and remote communities in Cameroon.

The proponent, Community Forest Group BV (CFG BV) has developed a model, supported by Sustainable Trade Initiative (IDH), for marketing of community-sourced tropical timber from Cameroon to developed markets. The model involves (i) training of forest communities in sustainable forest management practices, (ii) licensing and certification of their timber under relevant certification schemes (e.g. the FSC), and (iii) setting up a physical logistics chain to export certified timber. The operational model is being developed as a social business and includes impact assessment as a separate activity.

CFGBV surveyed 25 community forests and selected 4 as prime candidates to provide sufficient base for the operations of the proposed project. Subsequently, project operations were fully developed in 2 community forests, Mirebe and Afcobaba, both in Eastern Cameroon. The expectation is to achieve a fully self-financing operation at this level.

Current Status

The deliveries of timber for sale in Europe, in 2017, started slow due to congestion in the port of Douala which blocked shipments for some time. The production of timber had also to be temporarily stopped, but it resumed towards the end of 2017 as the issues relating to shipments through the port were resolved. Despite continuing challenges faced due to difficulties in use of local infrastructure, extended travel times and other conditions, especially in rainy season, over the past three years useful experience was gained, and the operation continued to expand. The CFC/CFGBV resources continue to be used 'at work' and target level of production of around 80-100m^3 per year of community forest tropical timber from 2 communities is being achieved. Over the course of the project in 2014-2017 seven loads of timber have been shipped for sale in the EU, with the total volume of over 200m^3, with 35 new permanent jobs, and additional sustainable income for forest communities at the level of USD 66,000.

In the course of 2018, CFG BV received the approval of the Nederlandse Voedsel en Waren Autoriteit (NVWA) to certify the compliance of its community forest sourcing system under the EU Timber Regulation (EUTR). The company is further exploring certification of sustainability from FAO, Forest Law Enforcement Governance and Trade (FLEGT), and Tropenbos. The company managed to to scale up the operations in 2018 by some 25%, and is fundraising to enable more communities to join the scheme with additional staff for further development in the coming years.

13 Optimizing the Smallholder Maize Value Chain in Western Kenya - CFC/2014/04/0094

Submitting Institution	***Stichting ICS, The Netherlands***
Location	***Kenya***
Commodity	***Maize***
Total Cost	***USD 453,200***
CFC Financing	***USD 226,000 (Loan)***

Project Description

The Dutch development organisation, ICS, is active in the maize value chain in Western Kenya. Agrics Ltd, the Kenyan subsidiary of ICS, sells high quality agricultural inputs to smallholder maize farmers. With CFC's financing, Agrics will upscale its agricultural input business by enlarging the supply of high quality seed to a network of smallholder maize farmers in Western Kenya.

ICS and Agrics work with local community-based organizations and farmer groups for the distribution of inputs. The project will have a direct impact on the productivity of smallholder farmers, increasing their food security and household income, by offering affordable input and improved agriculture practices. Agrics also provides services to buy the inputs on credit. This is coupled with the use of mobile payment services by the farmers.

The objective of the project is to involve up to 100,000 smallholder farmers in 2019, by increasing their production and productivity up to 250%.

Current Status

Early 2016 the CFC loan was disbursed to ICS in the Netherlands, which has been used to finance the growth of Agrics' seed input business. Agrics sold agricultural inputs on credit to about 24,000 smallholder farmers in 2018, in line with previous years. The average maize yield of Agrics' farmers in Western Kenya increased from 570 kg/acre to 1,022 kg/acre, representing a 79% income growth. About 200 jobs have been created so far for local community based organizations and farmer groups, contracted by Agrics.

In 2018 the company particularly continued to focus on the core maize package, bundling maize seeds, fertilizer and training, while piloting several more high-value crops such as certified soya, and beans. The core package was combined with the Geodatics fertiliser advice. All farmers make use of mobile payment services to repay the loans. Agrics is currently looking for new capital to further grow its activities and benefit from economies of scale.

14 Moringa Agroforestry Technical Assistance Fund - CFC/2014/04/0103FT

Submitting Institution	***Moringa Agroforestry Fund***
Location	***Africa/Latin America***
Commodity	***Agroforestry***
Total Cost	***USD 4,100,000***
CFC Financing	***USD 100,000 (Grant)***

Project Description

The Moringa Agroforestry Technical Assistance Fund (ATAF) is a grant-based fund that supports the development impact of investments made by the Moringa Agroforestry Investment Fund. The funds finance programs for training, capacity building and land management.

The associated ATAF has been established to mitigate risks and to increase the development impact of Moringa Fund investments. The overall objective of the ATAF is to strengthen the capacity of Moringa Investees to include and integrate interested members of the local population into agroforestry production systems, so as to improve their standard of living, their agricultural practices, and, thus, to protect the environment.

Current Status

ATAF commenced operations in 2016, after a service agreement was signed with the CFC, to become the ATAF Manager. Apart from establishing organizational structures and processes for ATAF, by end 2010, the ATAF Manager has to date developed ten individual Technical Assistance projects of which seven are under implementation and three have been completed. All projects are in context of Moringa fund investments. Most recently developed projects address inclusive buffer zone management for indigenous people adjacent to a sustainable palm heart agroforestry company in Brazil and the development of a forestry smallholder outgrower scheme for smallholders for the supply of a veneer processing factory in Kenya. The details of action taken by ATAF can be seen on website https://www.moringapartnerships.com/agroforestry-technical-assistance-facility and can be made available upon request.

15 Modern Processing & Value Chain Development for Prosopis Charcoal and Nutritious Animal Feeds, Kenya - CFC/2014/04/0107FT

Submitting Institution	***Start!e Limited (Social Enterprise)***
Location	***Kenya***
Commodity	***Timber***
Total Cost	***USD 214,000***
CFC Financing (Contribution)	***USD 100,000 (Zero interest loan, financed from the Dutch Trust Fund)***
Co-financing	***USD 15,000***
Start!e Limited	***USD 99,000***

Project Description

The social enterprise Start!e Ltd will contribute to controlling the unwanted spread of the tree *Prosopis Juliflora* by setting up a value chain for development of sustainable charcoal as cooking fuel and a value chain for animal feed from the Prosopis fruit pods. A feasibility study financed by Start!e has proved the viability of this undertaking and has secured a partnership with the Kenya Forestry Research Institute (KEPFRI). The Government of Kenya has endorsed this utilization approach to manage the spread of this tree, now occupying much of Kenya's arid and semi-arid areas.

Start!e working with existing Charcoal Producers' Associations has established a network of Prosopis wood and seed pod collection. Start!e sells directly to existing charcoal wholesalers (large-sized bags) as well to distributors that serve retail outlets (various size of packaging). A modern mobile carbonation unit is used to produce charcoal from Prosopis wood.

The project aims to: (i) enhance the process of acquisition of chopped dried Prosopis feedstock; (ii) improve the carbonisation process by shortening the cycles of production; (iii) build customer relationships with a few, higher volume consumers and wholesalers; (iv) improve efficiency in transportation logistics and costs; and (v) increase fundraising.

Current status

The CFC financed the project and provided resources in a form of a non-interest bearing loan . disbursed in December 2014. The project is being implemented by Tinder EcoFuels, the company created by the social enterprise Start!e for this purpose, in collaboration with the Kenya Forestry Research Institute. During the first year of operation, some teething problems were encountered including some engineering issues with the locally assembled mobile carbonization unit which led to higher costs. Therefore, it was decided to stop working with the local carbonization machine and to import a ready-made carbonization machine from Europe. The desired equipment arrived at the field location in the last quarter of 2016. During installation, it was found out that the furnace has been partly damaged during the transport due to difficult terrain in Kenyan roads. The carbonization machine commenced production in June 2017. An initial 230 bags were produced (11.5 tons of charcoal). This was transported to Nairobi and sold to existing wholesale market. In February 2018 the government of Kenya introduced a logging ban in all public and community area in the Country. The ban had a negative impact on the operations of the Company. Therefore, CFC extended the requested 12 month postponement of the outstanding capital repayment.

16 Scaling Smallholder based Premium Coffee Production in Congo and Rwanda - CFC/2014/05/0079

Submitting Institution	***COOPAC Holding Ltd.***
Location	***Congo DRC (LDC), Rwanda (LDC)***
Commodity	***Coffee***
Total Cost	***USD 3,931,880***
CFC Financing	***USD 1,500,000 Loan (of which USD 750,000 financed by OPEC Fund for International Development (OFID) and USD 750,000 from the Dutch Trust Fund)***
Counterpart Contribution	***USD 2,194,660 - Root Capital; USD 87,220 - COOPAC Holding Ltd.***

Project Description

COOPAC Holding is the only organic coffee supplier in Rwanda. COOPAC working since 2001, in Rwanda, started in 2013 to work with small holders in Congo DRC and intends to upscale its activities there. The CFC support in form of loan is expected to be used to construct 5 washing stations in Congo DRC and to provide working capital for sourcing coffee in Congo DRC and Rwanda and exporting produced coffee.

The loan is also expected to be used for training of farmers in best organic agricultural practices and to certify them according to the standards of Fair Trade, Rainforest Alliance and Organic. With a goal to scale and impact up to 17,000 farmers by 2024, of which 3,400 farmers in Congo, COOPAC intends to create a path to improve smallholders' yield and net income for up to 2.6 times.

The upscaling of activities is expected to result in a doubling of permanent staff from 63 to 130 and seasonal staff from 1,000 to 2,090 in 2021.

Current status

The project commenced in May 2017. In the first year the, CFC's funds were used to construct 2 washing stations in Congo and to provide working capital for the sourcing of coffee from farmers in Congo and Rwanda. The construction of the 3rd coffee washing station was completed in 2018. As part of Eastern Congo continues to be fragile and unstable, one of the Congolese coffee washing stations was not operational during the last harvest season.

Due to the fall of coffee prices in the international markets during 2018, COOPAC's export volumes were lower as compared to the previous years. In 2018, the company sourced coffee beans from around 7,800 smallholder farmers, of which around 2,500 farmers were in Congo. Farmers continued to benefit from a higher income for Organic and Fairtrade practices, offering a pricing premium of USD 0.30 per kg for Organic beans, plus USD 0.20 per kg for Fairtrade, a total addition of around 42% on top of the minimum market price set for the season. COOPAC exported the majority of its certified coffee to high end buyers in the USA, Asia, Europe, and Africa. The project has created new 137 jobs so far with 127 seasonal and 10 permanent employees. About 62% of employees are female.

The owners of COOPAC have established a company in Belgium selling roasted Rwandan and Congolese coffee to European buyers under the Virunga brand. The coffee is currently sold in 6 stores of a larger supermarket chain in Belgium and plans to expand to other distributors in the region. This has positive impact on production of coffee.

17 Scaling Smallholder based Premium Coffee Production in Congo and Rwanda - CFC/2014/05/0079FT

Submitting Institution	***COOPAC Holding Ltd.***
Location	***Congo DRC (LDC), Rwanda (LDC)***
Commodity	***Coffee***
Total Cost	***USD 120,000***
CFC Financing	***USD 120,000***

Project Description

The CFC support, as a returnable grant, is training of farmers in best organic agricultural practices and to certify them according to the standards of Fair Trade, Rainforest Alliance and Organic. It is expected that the number of participating farmers in Congo will increase from 200 in 2015 to around 3,400 farmers (of which 40% female farmers) in 2021.

The upscaling of activities is expected to result in a doubling of permanent staff from 63 to 130 and seasonal staff from 1,000 to 2,090 in 2021.

Current Status

The project commenced in May 2017 by providing shade tree seedlings and agroforestry trainings to the Congolese member farmers. The construction of the 3rd coffee washing station in Congo was completed in 2018 and the farmers received trainings on organic plant nutrition, but also on more complex nutrient balance practices of the coffee fields. COOPAC also produces its own organic fertilizer from coffee pulp, lime, molasses and micro-organisms. Together with seedlings and natural pesticides, this fertilizer is given for free to its associated farmers.

18 Tolaro Global Cashew Factory Expansion, Benin - CFC/2015/06/0032

Submitting Institution	***Tolaro Global***
Location	***Parakou, Benin (LDC)***
Commodity	***Cashew***
Total Cost	***USD 5,464,000***
CFC Financing	***USD 1,500,000 Loan (of which USD 1,000,000 is financed by OPEC Fund for International Development (OFID))***
Co-financing	***Tolaro Global USD 464,637, other financiers USD 3,500,000***

Project Description

Tolaro Global is the 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 almost USD 4 million. The company buys raw cashews from 7,000 smallholder farmers and employs more than 650 workers, thus creating significant economic impact in Benin.

The CFC is financing the company's expansion plans. The project entails the acquisition of equipment to increase the processing capacity of Tolaro from 3,500 MT to 20,000 MT by 2023. The number of farmers delivering raw cashew nuts to Tolaro is expected to increase from 7,000 to 15,000 by 2023. The number of factory jobs is expected to increase from 650 to 1,500 over the same period.

Current Status

In 2018, Tolaro processed 5,000 MT of cashew nuts compared to 4,000 MT in 2017. The company also launched its roasting, seasoning and packaging facility to produce the first '100 percent made in West Africa' roasted cashew nuts. Tolaro is currently in the final phase of testing to obtain the British Retail Consortium (BRC) certification. This is the highest standard of food safety, quality and operational excellence within a food manufacturing organisation.

Tolaro is creating a sustainable and competitive ecosystem for cashew harvesting, processing and export in Benin. A socio-economic study undertaken by Business Call to Action (initiative launched by the UNDP) has shown some important achievements. Amongst Tolaro partner farmers, 80% received training from Tolaro. Amongst these, 38% reported increased production and 54% increased quality. 74% of the partner farmers are now members of cooperatives – strengthening farmers' position in the value chain and allowing them to gain fair trade certification and obtain better prices.

Photo: Adobe Stock

19 Intensified Livelihoods Improvement and Environmental Conservation through Social Business Activities (Natural Fertilizer, Myanmar) - CFC/2015/07/0020FT

Submitting Institution	***Swanyee Group of Company***
Location	***Myanmar (LDC)***
Commodity	***Fertilizer***
Total Cost	***USD 236,171***
CFC Financing	***USD 117,600 (Loan)***
Counterpart Contribution	***USD 118,571***

Project Description

There are many distributors of chemical fertilizers in Myanmar but only a few of them are engaged in the supply of natural and bio-fertilizers. The Swanyee Group is active in selling organic agricultural inputs mainly to small holder farmers in Myanmar. It has a research department that has been experimenting with the production of natural fertilizers, in the form of vermiculture. The core of the project is to expand the current levels of vermiculture-based liquid and compost fertilizer. The project aims to demonstrate that organic fertilizers can be offered at lower costs than chemical fertilizers with effective social, economic and environmental impact.

Current Status

The company is ahead of schedule in the production and sale of organic fertilizer. The CFC loan has been fully disbursed in the fourth quarter of 2016. The development impact of the project is the reduction in fertilizer costs for farmers from USD 60/acre to below USD 50/acre.

For 2018, the company sold 144 metric tons (MT) of organic fertilizer compared to 88 MT in the previous year. Revenues increased from USD 43,000 to USD 65,000. Operating income increased from USD 12,500 to USD 17,500. The company is expected to maintain supplies to reduce cost of fertilizers to farmers during the coming year.

Photo: Adobe Stock

20 Coffee Value Chain - Uganda - CFC/2015/07/0022FT

Submitting Institution	***Heritage Coffee Company***
Location	***Uganda (LDC)***
Commodity	***Coffee***
Total Cost	***USD 720,000***
CFC Financing	***USD 120,000***
Counterpart Contribution	***USD 600,000 (Own funds)***

Project Description

The project aims to establish a marketing chain connecting smallholder coffee producers to high value consumers in Uganda, namely to coffee shops, hotels and lodges. To ensure supply of good quality coffee to the consumers, the project would train farmers and coffee processors, and assist with planting and re-planting of coffee trees. The company is expected to roast coffee in its own coffee roasting facilities to complete the supply chain without intermediaries.

The company competitors include Javas café, Ndiro coffee, Café cessille, Good African coffee, Lapati cellie and other small restaurants. Currently the company does not have competing suppliers. The competition strategy of the company is based on quality and brand recognition by direct sales through its own outlets.

Current Status

Keeping the potential significant of development impact of the project, it was agreed to consider financing it in the form of a Development Impact Bond (DIB) in the amount of USD120,000, taking into consideration the lessons learnt in the previous CFC project financed via DIB. The CFC is in discussion with the International Coffee Organization regarding the feasibility of finding a counterparty in the impact bond transaction. The CFC will consider entering into either side of the DIB transaction i.e. as a sponsor or as an investor, depending on the specific priorities of the counterparty. The positive outcome of discussions with different parties is still awaited.

21 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 Loan (including USD 1,000,000 financed by OPEC Fund for International Development (OFID) and USD 200,000 from the Dutch Trust Fund)***
Counterpart Contribution	***USD 10,300,000***

Project Description

Factoring, as a form of supply chain finance, is only marginally developed in Eastern Africa, while in more developed and developing economies it plays a critical role in injecting much needed short term liquidity in value chains.

The project aims at supporting the expansion of the factoring business in Kenya and Uganda, The project promoter and CFC Borrower is FACTS East Africa BV.

The CFC loan amounts to USD 1,200,000 and will be disbursed in tranches. The tenor of the loan is of 9 months, revolving for 3 years, depending on the declared factoring portfolio.

The project will benefit small enterprises and small holder farmers, the expected change in income of the smallholder farmers is: i) maximum increased net income of USD 1.14 million for supplying farmers, or USD 30 per farmer per year, and ii) increased turn-over in the amount of USD 2.9 million, or USD 78 per farmer per year.

Current Status

The loan agreement was signed in August 2018, and loan is partially expected to be disbursed in 2019, with the first tranche of USD 400,000 disbursed in March 2019. The outcome of impact is awaited.

[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 is estimated to be around Euro 6,800,000.

22 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	***USD 3,150,000***
CFC Financing	***USD 1,459,800 Loan (including USD 1,000,000 financed by OPEC Fund for International Development (OFID))***
Counterpart Contribution	***USD 1,690,200***

Project Description
Coumba Nor Thiam (CNT) is the third largest rice processing company in Senegal with 30 years' experience in the production and processing of normal and perfumed rice. Since 1987, CNT has been growing into a more successful rice company with improving sales volumes. It currently employs 2,500 outgrowers on 3,000 hectare (ha) of land and runs a 500 ha of land in its own plantation in the Northern River Valley region. With a milling capacity of 120 ton/day , CNT is currently processing 15,000 ton/year of paddy rice.

The CFC loan will be used to buy agricultural and irrigation equipment to increase rice production for CNT and for the outgrowers in the supply chain.

Current Status
In 2018, CNT processed 15,000 tons of rice from 2,500 outgrowers and from their own fields. With the investment in new farming and irrigation equipment, the company expects to process 20,000 tons of rice in 2021 and to reach the maximum processing capacity of 40,000 tons in 2025. The company will add 500 new farmers to the outgrower network bringing the total to 3,000 farmers. 16 new jobs are expected to be created in the processing facility bringing the total to 123. Signature of the loan agreement and disbursement of the first tranche of the loan is expected to be completed in the first half of 2019.

23 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 (Loan)***
Counterpart Contribution	***USD 2,393,000***

Project Description
EFUGO Farms Limited (EFL), established in 1987 and based in Abuja region of Nigeria, is producing various crop and livestock products. The project focuses on the production of edible oils (from groundnuts, soybeans, sesame) and non-edible oils (from castor beans, shea butter and neem seeds). There is a large demand for the products due to huge market for these oils and derived products in Nigeria.

EFL has already installed a new processing plant but needs resources to acquire additional components such as bleaching machines, weighing machines and tankers. Current supply of oil seeds is insufficient to run all aspects of the oil processing facility. EFL seeks to engage more than 20,000 farmers to supply oil seeds for the mill. The CFC funds will be used to purchase these additional components and for working capital needed to source seeds from the farmers.

Current Status
The CFC loan of USD 1,500,000 guaranteed by the Federal Republic of Nigeria was signed in the second quarter of 2017. The loan was fully disbursed in the first quarter of 2018.

In 2018, EFL launched an outgrower program managed by a company called Farmore to drive the engagement of smallholder farmers to grow castor in 9 states. The outgrower program successfully recruited 4,000 farmers with 6,000 hectares of land for the 2018/2019 agriculture season. In parallel, EFL recruited an experienced agronomist from India to coordinate the sourcing of seeds suitable for local conditions and with high oil content and yield ratio. The processing of castor in the factory is undergoing. The impact of the same and use of castor oil is under review.

EFL has since been able to access a loan facility for inputs to 2,000 farmers under the Anchor Borrowers Program (ABP) of the Central Bank of Nigeria (CBN). EFL is in the process of accessing another facility for 2,000 additional farmers under the Agri-Business Small and Medium Enterprises Investment Scheme (AGSMEIS) program.

24 Kupanua 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 Loan (including USD 1,000,000 financed by OPEC Fund for International Development (OFID))***
Counterpart Contribution	***USD 2,161,299***

Project Description

Asili Farms is a fully-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 is farming under a conservation agriculture and precision farming approach to maximize yields efficiently and sustainably. The ultimate strategic goal of Asili is to have commercial farming operations on around 6,500 ha. As part of the Agilis Partners Ltd. Holding, Asili Farms (AF) benefits from the guaranteed demand from the sister-company Joseph Initiative Limited (JI), which is marketing Ugandan grains and pulses with extensive regional market access.

CFC resources are used to further expand commercial farm operations as well as to scale out Asili's engagement in training small-scale farmers in commercial maize and soya production as the main source of maize and soya supply for JI. Through value chain integration and volume increase both, AF and JI, reciprocally mitigate risk and increase their viability.

Training of smallholder farmers and their subsequent integration into the supply network of the Joseph Initiative will have a substantial development impact on the 'bottom of the pyramid'. Asili's role as the 'technology transfer centre' of the Agilis Group will provide training and knowledge transfer for an estimated 50,000 smallholders, that will enable them to duplicate Asili's conservation agriculture approach onto their small farms. It is estimated that maize yields will increase from currently 1.5 MT/ha/harvest up to 5 tonnes /ha/harvest, and soya yields from 0.75 MT/ha up to 2.2 MT/ha. Targeted farmers will also be incentivized to scale out their production which will further increase their net income by a projected total of USD 1,400 per year. In addition 270 jobs will be created directly through Asili's core farming operations.

Current Status

The loan contract was signed in February 2017 and a first tranche of resources was disbursed in May 2017. Asili continues to grow and by end 2018, the farm owns 6,000 ha of land of which 4,000 ha were converted into farmland and are being cultivated, up from 2,700 ha by end 2017. Main crops grown are maize and soya. Due to low maize prices, Asili farms had a difficult year in 2018. Nevertheless Asili sold 22,000 MT of maize and 760 MT of soya in 2018.

For increasing food supply for the region, Asili regularly provides training on best practice maize farming neighboring smallholder farmers (250 farmers in 2018) who supply their produce to Asili's sister company Joseph Initiative Ltd. (also a borrower of a CFC loan). Increasing scale of Asili's farm operations have led to the creation of 22 permanent and 500 seasonal jobs.

25 Manufacture of Moringa Oleifera from Smallholder Farmers, Kenya - CFC/2016/08/0052FT

Submitting Institution	***EDOM Nutritional Solutions Ltd.***
Location	***Kenya***
Commodity	***Moringa oleifera***
Total Cost	***USD 240,000***
CFC Financing	***USD 120,000 (Loan)***
Counterpart Contribution	***USD 120,000***

Project Description

Edom Nutritional Solutions (ENS) is a company that produces and sells fortified porridge/maize meal and other staple flours. By locally sourcing the key inputs, ENS has a significant competitive advantage in pricing due to local/regional sourcing of micronutrients as compared to competitors' rather costly imported micronutrients. Wholly organically fortified products are preferred to synthetic/conventionally fortified products. The Government of Kenya in collaboration with the Global Alliance for Improved Nutrition (GAIN) passed a requirement for mandatory fortification of staple flours which is driving demand for fortified flours.

The total investment of USD 240,000 was indicated to be used for upscaling of the activities, i.e. the purchase of farm Inputs, solar dehydrators (shared) & storage cocoons for 1,000 farmers with 2 acres each. Counterpart contribution to the project is USD 60,000 with an additional grant of USD 60,000 by the Great Impact Foundation.

The project was expected to lead to:

- 1,000 farmers earning USD 384/month from sales of moringa leaves, which is well above the above the minimum National Monetary poverty line at USD 170/month, and
- increased availability of affordable health products for low and medium income consumers.

The loan agreement was signed in September 2016 and fully disbursed.

Current Status

The project Sponsor and Borrower - Edom Nutritional Solutions - has not yet provided any update on the information regarding the implementation of the financed project and difficulties, if any, faced in execution of the project. They have also not yet met their repayment obligations. The appropriate authorities in Kenya have been contacted to obtain the current status of the project.

26 Startup of Innovative Agriculture Finance Company for Cocoa, Philippines - CFC/2016/08/0064

Submitting Institution	***Kennemer Foods International Inc***
Location	***Philippines***
Commodity	***Cocoa***
Total Cost	***USD 11,600,000***
CFC Financing	***USD 1,400,000 (Loan)***
Counterpart Contribution	***USD 10,200,000***

Project Description

Kennemer Foods International Inc., established in 2010, is an agribusiness company specializing in the growing, sourcing and trading of cacao beans sourced from smallholder farmers. Kennemer has a long-standing commercial and strategic relationship with Mars, Inc. Mars is Kennemer's biggest customer. Mars and Kennemer began a partnership in mid-2012, which involves the sharing of planting research and technology, as well as best practices for cacao growing, harvesting, fermentation, and drying. This is the first such expansion of new cacao production in the Philippines.

In 2015, Kennemer launched a new finance company, called Agronomika Finance Corporation (AFC), to finance tailor made cocoa loans directly to small cocoa farmers. The company secured start-up capital through an equity investment by IncluVest (a Netherlands-based Impact Investment Fund) and through debt funding by FMO (the Dutch Development Bank) and IDH (The Sustainable Trade Institute).

The CFC loan is expected to be used for working capital to Kennemer to support the lending activities of AFC.

Current Status

The loan agreement between the CFC and Kennemer was signed in the fourth quarter of 2017. The loan was fully disbursed in the first quarter of 2018.

In 2018, Kennemer reported a drop in sales of 15% compared to the previous year. The reason was the drop in world cocoa prices. Kennemer has taken appropriate initiatives to overcome the prevailing situation.

Kennemer continues to organise access to crop-appropriate financing through AFC as well as other lenders allowing farmers to make the necessary investments for planting cocoa. Smallholder farmers that follow the basic grower protocol can experience a 4 fold increase in yield from 0.5MT/ha to 2MT/ha and a 6 fold increase in the average income from USD 625 to USD 3,750. Kennemer has so far planted 15,000 hectares of new cocoa trees through its Cocoa Contract Growing Program and plans to scale this to 50,000 hectares.

27 Upscaling Coffee Flour Production Plant of Sanam, Colombia - CFC/2016/08/0077FT

Submitting Institution	***ICCO Cooperation (for SANAM Company)***
Location	***Colombia***
Commodity	***Coffee***
Total Cost	***USD 312,000***
CFC Financing	***USD 120,000 (Loan)***
Counterpart Contribution	***USD 192,000***

Project description

SANAM is a coffee flour production company, based in Colombia and dedicated to the use of waste (husk and pulp) that are usually discarded in the process of coffee processing. These wastes are transformed into Miel de Café (coffee honey liquid) and Harina de Café (flour) which are used as raw materials and supplements for cosmetic, food, pharmaceutical and feed products. The pulp and husk contain elevated levels of antioxidants, proteins and minerals, which are used as raw materials and supplements for cosmetic, food, pharmaceutical and feed products. SANAM has already tested the process and currently produces 3 tons of coffee flour per day. The current project focuses on the upscaling of the SANAM processing plant to increase production of coffee flour. More than 60% of the requested funds will be invested in assets like machinery, equipment and buildings.

The project will have socio-economic and environmental benefits: (a) Employment Generation: the project will create at least 65 jobs, primarily in the rural areas. (b) Income increase of 5-10% for 3,500 farmers. In addition, once the waste is used by SANAM, coffee farmers would not need to pay fines for waste management which will save them money. About 85% of coffee farmers are smallholders (with land up to one hectare) who usually do not have resources for waste management, and (c) Positive environmental impact as coffee waste will no longer pollute the environment by preventing debris such as mucilage and coffee pulp to be poured into streams and rivers without any treatment as the waste will be processed.

Current Status

CFC is supporting the project through a loan extended via Truvalu Group, supporting small and growing agri-food businesses (former ICCO Cooperation). The funds were disbursed in October 2016 and have been used to invest in the machinery and equipment of the beverage and coffee flour line.

SANAM was certified and accredited as the only company in Colombia authorized to produce coffee honey, also known as concentrated mucilage, and coffee husk meal. About 230 tons of coffee waste has been processed into coffee concentrate in 2018, 10 times the production of 2017. SANAM is currently receiving the coffee waste from 15 coffee growers, acting as centralized hub on behalf of around 2,500 smallholder farmers in the region. SANAM has mainly expanded its customer base by shipments of its product to the Asian market.

28 Empowering Smallholder Farmers Affected by Conflict - Sri Lanka - CFC/2016/09/0069FT

Submitting Institution	***Vegiland Exporters (Pvt) Ltd***
Location	***Sri Lanka***
Commodity	***Vegetable***
Total Cost	***USD 240,000***
CFC Financing	***USD 120,000***
Co-financing	***USD 76,000***
Counterpart Contribution	***USD 44,000***

Project Description

The project will be implemented in Sri Lanka Northern and Eastern provinces which were affected by the civil conflict and where the agricultural sector is still hindered by low productivity, limited market access and high post-harvest losses. Poor post-harvest practices account for approximately 20% of the income loss. In addition, farmers lose significant amount of their earnings, estimated to be 15-20%, to the middlemen in the supply chain. The percentage of population living under the poverty line is higher in these agricultural regions than the national average of 6.7%.

The project aims at upscaling the vertically integrated business model of Vegiland Exporters Ltd ('Vegiland') . The latter bases its competitive advantage on its full control over the supply chain from field to shop, cutting out the middle man and allowing higher income to the farmers. This model has proven to be successful generating positive net incomes for the past eight years. Vegiland owns a 70 acre farmland which contributes 20% of its total supplies and it sources the remaining 80% from about 200 small holder farmers. The vegetables, collected at the village level, are packed in reusable plastic crates and transported directly to the Vegiland central pack house in Colombo using refrigerated vehicles. With the aim to increase its market share in the export of Sri Lankan Fruits and vegetable from 7% to 10% and double its annual sales from USD 1.33 million in 2016 to USD 2.70 million in 2021.

Current Status

The CFC attempts to reach an agreement on the security package to quickly start the project have not been very successful. The potential Borrower of the CFC loan has not been able to offer a collateral to the loan agreement. The project, therefore, is put on hold till an alternative approach to overcome the difficulties are identified and adopted to speed up the project.

29 agRIF Cooperatief U.A. - Netherlands - CFC/2016/09/0089

Submitting Institution	***agRIF Cooperatief U.A.***
Location	***Netherlands***
Commodity	***Partnership***
Total Cost	***USD 200 million***
CFC Financing	***USD 1,000,000 (is Financed by the OPEC Fund for International Development (OFID))***

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. In addition, agRIF will allocate up to 10% of its funds for the direct provision of debt financing to producer organizations and SMEs working in the agricultural value chain.

agRIF invests globally in countries classified as eligible by the Development Assistance Committee (DAC) of the OECD. agRIF will invest with a maximum exposure of 40% on each of the following regions: a) Sub-Saharan Africa, the Middle-East and Northern Africa; b) Latin America and Caribbean region; c) Central-Eastern Europe; d) South Asia; and e) East Asia. The individual country limit is set at 15% of the funds' total investments.

Target loan size of agRIF for each portfolio investment is between USD 0.5 and 5 million. Equity investments will have a target size between USD 5-7 million. agRIF funds will be used by the borrowing financial institution to retail small and microcredits down to subsistence farmer level with individual loan size even below USD 1,000.

While microfinance institutions are likely to be the major group of clients, agRIF will also invest in small banks, agricultural leasing companies as well as any other financial intermediary who is in a position to provide services to the agricultural sector. This broad target market is chosen in recognition that microfinance institutions may not always be the best channel through which to approach clients active in the agricultural value chain.

Current Status

CFC joined agRIF in June 2017. agRIF has since raised over USD 150 million of funds to finance rural financial intermediaries and producer organization in developing countries. agRIF has supported 39 investees under the committed portfolio of USD 114 million (December 2018), of which 93% rural financial intermediaries and 7% agricultural SME's. The financial intermediaries have reached around 4.1 million borrowers. The investees employ 22,500 full-time employees, of which 48% female. India and Ecuador are the countries with the largest exposure in the fund to date.

30 Reducing Vulnerability to Price Volatility - Kenya - CFC/2016/09/0097

Submitting Institution	***SHALEM Investment Ltd.***
Location	***Kenya***
Commodity	***Grains***
Total Cost	***USD 2,100,000***
CFC Financing	***USD 610,000 Loan (of which USD 500,000 is financed by Dutch Trust Fund (DTF))***
Co-financing	***Rabobank Foundation: USD 500,000***
	Foodtrade (FTESA) grant: USD 325,000
	Shalem: USD 660,000

Project Description

Shalem investment Ltd ('Shalem'), is an established social for-profit business aggregating, transporting, and marketing grains, cereals and legumes for use by agri food processors, such as East African Breweries, Unga Ltd, and Bidco. Created by the female CEO and founder to help smallholder farmers in successfully marketing their sorghum crops, Shalem works with thousands of farmers today, and is set to expand their activities. Shalem will start processing facilities based on variety of grains to access the Bottom-of-Pyramid (BoP) market with more innovative nutritious blended food.

CFC's funds will be used to invest in a storage facility where all grains and related farm produce from farmers will be stored, and a value addition facility where maize will be cleaned and blended with sorghum, millet and beans. By creating a product that incorporates drought-tolerant sorghum and millet in addition to maize, plus providing reliable storage facilities, the project aims to reduce the financial risks local farmers are facing due to volatile maize prices.

To launch this project, Shalem is receiving support from FoodTrade East and Southern Africa (FTESA) to improve the quantity and quality of the farmers' crops. The 2SCALE project team of the International Fertilizer Development Center (IFDC), sponsored by the Dutch government, is also providing support to help Shalem develop its business model to create a fully integrated commodities supply chain.

They plan to expand their supply network to include up to 50,000 farmers from the Upper Eastern region of Kenya over the next 5 years. Shalem is providing a variety of incentives to help the smallholder farmers in their network achieve high-quality production, aggregation and marketing, such as training programs, soil testing, linking farmers to certified seeds and other farm inputs, and assisting them in adopting new technologies and providing access to micro loans. These improvements are expected to lead to productivity reaching 2,000 kg/hectare, tripling farmers' incomes to USD 215 per harvest. In addition, Shalem expects to create 17 new permanent jobs.

Current Status

The CFC loan was disbursed in tranches from May 2018 onwards, and construction activities of the modern processing plant commenced in mid-2018. The plant is expected to start operations by June 2019, equipping a fine cleaner and sorter, mobile dryer, mixer, extruder, packaging line, and other equipment financed by the CFC. The roadworks have been supported by Meru's county government, connecting the new plant to the main road. The plant will enable Shalem to upscale its nutritional product range by processing maize, beans, sorghum, millet, soybeans and green grams.

Shalem has introduced its first new nutritional products to the BoP-market under the brand name Asili Plus. For this fortified flour, Shalem developed a new formula which permits a different mix of grains, depending on the availability of each season. These value added activities create a more stable and secure demand for the smallholder farmers and a nutritious and accessible product for people living in poor conditions. The Asili Plus Porridge and Ugali are currently supplied to 11 schools, and are available in over 50 retail shops in Meru and surrounding counties. Shalem has expanded its network of smallholder farmers from 20,000 to over 22,200 during 2018. About 70% of the farmers are women, and Shalem's management team is currently represented by 4 women and 3 men.

Photo: ©FAO/Samuel Creppy

31 Acquisition of a processing plant for the aquaculture sector - Peru - CFC/2016/09/0122

Submitting Institution	***Acuacultura 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	***Acuacultura 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 Tumbes area, North Peru. ATISA is specialized in breeding, production, and distribution of shrimps. About 65% of sales is exported to Europe and Asia, the remainder is sold domestically. ATISA is recognized through its own brand called 'COOL!'. They are number 21 in the Peruvian shrimp production market, a relatively fragmented market consisting of 85 production companies. The shrimp processing market, however, is very concentrated and fully controlled by 2 players: Nautilus (25% market share) and Inysa/Camposol (75% market share). Due to the duopolistic market, processing prices are currently 3.5x higher in Peru than Ecuador. ATISA intends to enter into processing activities as a 3rd player in the country.

ATISA is a family owned company founded in 1991, employing 90 persons, of which 43 are full-time. ATISA is recognized by quality and good production practices, and is the sole Global GAP certified aquaculture player in Peru.

This project will invest in shrimp processing activities by acquisition of a plant, license, land, and new shrimp peeling machinery. The aquaculture plant to be acquired is aimed at fishery, which will be transformed into a shrimp processing plant.

Current Status

ATISA has entered into a lease agreement to temporarily rent the processing plant and has an option to purchase the plant after completion of the financing agreement. The new plant commenced operations in 2017 and part of the machinery such as the shrimp peeling machine and freezer has already been installed.

The CFC and ATISA have reached an agreement on the final terms and conditions of the loan, which will be made available in two tranches The first USD 500,000 tranche will be used to invest into new equipment and machinery to improve productivity of the shrimp farm. The remaining USD 1.5 million financing will be used to acquire the processing plant, subject to co-financing by other local financing institutions.

To upscale production volumes on its existing farmland, ATISA is planning to install pre-breeding systems, an intensive aquaculture system, and automatic feeders. Under these new systems ATISA can have up to 4 harvests per year and quadruple the yield. CFC's first tranche will be used for this purpose and part of these investments have already been made by ATISA's own resources.

ATISA is still the only shrimp aquaculture farm certified by Global GAP in Peru, and the ASC certification is in process. About 7 smaller Peruvian shrimp farmers are benefiting from ATISA's processing services. ATISA is currently employing over 107 employees, of which 70% with a permanent contract.

32 Africa Food Security Fund - Ghana - CFC/2016/09/0124

Submitting Institution	***Databank Investment Partners***
Location	***Ghana***
Commodity	***Partnership***
Total Cost	***USD 100,000,000***
CFC Financing	***USD 1,000,000 (to be financed by OPEC Fund for International Development (OFID))***

Project Description

The Africa Food Security Fund (AFSF) is an impact investing fund that seeks to invest in small and medium size businesses (SME) active along the agricultural value chains across Africa with a focus on sub-Saharan Africa. All investments in the fund will be made as equity or quasi-equity in growing companies active in primary production, agricultural input and service providers, as well as agro- and food- processing. The experienced AFSF managers will take an active role in strategic development, and will get involved in operational matters to compensate eventual weaknesses of the investee companies.

While the fund aims to be commercially successful, it has also equally important social impact goals After closure of AFSF, in ten years it is expected that a minimum of 2,000 jobs will have been created and 14,000 smallholder farmers/Bottom of the Pyramid (BOP) Entrepreneurs will be supported through linkages with AFSF portfolio companies. 50% of all beneficiaries are sought to be women.

Current Status

The CFC has examined all the terms and conditions applicable to join Partnerships of the AFSF. Subject to the successful assessment and negotiations of AFSF's final terms and conditions, the CFC will join AFSF at its second closure. This is envisaged to be completed in the second quarter of 2019.

33 Babban Gona 40,000 Farmer Scale up Project - Nigeria - CFC/2016/09/0125

Submitting Institution	***Babban Gona Farmer Services Limited***
Location	***Nigeria***
Commodity	***Grains***
Total Cost	***USD 20,000,000***
CFC Financing	***USD 1,500,000 (Loan)***
Co-financing	***Entrepreneurial Development Bank (FMO): USD 4,000,000*** ***Nigeria Sovereign Investment Authority (NSIA): USD 9,500,000***

Project Description
Babban Gona is a social enterprise founded in 2012, targeting small holder crop producers organized in farmer cooperatives (trust groups), in the Northern region of Nigeria. Project activities focuses on supporting smallholder farmers in the cultivation of maize (accounting about 85% of total hectare served), rice and soybeans, the key crops grown in the region. Poultry, which uses maize and soybean as feed, is one of the fastest growing food markets. Babban Gona provides smallholder farmers with an integrated package of training on best agricultural practices, a cost-effective supply of farm inputs on credit (seeds, fertilizer etc.), marketing of produce and storage services with the aim to enhance farmers' productivity, market access and household income. Babban Gona expects to expand into 3 new states a total market potential of 10 million active smallholder farmers, organized in 430,700 trust member groups.

Babban-Gona's system is running on farmers Trust-Groups comprising an average of 4 members, typically farming 0.7 ha each. The Trust-Group receives and passes on to its members agricultural inputs (seeds, chemicals, fertilizers) that are cheaper than the market price. This is possible because Babban Gona will pass on its price advantage, achieved by bulk purchase, to the Trust Groups. Under a warehouse receipts program, farmers will be able to delay sale of produce and have the potential to sell at 25 -50% higher prices than selling directly at harvest stage. The additional net income can be used by farmers to invest into household and/or business improving assets triggering a virtuous livelihood development circle. Babban Gona's involvement in both production and storage is an assurance and guarantee of quality, consistency and steady supply for its buyers with whom they reached 100% quality rating score.

Current Status
Since 2017, Babban Gona has been the largest maize producing entity in Nigeria. The company is currently working with 16,080 member farmers across 4,230 Trust-Groups. The net income of the farmers have increased to 2.8 – 3.5 times above the national average over the past years. This increase is accomplished by delivering the integrated package of farm inputs, marketing services and training on credit. Babban Gona employs 97 permanent staff, of which 26% female.

The due diligence was conducted mid-2018. The indicative terms and conditions of the loan are currently at the negotiation stage and are expected to be finalized soon.

34 Good seeds for all farmers project - Burkina Faso CFC/2016/09/0138

Submitting Institution	***National Union of Seed Producers of Burkina (UNPSB)***
Location	***Burkina Faso (LDC)***
Commodity	***Seeds***
Total Cost	***USD 2,974,000***
CFC Financing	***USD 1,487,000 Loan of which (USD 1,000,000 is financed by OPEC Fund for International Development (OFID))***
Co-financing	***USD 1,487,000***

Project Description
The Union of Seed Producers is the umbrella organization bringing together 13 regional producers of high quality seeds that are adapted to the weather and ecology of the country. The Union protects the interests of its 4,000 producer members and ensures the seamless coordination with the national research institute for sourcing seeds and marketing the output on behalf of its members.

The competitive advantage of the Union comes from its status as the only cooperative of certified seed producers in the country. This puts the Union in the position of being the primary link between the research community and the larger farming community. The link is typically made through the government or other NGOs. The Government purchases over 50% of the seed volume produced by the Union.

The project is expected to enhance its financial resources, expand storage capacity and strengthen transport, which will enable the Union to dominate the national and international market for the supply of improved seeds. The CFC loan will be used for new storage capacity, processing and packaging equipment for the 13 regional centers.

Current Status
The Union has acquired land in all 13 regions and is negotiating with equipment suppliers and construction contractors to enhance its capacity. They are also working to obtain more co-financing from local financial institutions.

The term sheet of the CFC loan was signed in October 2017 and an onsite due diligence visit was completed in March 2018. Finalization of the loan agreement is pending confirmation of Government of Burkina Faso support to UNPSB for the project.

35 EcoEnterprises Fund III - CFC/2017/10/0066

Submitting Institution	***EcoEnterprises Fund***
Location	***Latin America***
Commodity	***Partnership***
Total Cost	***USD 100,000,000***
CFC Financing	***USD 1,000,000 (USD 1,000,000 is financed by OPEC Fund for International Development (OFID))***

Project Description

EcoEnterprises III (EcoE III) is an Impact Investing fund that seeks to make investments in Latin American SME's who source raw material from collectors or smallholder farmers for value added processing.. The target sectors are sustainable agriculture, agro-forestry, aquaculture, and wild-harvested forest products. EcoE III seeks to invest in growing companies that cater for the continuing steep increase in demand for organic food products and certified wood in regional markets and foremost the US. In practice, EcoE companies source raw material from these sectors to add value to their 'Fast Moving Consumer Good' products (health drinks, 'healthy' candy bars, baby food, dried fruit, etc.).

EcoE III is expected to make 18 long-term capital investments, size between USD 2 – 6 million, within an average duration of 6 – 8 years. EcoE III fund managers will actively engage in investee company governance, company strategy and growth planning, and will provide technical advisory support, wherever needed. Next to the goal of being commercially successful, EcoE III aims at the creation of at least 5,000 jobs and to connect 25,000 small-scale producers to secure and rewarding markets through their investee companies.

Current Status

After the successful assessment and negotiations of the funds final terms and conditions, the CFC has become a shareholder of EcoE III at its first closure in late 2018. CFC has been assigned a seat in the Funds' Advisory committee for which a first meeting took place in Washington D.C. in December 2018. First investments are scheduled to be made in early 2019.

36 Testing of Fertilizer bio-formulations, India - CFC/2017/10/0069

Submitting Institution	***Tea Board of India***
Location	***India***
Commodity	***Tea***
Total Cost	***USD 2,435,760***
CFC Financing	***USD 1,217,880 (Loan)***
Co-financing	***Tea Board of India: USD 608,940***
	Tea Research Association: USD 304,470
	United Planters Association of Southern India – Tea Research Foundation: USD 304, 470

Project Description

Tea Board of India ('TBI') is a statutory body operating under the Ministry of Commerce and Industry and established in 1954 to promote the cultivation, processing, and domestic trade as well as export of tea. India is one of the largest tea producers of black tea, 65% of its produce comes from large producers and 35% comes from small holder farmers. Compliance to safety norms is of outmost importance, hence the importance of offering testing laboratories to tea small holder producers, the target customers of the project.

Microbial biocides and microbial based biofertilizers requires extensive investigation before field application, which includes survey selection laboratory and field evaluation including environmental safety. Environmental factors like PH, temperature, RH and length of storage and contaminations affects the quality of microbial products. Microbial biocides and biofertilizers are now available in the market which are extensively used by farmers. A well-defined quality control mechanism is not available to check the quality of said microbial products primarily due to the lack of proper testing facilities. Therefore the TBI intends to upgrade two laboratories in the South and North of India.

The CFC funds will be used to finance the upgrade of two testing laboratories for bio-formulations for the tea industry. One in North East India and one in South India. The project will be executed by two research institutes: the Tea Research Association ('TRA') and the United Planters Association of Southern India – Tea Research Foundation ('UPASI-TRF').

Current Status

The CFC and the Tea Board of India have negotiated and signed a non-binding term sheet in November 2017. The terms and conditions of the loan are under active consideration of Government of India and positive outcome is expected in 2019 which will lead to the execution of the project.

37 Scaling Up Acess to Finance for Smallholder Potato Farmers, Malawi - CFC/2017/10/0091

Submitting Institution	***Malawi Enterprise Development Fund Limited***
Location	***Malawi (LDC)***
Commodity	***Potato***
Total Cost	***USD 6,200,000***
CFC Financing	***USD 1,500,000 (Loan)***
Co-financing	***Malawi Enterprise Development Fund: USD 3,200,000*** ***To be identified: USD 1,500,000***

Project Description
The Malawi Enterprise Development Fund (MEDF) seeks funding to finance the growing Malawi potato sector. MEDF plans to assist commercial nucleus potato farmers to enter into contracts with smallholder potato producers and at the same time with reliable commercial off-takers. Potato processors in Malawi frequently encounter difficulties in sourcing sufficient potatoes for their French fries production facilities.

MEDF's key concept is to use potato contracts with commercial food processors, distributors, and commodity traders as collateral for individual loans extended by MEDF to smallholder farmers who supply the potatoes for processing. MEDF plans to extend loans to larger 'nucleus farmers' who are expected to manage potato cultivation of around 100 smallholders in their neighbourhood. With this value chain organization, MEDF seeks to provide loans to a total of 250,000 participating farm households, who are assumed to be able to increase their income by 25% through the integration of potatoes into their cropping system.

MEDF is a microfinance institution and the successor of the government founded Malawi Rural Development Fund (MARDEF). The Government of Malawi will be the borrower of the CFC Loan on behalf of MEDF.

Current Status
MEDF has partnered with the NGO EUCORD to develop an operational business plan and a financial model for the envisaged potato out grower scheme in Malawi. The completion of this planning phase is taking longer than anticipated and is now expected to be completed in 2019, after which the implementation of the project will commence.

38 The conservation of the forest of Ashaninka communities, Peru - CFC/2017/10/0109

Submitting Institution	***The Rainforest Foundation UK***
Location	***Peru***
Commodity	***Cocoa***
Total Cost	***USD 3,200,000***
CFC Financing	***USD 1,500,000***
Co-financing	***Potential investor (to be identified): USD 1,700,000***

Project Description
The project is expected to be implemented in the Peruvian Amazonian, along the river Ene in the Satipo province where the Asháninkas live in 55 communities. The project will target 22 Asháninkas communities with a total of about 500 small holder farmers as final beneficiaries. The project enables direct sale of fine flavour chocolate to premium buyers. Contribution to development of the Asháninka communities by direct sales to cocoa and coffee markets is attractive to Environmental, Social and Governance (ESG) conscious investors. The production will be marketed in Europe, North America and Japan. Currently the main client is an Australian company: Loving Earths ltd.

The project aims to: (i) support the Asháninka cocoa farmers in enhancing the quality and yield per hectare of their produce; (ii) include in the value chain additional 140 smallholder farmers; (iii) support the producer association Kemito Ene in post-harvest, marketing and selling activities; (iv) decrease the deforestation process and keep track of this in a defined area of about 100,000 hectares; and (v) transform the Association Kemito Ene into a cooperative.

The Project will be implemented by the Rainforest UK – the Service Provider – a charity organization based in London, in cooperation with the local farmers association Kemito Ene and Central Asháninka del Rio Ene.

The project will be financed with a Development Impact Bond, where the RFUK is the Service Provider, CFC and Schmidt Family Foundation ('SFF') the Investors, and Inter-American Development Bank ('IADB') and other grants donors are the Commissioners. After approval of the project, the SFF, with a deep heart, withdrew its commitment as project investor, causing significant delays in the project implementation and need for identifying new proponents.

Current Status
The project implementation has registered some delays mainly due to the difficulties of the project implementing agency to attract the needed additional investor/s and grant donor/s to join this exciting endeavor.

39 Formulation and fertilizer distribution for smallholder farmers, Côte d'Ivoire - CFC/2017/10/0111

Submitting Institution	***AGRITEC S.A.***
Location	***Côte d'Ivoire***
Commodity	***Fertilizer***
Total Cost	***Euro 2,003,000***
CFC Financing	***USD 1,100,000 Loan (of which USD 350,000 is financed by OPEC Fund for International Development (OFID))***
Co-financing	***Coris Bank: EUR 530,000***
Counterpart contribution	***EUR 530,000***

Project Description

AGRITEC S.A proposes to build a dry bulk fertilizer blending and packaging station in Yamoussoukro, Côte d'Ivoire. AGRITEC S.A. is a distributor of agriculture inputs (insecticides, herbicides and fungicides) and equipment (irrigation and spraying) systems based in Abidjan. Since its establishment, AGRITEC has introduced new products that helped farmers to increase their productivity. The company's key competitive advantage is its advanced and highly diversified distribution model which allows it to service small and remote customers. AGRITEC has a network of 60 sales outlets across the country reaching up to 300,000 farmers across the country.

The CFC funds are expected to be used for the capital expenditures associated with building the fertilizer blending factory, establishing processing facilities and purchase of logistics equipment.

Current Status

The loan agreement between CFC and AGRITEC has been signed and all conditions for disbursement have been met. The first tranche of the loan was disbursed in the first quarter of 2018. Subsequent disbursements are expected in conformity with the project plan and the developments achieved.

Upon completion of the blending facility, project expects to create 120 new jobs, in the next 7 years. In addition, AGRITEC will reach new customers, providing proper inputs to smallholders who currently do not have access to them. It is expected that the productivity of the smallholders working with AGRITEC's inputs will increase by 38%, resulting in an increase in their incomes. Additionally, the company will introduce and promote the adoption of organic fertilizers and provide technical assistance for its customers.

40 Soybean Processing for Farmer and Market Impact, Rwanda - CFC/2017/10/0123

Submitting Institution	***ProDev Rwanda Ltd.***
Location	***Rwandan (LDC)***
Commodity	***Soybeans***
Total Cost	***USD 3,340,000***
CFC Financing	***USD 1,000,000 Loan (financed by OPEC Fund for International Development (OFID))***
Co-financing	***USD 990,000***
Counterpart Contribution	***USD 1,350,000 (ProDev Rwanda Ltd)***

Project Description

ProDev Rwanda Ltd ('Prodev') is a subsidiary of ProDev Group Holding Company Ltd. The group is the leading buyer, processor and trader of maize in Rwanda processing over 45,000 metric tonnes of maize per annum. In 2016, Prodev started an animal feed plant to meet the demand of its existing poultry customers. The project aims to invest in a new soya processing plant in the Eastern Province of Rwanda (Rwamagana) to produce and sell soya cake for animal feed and soya oil for human consumption.

The project is seeking to innovate Rwanda's soya value chain by creating a vertically integrated 'farm-to-market' solution. The new soya processing plant aims to produce: (i) 12,520 MT of soya cake per annum (80% of production), of which about 50% to be supplied to its own animal feed plant and the remainder to its existing base of poultry customers. (ii) 3,130 MT soya oil (20% of production) to be sold to supermarkets in Rwanda and the neighbouring countries.

Prodev and its subsidiaries have developed into the largest maize producer, trader and processor in Rwanda. Prodev is a sister company of Minimex, owning the largest maize mill in the country and running a joint venture with Heineken's subsidiary in Rwanda. Since its inception in 2006, the group has been running out grower schemes with over 22,000 farmers.

Current Status

The CFC conducted a site visit in February 2018. The assessment and appraisal of the project is currently ongoing and subject to a satisfactory agreement on the final terms and conditions.

Prodev has received an indicative commitment from a strategic equity investor for co-financing the project. CFC is also in contact with the Africa Guarantee Fund to discuss the possibility for a 50% guarantee on the loan. The project is mainly dependent on a successful outcome of the negotiations with the strategic equity investor, confirmation of the same is expected soon.

41 Integrated Lime Production In Bahia - Brazil - CFC/2017/11/0005

Submitting Institution	***Jan Stap BV***
Location	***Brazil***
Commodity	***Citrus Fruit***
Total Cost	***USD 3,600,000***
CFC Financing	***USD 1,200,000 (Loan)***
Counterpart Contribution	***USD 2,400,000***

Project Description

The Project aims at establishing an agricultural production base of limes in the municipality of Pojuca, in Bahia State, Brazil. The sponsor of the Project and potential CFC Borrower, Jan Stap BV ('the Company'), is a well-established import and export company based in The Netherlands and is commercializing fruits and vegetables imported from Brazil to Europe. Jan Stap BV is the largest company within the Torres Group ('The Group'), owned by the entrepreneur. The Group operates through two companies in Brazil and one in The Netherlands. The existing logistic and commercialization activities of the Group includes six collection, processing and packaging centres in Brazil. The Group intends to enter the production business with the goal of vertically integrating and controlling its supply chain. The limes are produced in Brazil with the goal to collect, store, transport and distribute the same in Europe and world- wide by Jan Stap BV. The control over the whole value chain will enable the Company to apply and obtain the Fair Trade and Global Good Agricultural Practices (GAP) Certification.

Total area is 300 hectares, of which 52 hectares cultivated in 2018. The first harvest is estimated for the year 2020.

The development impact of the project would be achieved mainly through economic inclusion and stable employment for 50 farmers in one of the poorest municipality of Brazil. This will contribute to poverty alleviation and creation of sustainable livelihoods. Moreover, the project will create additional jobs along the value chain in the processing and logistic activities.

Current Status

The loan agreement between the CFC and Jan Stap BV was signed in December 2018 and the first tranche of EUR 500,000 was disbursed after the signature of the loan agreement.

Photo: R. Grisolia

Photo: CFC

IV

30th Meeting of the **Governing Council**

The Common Fund for Commodities (CFC) held its 30th Annual Meeting of the Governing Council (GC) in The Hague, the Netherlands, from 6 to 7 December 2018. Mr. Denis S. Ulin, Governor of Common Fund for Commodities for The Russian Federation, opened the Meeting in his capacity as Chairperson of the Governing Council. He welcomed all Members of the Council as well as the representatives of international organizations. Mr. Parvindar Singh, Managing Director of the CFC, delivered a statement on the activities of the Common Fund during 2018.

The Governing Council welcomed Mr. Erdenetsogt Odbayar, the Executive Director of the International Think Tank for Landlocked Developing Countries. In his statement, Mr. Odbayar pointed out the importance of opportunities created by commodity value chains in supporting the development of Landlocked developing countries.

The Governing Council

The Agenda of the meeting was adopted. As is the custom for the Annual Meeting, twelve national delegations delivered national statements, including a statement on behalf of the OECD group, delivered by the representative of Germany. Further, the International Bamboo and Rattan Organization (INBAR) delivered its statement to the Governing Council as Observer.

The Governing Council was informed that the inaugural meeting of the Common Fund for Commodities was held in July 1989 and CFC became operational in September 1989. In 2019 the CFC will have completed 30 years of its operational existence. Previously, on the occasion of the 20th anniversary of the CFC, a one-day event was organized to review the achievements and looked into future challenges where the CFC could be expected to act effectively in the interest of its Member countries. A similar event will be organized back-to-back with the next meeting of the Governing Council, in December 2019.

The occasion of the 30th Anniversary of the CFC will be a great opportunity for the key stakeholder groups of the CFC to discuss what strategies and instruments the Fund needs to develop for its future work and to maintain its central role in supporting activities which promote the contribution of the commodity sector to achieving the Sustainable Development Goals (SDGs) in its member countries.

Photo: CFC

The Governing Council considered the *"Extension of the date of Entry into Force of the Amendments to the Agreement Establishing the Common Fund for Commodities"* and decided to extend the date of entry into force of the amendments to the Agreement to 10 January 2020 with the possibility of a further extension to be granted by the Council at its Thirty-First Annual Meeting, as recommended by the Executive Board. The Governing Council also decided to extend the date of entry into force of a number of new documents, and amendments to existing documents, of the "Second Level" to the same date, 10 January 2020.

The Governing Council took note of the report on the Fund's activities under the First Account Net Earnings Programme and under the Second Account during the year 2018. The Governing Council approved the Administrative Budget for 2019 and the 2017 Audited Financial Statements.

Chairperson and Vice-Chairpersons of the Governing Council for the Year 2019

The Governing Council, by consensus, re-elected Mr. Denis S. Ulin of The Russian Federation as Chairperson for the period up to and including the Thirty-First Annual Meeting of the Governing Council.

The Chairperson and Vice-Chairpersons of the Governing Council for the year 2019 are as follows:

Chairperson for 2019

Mr. Denis S. Ulin (Russian Federation)

Vice-Chairpersons for 2019

African Region Group: Mr. Nagi Iskander Awad Masoud (Sudan)
Asian and Pacific Region Group: H.E. Mr. Lok Bahadur Thapa (Nepal)
China: Mr. Guosheng Zhang
Latin American and Caribbean Region Group: Mr. Alejandro Mitri (Argentina)
OECD Group: Ms. Eva Oskam (The Netherlands)
Russian Federation: Ms. Irina Medvedeva

Photo: CFC

V

Financial Reports

Balance Sheet - First Account, as of 31 December 2018 (expressed in USD & SDR) after profit distribution

	2018 USD	2017 USD	2018 SDR	2017 SDR
ASSETS				
Cash and Cash equivalents				
Cash in Bank	10,640,400	15,434,600	7,650,600	10,837,900
Time Deposits	1,762,900	1,866,900	1,267,600	1,310,900
	12,403,300	**17,301,500**	**8,918,200**	**12,148,800**
Investments				
Debt Securities	66,910,600	65,820,000	48,109,800	46,217,700
Participations in Investment Funds	5,145,300	5,771,500	3,699,600	4,052,600
	72,055,900	**71,591,500**	**51,809,400**	**50,270,300**
Promissory Notes	**34,390,900**	**36,058,200**	**24,727,600**	**25,319,500**
Amounts Receivable From Members				
Amounts Receivable From Members	11,932,200	12,444,100	8,579,400	8,738,000
Provision For Overdue Members Capital Subscription	-11,046,700	-11,516,900	-7,942,800	-8,087,000
	885,500	**927,200**	**636,600**	**651,000**
Prepayments	**156,800**	**136,200**	**112,700**	**95,600**
Other Receivables				
Accrued Income on Investments	624,200	606,000	448,800	425,500
Recoverable Taxes on Goods & Services	101,000	32,400	72,600	22,800
Other receivables	2,031,200	64,800	1,460,500	45,500
	2,756,400	**703,200**	**1,981,900**	**493,800**
Total Assets	**122,648,800**	**126,717,800**	**88,186,400**	**88,979,000**
LIABILITIES AND EQUITY				
Liabilities				
Accrued Liabilities	934,800	817,300	672,100	573,700
Payable to EU/EC	0	1,700	0	1,200
Turkey settlement	156,600	156,600	112,600	110,000
Luxembourg settlement	647,400	647,400	465,500	454,600
	1,738,800	**1,623,000**	**1,250,200**	**1,139,500**
Capital Subscriptions & Accumulated Surplus				
Paid-in-Shares of Directly Contributed Capital	103,583,000	105,292,000	74,477,800	73,934,300
Net Earnings Programme	16,685,000	17,516,700	11,996,800	12,299,900
Accumulated Surplus	642,000	2,286,100	461,600	1,605,300
	120,910,000	**125,094,800**	**86,936,200**	**87,839,500**
Total Equity and Liabilities	**122,648,800**	**126,717,800**	**88,186,400**	**88,979,000**

Balance Sheet - Second Account, as of 31 December 2018 (expressed in USD & SDR) after profit distribution

	2018 USD	2017 USD	2018 SDR	2017 SDR
ASSETS				
Cash and Cash equivalents				
Cash in bank	11,572,400	7,853,400	8,320,700	5,514,500
Time Deposits	3,627,500	6,402,000	2,608,200	4,495,400
	15,199,900	**14,255,400**	**10,928,900**	**10,009,900**
Investments				
Debt Securities	61,425,100	65,699,000	44,165,600	46,132,700
Participation in Investment Funds	595,000	314,000	427,800	220,500
	62,020,100	**66,013,000**	**44,593,400**	**46,353,200**
Promissory Notes	**5,541,300**	**5,802,100**	**3,984,300**	**4,074,100**
Amounts Receivable From Members				
Amounts Receivable From Members	354,500	371,200	254,900	260,700
Provision For Overdue Members Capital Subscription	-354,500	-371,200	-254,900	-260,700
	0	**0**	**0**	**0**
Loans				
Loan Receivable	10,033,700	5,772,100	7,214,400	4,053,100
Provision for Overdue Loan	-1,834,500	-1,309,500	-1,319,000	-919,500
	8,199,200	**4,462,600**	**5,895,400**	**3,133,600**
Other Receivables				
Accrued Income on Investments	1,053,400	846,500	757,400	594,400
Receivable from Dutch Trust Fund	0	230,000	0	161,500
Other Receivables	400	20,300	300	14,300
	1,053,800	**1,096,800**	**757,700**	**770,200**
Total Assets	**92,014,300**	**91,629,900**	**66,159,700**	**64,341,000**
LIABILITIES AND EQUITY				
Liabilities				
Turkey Settlement	234,900	234,900	168,900	164,900
Belgium Settlement	360,900	377,900	259,500	265,400
Luxembourg Settlement	76,700	77,700	55,100	54,600
Payable to Dutch Ministry	867,600	1,482,900	623,800	1,041,300
Payable to EU/EC	0	469,900	0	330,000
Other Payables	1,459,100	64,800	1,049,100	45,500
	2,999,200	**2,708,100**	**2,156,400**	**1,901,700**
Capital Subscriptions and Accumulated Surplus				
Paid-in-Shares of Directly Contributed Capital	24,935,800	25,195,500	17,929,200	17,691,900
Accumulated Surplus	64,079,300	63,726,300	46,074,100	44,747,400
	89,015,100	**88,921,800**	**64,003,300**	**62,439,300**
Total Equity and Liabilities	**92,014,300**	**91,629,900**	**66,159,700**	**64,341,000**

Income Statement for the period 1 January to 31 December 2018 – First Account (expressed in USD & SDR)

	2018 USD	2017 USD	2018 SDR	2017 SDR
Income				
Net Income from Investments	1,823,400	2,085,800	1,287,700	1,507,100
Other Income	1,680,800	253,200	1,186,900	182,900
Unrealized (loss)/gain on participations in investment funds	-643,900	-784,600	-454,700	-566,900
Realized Exchange (loss)/gain on Operations	-10,100	0	-7,100	0
Unrealized Exchange (loss)/gain on translation of Balance Sheet items	-2,055,300	4,239,300	-1,451,400	3,063,000
Total Income	**794,900**	**5,793,700**	**561,400**	**4,186,100**
Expenses				
Staff Salaries & Benefits	2,341,400	2,286,700	1,653,500	1,652,200
Operational Expenses	341,900	315,900	241,400	228,200
Meeting Costs	176,000	188,100	124,300	135,900
Premises Costs	208,900	242,800	147,500	175,400
Legal and Due Diligence Facility	14,700	0	10,400	0
Total Expenses	**3,082,900**	**3,033,500**	**2,177,100**	**2,191,700**
NETT (LOSS)/PROFIT	**-2,288,000**	**2,760,200**	**-1,615,700**	**1,994,400**
Statement of Comprehensive Income				
(Loss)/Profit for the year	-2,288,000	2,760,200	-1,615,700	1,994,400
Items that will not be reclassified to profit and loss	-1,708,300	4,380,200	-1,206,400	3,164,800
Items that will be reclassified to profit and loss	-61,600	-10,100	-43,500	-7,300
Total comprehensive income for the year	**-4,057,900**	**7,130,300**	**-2,865,600**	**5,151,900**

Income Statement for the period 1 January to 31 December 2018 - Second Account (expressed in USD & SDR)

	2018 USD	2017 USD	2018 SDR	2017 SDR
Income				
Net Income from Investments	2,005,000	1,968,900	1,415,900	1,422,600
Income from Loans	491,500	242,900	347,100	175,500
Voluntary Contribution in cash	126,900	0	89,600	0
Contribution DTF I	385,000	750,000	271,900	541,900
Realized Exchange (loss)/gain on Operations	6,800	3,700	4,800	2,700
Unrealized (loss)/gain on Investment Funds	-19,400	-13,000	-13,700	-9,400
Unrealized Exchange (loss)/gain on translation of Balance Sheet items	-456,100	904,100	-322,100	653,200
Total Income	**2,539,700**	**3,856,600**	**1,793,500**	**2,786,500**
Expenses				
Project Payments	212,800	1,410,300	150,300	1,019,000
Administration Fee on Investment Portfolio	1,448,900	0	1,023,200	0
Provision for overdue loans	525,000	132,300	370,700	95,600
Total Expenses	**2,186,700**	**1,542,600**	**1,544,200**	**1,114,600**
NETT (LOSS)/PROFIT	**353,000**	**2,314,000**	**249,300**	**1,671,900**
Statement of Comprehensive Income				
(Loss)/Profit for the year	353,000	2,314,000	249,300	1,671,900
Items that will not be reclassified to profit and loss	-259,700	699,700	-183,400	505,600
Items that will be reclassified to profit and loss	0	0	0	0
Total comprehensive income for the year	**93,300**	**3,013,700**	**65,900**	**2,177,500**

Directly Contributed Capital, as at 31 December 2018 (USD)

	First Account			Second Account		
	Outstanding Constibutions	Payments		Outstanding Constributions	Payments	
		Cash	Promissory Notes		Cash	Promissory Notes
Afghanistan	0	399,412	375,974	0	0	0
Algeria	0	862,744	0	0	0	0
Angola	0	61,786	0	0	339,823	418,942
Argentina	0	0	386,687	0	635,460	45,182
Bangladesh	145,376	95,062	0	0	308,154	358,070
Benin	5,013	344,491	358,070	0	0	0
Bhutan	0	3,424	3,581	0	338,969	354,489
Botswana	5,013	344,491	358,070	0	0	0
Brazil	0	1,692,815	0	0	701,208	0
Bulgaria	761,993	284,202	0	0	0	0
Burkina Faso	5,013	344,491	358,070	0	0	0
Burundi	0	34,239	35,807	0	308,154	322,263
Cameroon	0	990,853	0	0	0	0
Cape Verde	0	342,393	358,070	0	0	0
Central African Republic	10,025	346,588	358,070	0	0	0
Chad	15,039	364,254	358,070	0	0	0
China	0	3,807,113	3,978,156	0	0	0
Colombia	0	1,060,568	0	0	0	0
Comoros	0	342,393	358,070	0	0	0
Congo	1,083,907	0	0	0	0	0
Dem. Republic of Congo (Zaire)	0	1,213,098	0	0	0	0
Costa Rica	0	833,938	0	0	0	0
Côte d'Ivoire	46	1,273,830	0	0	0	0
Cuba	0	291,399	304,402	0	393,960	302,620
Denmark	0	599,933	409,632	0	718,430	0
Djibouti	0	388,206	358,070	0	0	0
Ecuador	0	126,968	0	0	699,028	0
Egypt	0	616,445	526,363	0	0	0
Equatorial Guinea	0	734,443	0	0	0	0
Eswatini (former Swaziland)	0	94,101	372,391	0	262,885	0
Ethiopia	40,104	187,975	179,035	0	171,197	179,035
Finland	0	586,004	612,299	0	154,611	26,472
Gabon	312,624	455,118	0	0	0	0
Gambia	10,026	346,588	358,070	0	0	0
Germany	0	5,954,753	6,158,801	0	657,485	99,845
Ghana	0	1,085,935	0	0	0	0
Greece	0	347,901	358,070	0	0	0
Guatemala	0	423,346	0	0	408,621	0
Guinea	25,065	13,911	3,581	0	338,969	354,489
Guinea-Bissau	0	342,393	358,070	0	0	0
Haiti	15,039	348,685	358,070	0	0	0
Honduras	39,388	37,758	0	354,489	339,823	0
India	0	370,828	383,135	0	560,088	92,943
Indonesia	0	449,328	118,163	0	579,573	137,777
Iraq	1	878,501	0	0	0	0
Ireland	0	3,455	3,581	0	615,094	106,716
Italy	0	2,558,455	2,671,201	0	612,520	117,606
Jamaica	0	48,056	50,130	0	612,816	128,697
Kenya	0	906,469	0	0	0	0
Dem. People's Republic of Korea	744,785	0	0	0	0	0
Republic of Korea	0	517,919	540,685	0	0	0
Kuwait	0	941,579	0	0	0	0
Lao People's Dem. Republic	0	387,130	361,651	0	0	0
Lesotho	0	342,393	358,070	0	0	0

Directly Contributed Capital, as at 31 December 2018 (USD)

	First Account			Second Account		
	Outstanding Constibutions[1]	Payments		Outstanding Constributions[1]	Payments	
		Cash	Promissory Notes		Cash	Promissory Notes
Madagascar	0	48,209	0	0	703,374	0
Malawi	15,039	348,685	0	0	0	358,070
Malaysia	0	832,788	888,013	0	0	0
Maldives	0	34,239	0	0	308,154	358,070
Mali	15,039	40,531	35,807	0	308,154	322,263
Mauritania	40,104	395,774	358,070	0	0	0
Mexico	0	170,697	0	0	770,650	154,443
Morocco	0	471,279	3,581	0	375,021	132,195
Mozambique	0	439,549	337,696	0	0	0
Myanmar	20,052	342,665	360,934	0	0	0
Nepal	5,013	310,251	322,263	0	34,239	35,807
Netherlands	0	752,209	1,539,700	0	730,118	0
Nicaragua	0	98,166	0	0	653,459	0
Niger	5,013	344,491	0	0	0	358,070
Nigeria	0	124,171	125,324	0	624,220	96,641
Norway	0	347,901	368,812	0	608,489	101,422
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	105,506
Russian Federation	6,678,002	6,368,048	0	0	0	0
Rwanda	15,039	348,685	358,070	0	0	0
Samoa	0	342,393	358,070	0	0	0
Sao Tome and Principe	0	734,443	0	0	0	0
Saudi Arabia	0	360,373	375,973	0	0	0
Senegal	0	959,157	0	0	0	0
Sierra Leone	15,039	348,685	358,070	0	0	0
Singapore	0	227,143	239,907	0	411,896	63,390
Somalia	363,083	344,491	0	0	0	0
Spain	0	2,547,890	0	0	619,883	0
Sri Lanka	0	422,309	444,007	0	0	0
Sudan	120,311	290,011	250,649	0	102,718	107,421
Sweden	0	874,180	945,304	0	640,618	102,324
Syrian Arab Republic	0	916,910	0	0	0	0
United Republic of Tanzania	65,169	198,462	179,035	0	171,197	179,035
Thailand	0	485,578	490,556	0	0	0
Togo	0	763,530	0	0	0	0
Trinidad & Tobago	0	680,870	0	0	0	0
Tunisia	0	959,840	0	0	0	0
Uganda	90,234	380,145	358,070	0	0	0
United Arab Emirates	1,062,861	0	0	0	0	0
United Kingdom	0	3,166,031	2,846,677	0	664,193	0
Venezuela	0	878,775	0	0	0	0
Yemen	10,026	688,981	716,140	0	0	0
Zambia	193,745	912,100	0	0	0	0
Zimbabwe	0	725,106	0	0	0	0
TOTAL	**11,932,226**	**68,306,642**	**34,390,888**	**354,489**	**19,415,954**	**5,519,804**

[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 2018 (USD)

	Pledge (3rd 5YAP)		Payments Cash up to 31 Dec. 2017	Payments Cash 2018	Payments Total 31 Dec. 2018	
Country	Currency	USD[1]	USD	USD	USD	SDR
Austria[3]	USD	2,000,000	2,000,000	0	2,000,000	1,438,032
Belgium[3]	EUR	3,000,000	3,235,542	0	3,235,542	2,326,406
Cameroon	USD	0	7,994	0	7,994	5,748
China	USD	2,000,000	2,000,000	0	2,000,000	1,438,032
Denmark	DKR	2,270,154	794,987	0	794,987	571,609
Ecuador	USD	0	45,311	0	45,311	32,580
Finland	USD	2,000,000	2,011,089	0	2,011,089	1,446,005
France[3]	USD	15,000,000	2,385,648	0	2,385,648	1,715,318
Germany	USD	22,549,790	22,549,790	0	22,549,790	16,213,655
India	USD	5,000,000	5,000,000	0	5,000,000	3,595,079
Indonesia	USD	1,000,000	1,000,201	0	1,000,201	719,160
Ireland	USD	250,000	250,000	0	250,000	179,754
Italy	USD	15,000,000	14,999,999	0	14,999,999	10,785,236
Japan[3]	USD	27,000,000	32,231,940	0	32,231,940	23,175,275
Luxembourg[3]	USD	150,000	149,989	0	149,989	107,845
Madagascar	USD	8,643	8,616	0	8,616	6,195
Malaysia	USD	1,000,000	999,922	0	999,922	718,960
Netherlands	USD	17,000,000	19,560,207	0	19,560,207	14,064,098
Nigeria	USD	150,000	150,000	0	150,000	107,852
Norway	USD	22,490,000	22,446,462	0	22,446,462	16,139,361
OPEC Fund (Second Account)	USD	45,400,000	28,250,000	126,867	28,376,867	20,403,416
OPEC Fund (First Account)	USD	1,000,000	1,000,000	-126,867	873,133	627,796
Papua New Guinea	USD	0	70,055	0	70,055	50,371
Republic of Korea	USD	300,000	300,000	0	300,000	215,705
Singapore	USD	250,000	250,000	0	250,000	179,754
Sweden	USD	2,345,996	2,345,996	0	2,345,996	1,686,808
Switzerland[3]	USD	6,000,000	3,000,000	0	3,000,000	2,157,047
Thailand	USD	1,000,000	1,000,000	0	1,000,000	719,016
United Kingdom[2]	STG	5,420,979	7,399,909	0	7,399,909	5,320,652
		199,585,562	175,443,658	0	175,443,658	126,146,765

[1] *Amounts pledges have been converted to USD equivalent using the IMF rates of 31/12/18*

[2] *Payment of MOU of GBP 4,270,000 received considered as contribution under Article 18.1.(e)*

[3] *Not a member of CFC*

2018 Administrative Budget, Summary

Item	Approved Administrative Budget 2018	
	USD	EUR
Staff Costs	2.436.400	2.235.300
Operational Costs	604.300	554.400
Meeting Costs	216.800	198.800
Contingency	10.900	10.000
TOTAL	3.268.400	2.998.500

To: the Governing Council of the Common Fund for Commodities

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REPORT OF THE INDEPENDENT AUDITOR ON THE ABBREVIATED FINANCIAL REPORTS

Our opinion

The summary financial statements 2018 (hereafter: 'the abbreviated financial reports') of the First Account and Second Account of the Common Fund for Commodities, based in Amsterdam, is derived from the audited financial statements 2018 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 2018 of the First Account and Second Account of the Common Fund for Commodities.

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 21, 2019.

The audited financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited financial statements 2018 of the First Account and Second Account of the Common Fund for Commodities in our auditor's report of June 21, 2019.

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 2018 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".

Grant Thornton

Amsterdam, June 21, 2019

Grant Thornton Accountants and Adviseurs B.V.

Drs. P.N. van Vuure RA

--this document is signed digitally--

Photo: ©FAO/Ishara Kodikara

Annex I

Governors and Alternate Governors as of 31 December 2018

Chairperson of the Governing Council during 2018:

Mr. Denis S. Ulin (Russian Federation)

Vice-Chairpersons:

Africa: Mr. Nagi Iskander Awad Masoud (Sudan)

Asia and Pacific: H.E. Mr. Shujjat Ali Rathore (Pakistan)

China: Mr. Guosheng Zhang

Latin America and the Caribbean: Mr. Alejandro Mitri (Argentina)

OECD: Ms. Anna Tofftén (Sweden)

Russian Federation: Ms. Irina Medvedeva

Country	Governor	Alternate Governor
Afghanistan	c/o H.E. Ms. Suraya Dalil	-
Algeria	c/o Ambassador	Mr. Rafik Kessai
Angola	Mr. Sebastião de Sousa e Santos Júnior	-
Argentina	H.E. Mr. Héctor Horacio Salvador	Mr. Alejandro Mitri
Bangladesh	Mr. Shubhashish Bose	H.E. Mr. Sheikh Mohammed Belal
Benin	H.E. Mr. Zacharie Richard Akplogan	Mr. Stephane Beria
Bhutan	H.E. Mr. Kinga Singye	Mr. Sangay Phunthso
Botswana	H.E. Mr. Samuel Otsile Outlule	Mr. Boipolelo Khumomatlhare
Brazil	Mr. Petro Miguelda Costa e Silva	Mr. Leonardo Luis Gorgulho Nogueira Fernandes
Bulgaria	Mr. Petar Dimitrov	-
Burkina Faso	H.E. Ms. Jacqueline Marie Zaba-Nikiema	Mr. Christian Somda
Burundi	Mr. Jean-Marie Niyokindi	Ms. Gentille Gahinyuza
Cabo Verde	Minister for Foreign Affairs	-
Cameroon	Mr. Luc Magloire Mbarga Atangana	H.E. Ms. Odette Melono
Central African Republic	c/o Ministre Chargé du Développement du Monde Rural	Ms. Gertrude Zouta
Chad	c/o Ministre du Commerce; de l'Industrie et de l'Artisanat	Mr. Daouda Tabanda
China	Ms. Liang Hong	Mr. Guosheng Zhang
Colombia	Mr. Juan José Páez Pinzón	Ms. Jenny Sharine Bowie Wilches
Comoros	c/o Secrétaire Général du Ministère	-
Democratic Republic of the Congo	c/o H.E. Mr. Zénon Mukongo Ngay	-
Congo	Mr. François Bossolo	-
Costa Rica	H.E. Mr. Sergio Ugalde Godinez	Mr. Jorge Sauma Aguilar
Côte d'Ivoire	Mr. Mamadou Sangafowa Coulibaly	Mr. Aly Toure
Cuba	Mr. William Díaz Menéndez	Mr. Carlos Fidel Martín Rodríguez
Denmark	Ministry of Foreign Affairs	-
Djibouti	Ministry of Trade and Industry	-
Ecuador	H.E. Mr. Fernando Xavier Bucheli Vargas	-
Egypt	H.E. Mr. Amgad Abdel Ghaffar	Ms. Amany Fahmy
Equatorial Guinea	c/o H.E. Mr. Carmelo Nvonno Nca	c/o Director General de Comercio
Eswatini	Mr. Andreas M. Hlophe	-
Ethiopia	H.E. Mr. Abay Woldu Hagos	Mr. Zelalem Birhan Alemu
Finland	Mr. Mika Vehnämäki	-
Gabon	Mr. Fidèle Mengue M'engouang	Mr. Bertrand Rubens Matteya
Gambia	H.E. Ms. Teneng Mba Jaiteh	Mr. Assan Faal
Germany	Ms. Andrea Jünemann	Mr. Holger Rapior
Ghana	Hon. Dr. Ekwow Spio-Garbrah	H.E. Ms. Sofia Horner-Sam
Greece	Mr. Dimitrios Koutsis	Ms. Trisevgeni Lianou
Guatemala	H.E. Mr. Eduardo Sperisen Yurt	Ms. Debora Maria Cumes Mariscal

Country	Governor	Alternate Governor
Guinea	Hadja Zénab Diallo	Mr. Mohamed Camara
Guinea-Bissau	c/o Embassy of Guinea-Bissau, Brussels	-
Haiti	Mr. Hervey Day	H.E. Mr. Pierre André Dunbar
Honduras	Mr. Jacobo Paz Bodden	Mr. José Adalberto Sorto
India	Mr. Santosh Kumar Sarangi	H.E. Mr. Venu Rajamony
Indonesia	Mr. Febrian A. Ruddyard	Mr. Parjiono
Iraq	Mr. Kadhim M. Jawad Al-Hasani	Mr. Munther Abdulameer Asad
Ireland	H.E. Mr. Kevin Kelly	-
Italy	Ms. Natalia Sanginiti	-
Jamaica	Honourable Audley Shaw	H.E. Ms. Cheryl Spencer
Kenya	H.E. Mr. Lawrence N. Lenayapa	Ms. Rose J. Sumbeiywo
Democratic People's Republic of Korea	c/o Mr. Kim Myong Hyok	Mr. Sok Jong Myong
Republic of Korea	Mr. Dongyeon Kim	Mr. Juyeol Lee
Kuwait	c/o H.E. Mr. Abdul Rahman Al-Otaibi,	-
Laos	Mr. Somphong Soulivanh	H.E. Mr. Khamkheuang Bounteum
Lesotho	Honourable Maphono Khaketla	-
Madagascar	H.E. Ms. Véronique Resaka	Mr. Eric Beantanana
Malawi	H.E. Mr. Tedson Aubrey Kalebe	Mr. Mike Jamu Mwanyula
Malaysia	Datuk Zurinah Pawanteh	Mr. Sutekno Ahmad Belon
Maldives	c/o Mr. Abdul Samad Abdulla	Mr. Abdulla Salih
Mali	Ambassador	c/o Ministre Conseiller
Mauritania	Mr. Mohamed Ould Hitt	Mr. Mohamed Moctar Alaoui
Mexico	Mr. José Antonio Gonzalez Anaya	Mr. Luis Videgaray Caso
Morocco	H.E. Mr. Abdelouahab Bellouki	Mr. Mohamed Abdennasser Achachi
Mozambique	Ms. Cerina Banú Mussá	Mr. Joao José Macaringue
Myanmar	Mr. Tin Naing Thein	Ms. Myo Nwe
Nepal	H.E. Mr. Lok Bahadur Thapa	Mr. Sudhir Bhattarai
Netherlands	Ms. Eva Oskam	Mr. Marc Mazairac
Nicaragua	Mr. Orlando Solórzano Delgadillo	H.E. Mr. Carlos J. Argüello Gómez
Niger	c/o Cadre de la Direction du Commerce Extérieur	-
Nigeria	Mr. Edet Sunday Akpan	H.E. Mr. Oji N. Ngofa
Norway	Ms. Torun Dramdal	-
Pakistan	H.E. Mr. Shujjat Ali Rathore	Mr. Syed Mahmood Hassan
Papua New Guinea	Mr. William Dihm	c/o Mr. Peter Bagara
Peru	H.E. Mr. Carlos Herrera Rodríguez	Ms. Francis Natalie Chávez Aco
Philippines	H.E. Mr. Jaime Victor B. Ledda	Mr. José I.C. Laquian
Portugal	Mr. Mário Centeno	Mr. José Carlos Azevedo Pereira
Russian Federation	Mr. Denis S. Ulin	Ms. Irina Medvedeva
Rwanda	Mr. Michael M. Sebera	Ms. Peace Basemera
Samoa	c/o Deputy Prime Minister	-
Sao Tome and Principe	Minister for Foreign Affairs	-
Saudi Arabia	Mr. Ahmad S. Alteraifi	Mr. Saeid M. Alkahtani
Senegal	H.E. Mr. Momar Gueye	Mr. Joseph Bentaux
Sierra Leone	Ms. Isatu Haja Kabba	Mr. Charles Mereweather-Thompson
Singapore	H.E. Ms. Yee Woan Tan	-
Somalia	c/o H.E. Ms. Faduma Abdullahi Mohamud	-
Spain	Ms. Eulalia Ortíz Aguilar	Ms. Mara Pidal Ladrón de Guevara
Sri Lanka	Ms. Sonali Wijeratne	H.E. Mr. Adam M.J. Sadiq
Sudan	H.E. Mr. Kamal Bashir Ahmed	Mr. Nagi Iskander Awad Masoud
Sweden	Ms. Anna Tofftén	-
Syrian Arab Republic	Deputy Minister of Economy and Trade	-
Thailand	Ms. Doojduan Sasanavin	Mr. Vinaroj Supsongsuk
Togo	H.E. Mr. Kokou Nayo M'Béou	Mr. Kodjovi Védomé Afokpa
Trinidad & Tobago	Senator the Honourable Clarence Rambharat	Ms. Lydia Jacobs
Tunisia	H.E. Ms. Elyes Ghariani	Ms. Faten Bahri
Uganda	Ms. Elizabeth Tamale	H.E. Ms. Mirjam Blaak Sow
United Arab Emirates	c/o H.E. Mr. Saeed Ali Alnowais	-
United Kingdom of Great Britain and Northern Ireland	Mr. Andrew McCoubrey	-

Country	Governor	Alternate Governor
United Republic of Tanzania	Permanent Secretary	H.E. Ms. Irene F.M. Kasyanju
Venezuela	Mr. Félix Plasencia González	H.E. Ms. Haifa Aissami Madah
Yemen	H.E. Ms. Sahar Mohammed Abduljabbar Ghanem	Mr. Abdahmed Saleh Mohammed Yaffai
Zambia	Ambassador	Mr. Musenge Mukuma
Zimbabwe	Ms. Abigail Shonhiwa	H.E. Mr. Tadeous Tafirenyika Chifamba
Andean Community	c/o Mr. Walker San Miguel Rodríguez	-
African Union (AU)	c/o Ms. Tarana Loumabeka	Director for Trade and Industry
Caribbean Community (CARICOM)	Amb. Irwin LaRocque	Ms. Desiree Field-Ridley
Common Market for Eastern and Southern Africa (COMESA)	Mr. Sindiso Ndema Ngwenya	Mr. E.A. Mohammed
East African Community (EAC)	Amb. Richard Sezibera	Director for Trade
Economic Community of West African States (ECOWAS)	c/o Mr. James Victor Gbeho	-
European Union (EU)	Mr. Regis Meritan	Mr. Michel de Knoop
Southern African Development Community (SADC)	c/o Ms. Stergomena Lawrence Tax	-
West African Economic and Monetary Union (WAEMU/UEMOA)	c/o Mr. Cheikhe Hadjibou Soumare	-

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Annex II

Member States, Institutional Members and Votes as of 31 December 2018

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	X
Botswana	Africa	347	
Brazil	LAC	1,024	
Bulgaria	Europe	417	
Burkina Faso	Africa	347	X
Burundi	Africa	343	X
Cameroon	Africa	389	
Cape 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	
Cuba	LAC	584	
Democratic Rep. of 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	
Korea, Dem. People's Rep. of	Asia	355	
Korea, Republic of	Asia	490	
Kuwait	Asia	351	
Lao People's Dem. Rep.	Asia	345	X
Lesotho	Africa	343	X
Madagascar	Africa	360	X

Country	Region	No. of votes	LDC
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	
Russian Federation	Europe	4,257	
Rwanda	Africa	351	X
Samoa	Asia	343	
Sao Tome and Principe	Africa	345	X
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	
Tanzania	Africa	380	X
Thailand	Asia	449	
Togo	Africa	358	X
Trinidad & Tobago	LAC	353	
Tunisia	Africa	380	
Uganda	Africa	395	X
United Arab Emirates	Asia	347	
United Kingdom	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

Andean Community (CAN) - Lima, Peru
African Union (AU) - Addis Ababa, Ethiopia
Caribbean Community (CARICOM) - Greater Georgetown, Guyana
Common Market for Eastern & Southern Africa (COMESA) - Lusaka, Zambia
East African Community (EAC) - Arusha, Tanzania
European Union (EU) - Brussels, Belgium
Economic Community of West African States (ECOWAS) - Abuja, Nigeria
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)
2 International Coffee Organization (ICO)
3 International Copper Study Group (ICSG)
4 International Cotton Advisory Committee (ICAC)
5 International Grains Council (IGC)
6 International Lead and Zinc Study Group (ILZSG)
7 International Bamboo and Rattan Organisation (INBAR)
8 International Nickel Study Group (INSG)
9 International Olive Council (IOC)
10 International Rubber Study Group (IRSG)
11 International Sugar Organization (ISO)
12 International Tropical Timber Organization (ITTO)
13 FAO - Intergovernmental Sub-Group on Bananas
14 FAO - Intergovernmental Sub-Group on Tropical Fruits
15 FAO - Intergovernmental Group on Citrus Fruit
16 FAO - Intergovernmental Sub-Committee on Fish Trade
17 FAO - Intergovernmental Group on Grains
18 FAO - Intergovernmental Group on Hard Fibres
19 FAO - Intergovernmental Group on Meat and Dairy Products
20 FAO - Intergovernmental Sub-Group on Hides and Skins
21 FAO - Intergovernmental Group on Oils, Oilseeds and Fats
22 FAO - Intergovernmental Group on Rice
23 FAO - Intergovernmental Group on Tea

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 Developpement Integré de la Region du Liptako-Gourma
5 Food and Agricultural Organization of the United Nations (FAO)
6 Grupo de Paises Latino Americanos y del Caribe Export Adores de Azucar (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 Economico 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)

Abbreviations

AATIF	Africa Agriculture Trade and Investment Fund
ACE	Agricultural Commodity Exchange
ACP	African, Caribbean and Pacific
AECID	Spanish Agency for International Development Cooperation
AF	Asili Farms
AFC	Agronomika Finance Corporation
AFD	Agence Française de Dévéloppement
AfDB	African Development Bank
AFSF	Africa Food Security Fund
ATAF	Moringa Agroforestry Technical Assistance Fund
AU	African Union
BDS	Business Development Services
BMZ	German Ministry for Development Cooperation and Economic Development
CAF	Latin American Development Bank
CARDI	Caribbean Agricultural Research and Development Institute
CFC	Common Fund for Commodities
CFGBV	Community Forest Group BV
CNT	Coumba Nor Thiam
COMIFAC	Central African Forests Commission
CRIG	Cocoa Research Institute of Ghana
DIB	Development Impact Bond
DRC	Democratic Republic of Congo
DTF	Dutch Trust Fund
EAFCA	African Fine Coffee Association
EC	European Commission
ECCAS	Economic Community of Central African States
EcoE II	EcoEnterprises Partners II L.P.
ECOSOC	United Nations Economic and Social Council
ECOWAS	Economic Community of West African States
EDB	Sri Lanka Export Development Board
EFL	EFUGO Farms Limited
EFTA	Equity For Tanzania Ltd.
EIB	European Investment Bank
ENS	Edom Nutritional Solutions
ESG	Environmental, Social and Governance
EU	European Union
EUCORD	European Development Co-operative
FACTS	Financial Access Commerce and Trade Services
FAO	Food and Agriculture Organization of the United Nations
FAST	Financial Alliance for Sustainable Trade
FSC	Forest Stewardship Council
FDI	Foreign Direct Investment
FTESA	Food Trade East and Southern Africa
FSP	Financial Service Provider
GI	Geographical Indication
GIIN	Global Impact Investing Network
FMO	Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.
GIZ	Deutsche Gesellschaft Für Internationale Zusammenarbeit
IADB	Interamerican Development Bank
ICAC	International Cotton Advisory Committee
ICBR	International Centre for Bamboo and Rattan
ICBs	International Commodity Bodies
ICCO	International Cocoa Organization
ICCO	Cooperation Interchurch Organization for Development Cooperation
ICO	International Coffee Organization
IFAD	International Fund for Agricultural Development

IFC	International Finance Corporation
IFDC	International Fertilizer Development Center
IJSG	International Jute Study Group
INBAR	International Bamboo and Rattan Organisation
INFOFISH	Centre for Marketing Information and Advisory Services for Fishery Products in Asia and Pacific
IOOC	International Olive Oil Council
ISO	International Sugar Organization
ITTO	International Tropical Timber Organization
IZA	International Zinc Association
JI	Joseph Initiative Ltd.
KIT	Royal Tropical Institute
LA	Loan Agreement
LDC	Least Developed Country
LLDC's	Land Locked Developing Countries
MDG	Millennium Development Goal
MEDF	Malawi Enterprise Development Fund
MMA	MatchMaker Associates
NECSI	New England Complex Systems Institute
NGO	Non-Governmental Organization
OFID	OPEC Fund for International Development
PPP	Public Private Partnership
SDG	Sustainable Development Goal
SIF	SME Impact Fund
SMEs	Small and medium sized enterprises
SSA	Sub Saharan Africa
SSF	Schmidt Family Foundation
TA	Technical Assistance
T&T	Trinidad & Tobago
TAHA	Tanzania Horticultural Association
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	UN Economic Commission for Africa
UNIDO	United Nations Industrial Development Organization
UN-OHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
VECO	Vredeseilanden Country Office
VPoA	Vienna Programme of Action
WHO	World Health Organization

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common fund for commodities

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."