common fund for commodities

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Image: SCRIMAD

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Fruit and spices from Madagascar: A journey from local to global value chains

The CFC supports SCRIMAD, a family-owned business in Madagascar which aggregates and processes organic fruit and spices from local farming cooperatives for export to international markets. The company was created in 1993, and initially focused on livestock, and later, on lychees. Over the years, the company has diversified their offering to include a wider range of fruits and spices as well as fruit purees and juices. SCRIMAD has also invested in changes to gain organic, Fairtrade, Global GAP, HACCP, Agriculture Biologique, Kosher, and Halal certifications. These improvements and innovations have resulted in increased incomes for the farmers they work with.

To learn more about the company's history and vision for the future, the CFC spoke with Mr. Andry Rakotondrahova, Sales and Marketing Manager of SCRIMAD.

The creation and evolution of SCRIMAD

SCRIMAD is a strong example of how going global can increase incomes for local communities while providing overseas consumers with unique products. Founded by Mr. Simon Rakotondrahova in 1993, SCRIMAD started off exporting zebu (a subspecies of cattle) to Japan. Its journey into exotic fruits started in 1998 when four French trading companies from Rungis, a Paris suburb known for its huge wholesale produce market, went to Madagascar to explore new opportunities for importing fruits and spices. The government of Madagascar asked Mr. Rakotondrahova to help these French companies find reliable producers in his country. This triggered SCRIMAD to start exporting lychees to Europe.

At that time, lychees were relatively unknown in Europe, and raising awareness among buyers and consumers was a major challenge. SCRIMAD had to oversee all the operations, from sourcing and production to packaging, while struggling to sell the product. "It was not easy for us because we really had to look at everything from sourcing to packaging while also trying to convince our buyers that we had a good product", says Mr. Rakotondrahova.

This lack of awareness about exotic products made it clear that they needed to expand their business while improving product familiarity at the consumer level. Accordingly, the company decided to expand its activities to North America and Asia and to broaden their product range to include spices such as cloves, cinnamon, black pepper and vanilla. An example of this diversified portfolio is Canada, which represents SCRIMAD's biggest vanilla customer and imports lychee only from the company.

As export volumes increased, the company faced another obstacle: a high percentage of their local production did not meet export standards, primarily due to their appearance. "At one point, out of 16,000 tons of annual fruit production, 3,000 tons were wasted", says Mr. Rakotondrahova. SCRIMAD's solution was to create a fruit processing company called Madagascar Premium Exotica (MPE), set up in 2015, to process the 'waste' fruits into puree and juices. This introduced an element of circularity and improved sustainability in their value chain.

By focusing on quality, SCRIMAD has succeeded in obtaining multiple certifications (including organic, Fairtrade, Global GAP, HACCP, Agriculture Biologique, Kosher, and Halal) and is on course to achieve FSC certification soon. These certifications have enabled SCRIMAD to establish a formidable niche for its products in competitive markets.

The impact of COVID-19

SCRIMAD has also felt the effects of the COVID-19 pandemic. For example, during the lockdown, travel restrictions hindered SCRIMAD's ability to visit producers to assess the quality of the produce before delivery.

SCRIMAD has also seen a significant drop in demand from specific types of customers. For instance, when restaurants and hotels were forced to close in Madagascar, they no longer needed SCRIMAD's fruits and spices. In addition, vanilla demand shrank when pastry chefs had to halt their businesses. At the same time, the economic impact of the pandemic made consumers reconsider their purchases, reducing demand for more expensive products such as lychee, and other organic and Fairtrade goods. However, thanks to SCRIMAD's product diversification, some of these losses were offset by increased

demand for other products. For example, the demand for pulses jumped by 300%.

Mr. Rakotondrahova was very pleased to secure a EUR 1,200,000 loan from the CFC to support its working capital needs amid the challenges of COVID-19. The CFC's Managing Director Ambassador Sheikh Mohammed Belal also expressed his satisfaction for being able to assist SCRIMAD. Besides providing working capital, the CFC's support will also provide smallholder farmers and cooperatives direct access to funding that will help them support their businesses and families at this challenging time.

SCRIMAD's partnership with smallholder farmers

SCRIMAD supports approximately 5,000 smallholder farmers, with whom it has established a mutual stakeholder relationship. SCRIMAD's focus on a wide range of products requires the year-round work of producers, whose commitment enables SCRIMAD to meet international demand. The company is also devoted to offering their producers a stable income by providing a fixed off-take price. Thanks to the company's efforts and its positive contributions to the community, at the end of 2018, the government of Madagascar selected SCRIMAD to participate in a project to fund producers.

SCRIMAD is very grateful to be recognized for their achievements. The company strives not only to supply quality products from Madagascar, but also to be a leader in Africa. It aims to help African products become more appreciated globally, demonstrate a more sustainable approach, and reduce poverty in Madagascar. Moreover, SCRIMAD intends to continue to introduce sustainable, circulatory practices to achieve zero-waste production eventually. Hence, it envisions becoming a standard bearer in an African LDC and thereby helping uplift the community it works with. ■

Images: SCRIMAD

Mr. Andry Rakotondrahova, Sales and Marketing Manager of SCRIMAD

A year-long **adaptation** to **COVID-19**

The pandemic took us by surprise, but we have learned some valuable lessons. Although it is said that 'we are all in this together', it is not the same for everyone. The poor, women and girls are the most vulnerable ones. A fundamental lesson of COVID-19 is, therefore, the realization that sustainable development is unthinkable without addressing the sources of poverty with a renewed sense of urgency. In the process of adjusting to this new reality, the CFC had to develop new processes both internally and externally to better support its projects, showing resilience and commitment to its core mission of alleviating poverty.

Adaptation measures

In compliance with the Dutch government's COVID-19 protocols, the CFC Secretariat has been working from home as much as possible. The CFC's IT infrastructure was well prepared for remote working. Learning fast was essential to adapting to the challenges, and the CFC team has shown formidable resilience while keeping all CFC operations intact.

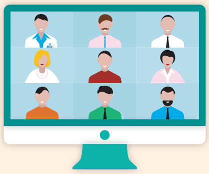
Travel restrictions have also required the CFC to adopt new ways of operating. As on-site due diligence – which is essential before

Image: Shalem Investments

The CFC immediately freed up funding to support those most affected by the COVID-19 pandemic. The Emergency Liquidity Facility (ELF) provided organizations like Shalem Investments with the working capital necessary to continue operations, as well as pay smallholder farmers.

signing an agreement – could not take place, the CFC engaged local consultants to complete these on-site activities on its behalf. This allowed the CFC to continue to implement projects during this challenging time almost without interruption.

Furthermore, since April 2020, physical meetings of the governing bodies of the CFC were halted. As a result, all meetings of the Consultative Committee, Executive Board and the Governing Council were successfully held by teleconference. To our great satisfaction, we have had a very healthy turnout compared to attendance of our in-person sessions. In the same vein, the CFC also participated virtually in a wide range of events in the United Nations system and beyond. This helped us to coordinate our interventions as well as future plans with our peers and stakeholders.



Lockdown and teleworking

Travel restrictions

Support for CFC projects

As the COVID-19 crisis struck the commodity sector, it disrupted global supply chains. Consequently, smallholder farmers and small and medium-sized enterprises experienced stockpiles of unsold inventory, delayed payments, fewer purchase orders and disrupted deliveries. To help projects develop adjusted operational models and offer possibilities for overcoming temporary difficulties caused by the pandemic, the CFC took measures to unlock immediate support.

First, in June 2020, the CFC's Executive Board (EB) approved an Emergency Liquidity Facility (ELF) of up to two million USD. The ELF was created to provide immediate working capital to qualifying SMEs who are at risk of terminating their operations. It enables the CFC to provide healthy businesses access to short-term liquidity to help them endure the immediate effects of the crisis. As of January 2021, two ELF interventions were brought into force. As a result, a significant number of smallholder farmers were paid on time, allowing them to overcome the effects of the lockdown, provide for their families and safeguard their future.

In addition to the ELF, the Executive Board approved a second measure to support SMEs facing liquidity problems caused by the pandemic. The EB authorized the CFC to postpone lenders' interest and principal payments. This measure has enabled qualifying projects to maintain sufficient liquidity and sustain their business operations.

However, as more and more people are plunging deeper into poverty, resilience will no longer be enough. People and organizations must come forward with innovative funding ranging from aid for trade to impact investments, and a blend thereof. The groundswell of impact investing must be tailored more towards alleviation of poverty with an innovative, commodity-focused portfolio.

Managing the future

The ability to work virtually and productively has now, by and large, been proved. So, what can we learn from this to better evolve in the future? What structural changes should we make? One significant structural change that our management is grappling with is how much of a physical space we may need in the future.

Maybe this virtual connectivity is providing a new level of awareness as well as an opportunity. The skies above our polluted cities are blue again. We have an unanticipated window to take steps to address climate change. The harmful impact of income inequality and disparities in health care is now plainly visible. We have an opportunity to focus on the common good and build a more humane society. Hopefully this pandemic has made us realize that our own safety is directly linked to our surrounding community. With this new realization, let's continue to work together for a better world free from poverty and hunger. ■

Image: Moringa Fund

This agroforestry project supported by the Moringa Fund in Nicaragua is an example of an adaptation that can have a positive climate impact as well as far-reaching social benefits.

13 CLIMATE ACTION

Climate vs **social impact:** Trade-offs and **synergies**

Throughout history, socioeconomic progress has often come at a cost to the environment. It is also increasingly clear that climate change can threaten livelihoods, creating a negative feedback loop for development. The axiom 'grow first, clean up later' is no longer applicable. In today's world, environmental restoration and socioeconomic progress are often complementary. And crucially to impact investors, this complementarity is often evident at a project level.

Impact investors are increasingly concerned about the environment. In 2015, the first Global Impact Investor Network's (GIIN) annual impact investor survey found that 53% of impact investors included environmental impact among their targets. In the 2020 survey, this figure reached 66%.

However, the data also reveals that there is still work to be done. Only 44% of impact investors with emerging-market focus targeted climate impact. Instead, they disproportionately aimed for social impact. That begs the question: Is there a trade-off?

The social and climate impact connection

Identifying the overlap between climate and social impact requires some conceptual clarity. The UN Sustainable Development Goal 13 calls for climate change adaptation and mitigation. The first refers to increasing the resilience of economic, social, and food systems to climate change. The second refers to containing climate change itself.

Both efforts ultimately encompass social impact. However, for impact investors targeting immediate, measurable social impact at a project level, suitable interventions are more limited.

The most obvious overlap between climate and socioeconomic impact can be found in **adaptation** activities that help communities address current and future livelihood risks. For example, in agricultural value chains, one major concern is responding to changing weather patterns and extreme weather events. Adapting crops or agricultural techniques to deal with the weather can also positively impact incomes.

However, developing viable businesses cases for these types of interventions requires significant expertise. While an adaptation may *stabilize* future incomes, it often does not immediately generate the additional earnings required by traditional financial instruments.

Nevertheless, coinciding climate and social impact can also result from *increased* beneficiary incomes at a project level. This is most pronounced for **mitigation** efforts.

Most candidly, when businesses are looking to invest in technology that increases productivity and capacity to generate additional income, impact investors can influence the adoption of green alternatives by offering expertise, conditionality, or financial incentives.

However, businesses are also increasingly monetizing mitigation efforts, branding climate friendly products to demand a 'climate premium'. In addition, the growing market for voluntary carbon offsets allows businesses to generate revenue from afforestation and conservation activities. Both approaches allow increased earnings to be distributed to beneficiaries along the value chain.

The table below highlights CFC investees who are making significant efforts on climate change adaptation and mitigation.

CFC investees	Moringa Fund, climate-smart DIB	Olivado	Cafexport
Intervention financed	Resilient value chains	Green technology	Ecosystem services
Climate impact	Adaptation	Mitigation	
Social impact	Stabilised incomes	Increased incomes	

The CFC portfolio

The CFC portfolio includes projects which successfully combine climate change adaptation and mitigation efforts with social impact.

On the adaptation side, the **Moringa Fund** has been promoting agroforestry systems since 2010. Agroforestry has the potential to improve soil health, increase biodiversity, and prevent erosion. This strengthens resilience to a changing climate and extreme weather events, and in turn reduces livelihood risks and stabilizes incomes. The CFC invests in and manages Moringa's technical assistance facility, ATAF, which has implemented more than 15 projects valued at EUR 4 million.

In addition, the CFC has been championing its own unique financing solutions where adaptation alone cannot provide the necessary earnings and repayment capacity required by conventional financial instruments. For example, the CFC is currently implementing a **climate-smart development impact bond** to finance agroforestry systems for indigenous Asháninka cocoa producers in the Peruvian Amazon.

While this may secure future income for the Asháninka, it does not ensure repayment capacity today. The CFC, therefore, developed an innovative payment mechanism that allows grant providers to make repayments based on the achievement of pre-defined outcome targets. The project embeds climate change response strategies within the pursuit of broader sustainable development initiatives while improving the adaptive capacity of the Asháninka community.

On the mitigation side, the CFC portfolio also contains interesting examples. Since 2019, the CFC has been working with **Olivado**, a Kenyan exporter of organic and fair-trade avocado oil. At its processing plant in Kenya, the company has installed a biogas facility which converts fruit waste into energy and organic fertilizer. The CFC is currently considering financing a similar facility in Tanzania. While this ensures a more stable energy supply, the climate impact is simply incidental. However, as an impact investor, this is an attractive investment opportunity for the CFC as it can increase rural incomes while lowering the demand for fossil fuels.

Finally, the Colombian coffee and cocoa trader **Cafexport** has found a way to directly monetize its mitigation impact. In addition to being a key employer and off-taker for certified coffee and cocoa in a number of poor regions, Cafexport also raises funds from corporations and individuals for its forest conservation and restoration activities. This creates employment opportunities, and diversifies Cafexport's income sources, while also delivering significant climate and biodiversity benefits.

Continued learning

So, to answer the question of whether or not there is a trade-off, we would argue that there is no *a priori* conflict between addressing climate change and alleviating poverty. Rather, with a better understanding of the SDGs and a heightened sense of climate awareness, it is possible to transform trade-offs into synergies, as we have demonstrated with our projects. This requires recognizing the unique aspects of climate and social impact, and the type of business cases that can support both. Such recognition is crucial for identifying attractive impact investment opportunities and the type of financial instruments required to make them a reality.

The CFC is still in the early stages of this journey and we look forward to continuing it with our stakeholders and partners in the years to come. ■

Geodata for Agriculture and Water program (G4AW) supports innovations for food security

On 9 February 2021, the CFC hosted a presentation for 25 agritech business owners and partners of the *Geodata for Agriculture and Water program (G4AW)*. G4AW is a program of the Dutch Ministry of Foreign Affairs, executed by the Netherlands Space Office (NSO), which supports innovations that improve food security in 15 African and Asian countries by providing mobile and satellite-based information services.

The CFC is always on the lookout for better ways to serve smallholder farmers. The ongoing pandemic has made this imperative even more urgent. However, for smallholder farmers, the 'end' of the COVID-19 pandemic might serve as the beginning of a new reality for agriculture. The G4AW and geodata have the potential to play a crucial role in this transformation.

G4AW
GEODATA FOR AGRICULTURE AND WATER

As part of its ambition to reach millions of farmers by 2022, G4AW is promoting private investments in large-scale, demand-driven satellite and mobile geodata. During the February meeting, the CFC was invited to present its impact investment considerations and solutions as part of G4AW's program to enhance the commercial viability of its projects in Africa and Asia.

Access to finance for innovative and scalable agritech initiatives would allow agribusinesses and smallholder farmers to become more productive and improve their ability to deal with ongoing challenges. Information services such as geodata helps farmers to make effective use of input materials, better farming practices, and financial services with the ultimate goal of bolstering their productivity and resilience to climate risks. Technology is expected to play a key role in creating sustainable food production systems, driving supply chain resilience, and thereby reducing poverty.

Are smallholders and the global food system on the brink of a crisis, or on the verge of a leap forward? Initiatives like G4AW and agritech innovations may hold the answer to a more promising future. ■

COOPAC brings much-needed income to the DRC and Rwanda, supporting local coffee farmers with practical interventions such as coffee washing stations and agricultural training, as well as access to international markets.

Image: COOPAC

The story of COOPAC Holding Ltd (COOPAC) starts in a challenging geo-political area located in between neighboring countries: The Democratic Republic of the Congo (DRC) and Rwanda. The organization's achievements have been made possible by the sheer willpower of its founders, who use their cooperative spirit to make a difference.

Overcoming the challenges of **exporting coffee** from the **Democratic Republic of the Congo** and **Rwanda**

Left: Clarisse Ilibagiza Nzungize, Deputy Managing Director of COOPAC.
Right: Emmanuel Rwakagara Nzungize, Founder and President of COOPAC.

COOPAC produces, processes and exports premium coffee, primarily to European customers. Using innovative, gender-conscious, coffee cultivation and an online sales platform, they are improving wellbeing and incomes in an otherwise impoverished community. With support from the CFC, its business model has enabled thousands of smallholder farmers to get access to international markets for high quality specialty coffee.

To gain insight into COOPAC's farmer-centered business model and ongoing resilience, the CFC spoke to its founder and President, Emmanuel Rwakagara Nzungize, and its Deputy Managing Director, Clarisse Ilibagiza Nzungize.

Reestablishing the importance of coffee

Coffee was once the DRC's second-biggest export product, after copper. However, successive conflicts have tremendously affected the DRC's economy in recent years, including the coffee sector. Today, Congolese coffee farmers only produce about 10% of the amount they did nearly three decades ago, and the COVID-19 crisis has compounded the challenges. Yet, coffee production is slowly re-emerging in the country, fueled by growing demand from the specialty coffee industry. Amid these challenges, COOPAC is helping farmers secure a stable income and much-needed access to premium export markets.

The CFC has been supporting COOPAC since 2017, providing financing for coffee-washing stations, working capital, and training on organic coffee farming practices. This has enabled them to improve productivity as well as upgrade their value chain. Investing in a least developed country (DRC) and land-locked developing country (Rwanda), has also enabled the CFC and COOPAC to use business to bring these two countries closer together.

The foundation and evolution of COOPAC

Originally from the DRC, Emmanuel left for Rwanda due to war in his home country. Upon his arrival, he observed that coffee producers were lacking access to markets and suffered from low prices: USD 0.20/kg in the local market compared to USD 3/kg internationally. In 2001, Emmanuel joined forces with 100 small coffee farmers and established COOPAC to revive the coffee sector. With support from the government and NGOs, and some land he inherited from his father, Emmanuel developed the first COOPAC washing station on Gishamwana island in Lake Kivu.

Over the years, by reaching out to coffee producers and creating international awareness, COOPAC has become a major exporter of high-quality certified coffee, working with over 6,000 farmers. In 2013, Emmanuel returned to his homeland to commence COOPAC operations in DRC. As he says, he "was born an entrepreneur".

How COOPAC supports coffee producers

Coffee producers in the DRC face numerous obstacles, including insufficient infrastructure, the recent Ebola outbreak, and armed conflict near Lake Kivu – the location of the coffee washing stations financed by the CFC. Despite these challenges, COOPAC was able to use a loan it received from the CFC in 2017 to enhance and expand its activities, as well as train and certify producers.

"Yet, the logistics of getting Congolese coffee to the market are difficult and costs can be high", Clarisse states. The COVID-19 outbreak has further impacted COOPAC's daily opera- ▶

tions and added new costs in an already volatile coffee pricing environment; "life has slowed down", according to Emmanuel. Despite the drastic short-term consequences, demand remained stable, largely due to its European customers. E-commerce also has proved to be a viable new sales channel for COOPAC: it currently sells its specialty coffee products online to customers in Belgium and France.

In an effort to promote the Congolese agriculture sector and reach more farmers, in 2018 Emmanuel established the CIPA (Conseil Interprofessionnel pour la Promotion de l'Agriculture, in English 'Interprofessional Council for Agricultural Promotion'). Working in partnership with the Ministry of Agriculture and other organizations, the CIPA trains farmers on better practices, how to enter markets, unlocks access to finance, and promotes youth and female entrepreneurs. To improve awareness about the DRC as a high-quality coffee producer, the CIPA is also collaborating with independent technical consultants who promote Congolese agricultural products and direct market linkages.

COOPAC's vision

Building on its three foundational principles – specialty coffee, customer support, and community development – COOPAC has improved the livelihoods of thousands of small-scale producers it supports. However, COOPAC's pursuits also go beyond its own business.

In South Kivu, for example, it advises SOPACDI, a cooperative that COOPAC played a pivotal role in establishing which now counts over 8,000 producers. In the north of the region, COOPAC connects three other cooperatives with international buyers and certifiers. Endeavoring to expand the impact of his enterprise, Emmanuel says, "My dream is to accompany other cooperatives in their first steps, as we did with SOPACDI". He also aspires to further develop the agricultural sector in an effort to decrease the DRC's dependency on food imports and generate essential income for locals. Emmanuel believes COOPAC can contribute to the prosperity of his home country and the surrounding regions.

For the CFC, COOPAC is an excellent example of a successful innovation that is changing lives in an otherwise impoverished community. They are now receiving premiums for their specialty coffee and thereby securing a brighter future for themselves and their families. ■

Outreach initiatives of the CFC from September 2020 to April 2021

The Managing Director of the CFC, Ambassador Sheikh Mohammed Belal, and other senior officials, have been making an ardent effort to keep the member states informed of the CFC's current state of affairs as well as its vision for tomorrow. The CFC is also exploring new opportunities for memberships and partnerships to benefit commodity producers in developing countries.

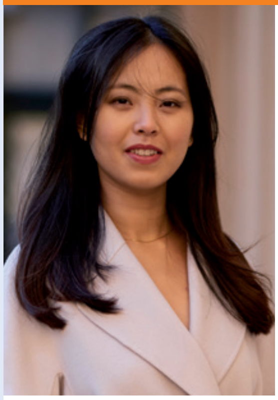
In recent months, the CFC has arranged meetings with several dignitaries to discuss the organization's activities and operations, as well as its impact on the ground. Particular attention was devoted to the CFC's endeavors to help smallholder farmers and small and medium-sized enterprises in member states that have been most affected by the COVID-19 crisis.

Besides the aforementioned meetings, the Managing Director and other members of the CFC are also pursuing policies to streamline its endeavors with other stakeholders in the United Nations system such as UNCTAD, UNOHRLLS, and FAO. Similar outreach initiatives are underway to build stronger working relationships with the Chambers and business organizations of a good number of member states. The ultimate objective is to familiarize these organizations with the activities of the CFC to do more, together, to alleviate poverty across the globe. ■

Overview of meetings between the MD and senior representatives of member countries
Sept. 2020 to Apr. 2021

Country
Tanzania
Greece
Jordan
Guatemala
Afghanistan
Peru
Sudan
Egypt
Azerbaijan
Rwanda
Burundi
Yemen
Indonesia
Iraq

Ms. Liz He Lu joins the CFC



The CFC is glad to announce that Ms. Liz He Lu (贺路) has joined the CFC as the new Junior Project Manager. Liz started her career in finance at Citigroup, working as a Product Controller of the equities trading business for markets in Europe, Middle East & Africa. Later, she joined Bank of China as a Risk Manager, working mainly to assess credit risks of syndicated loans in international and regional markets. She has extensive experience in investment banking and commercial banking, including risk assessment, financial analysis, regulation and compliance, and database management and programming.

Liz chose to move to the CFC mainly due to her passion for impact investments in the agricultural sector. This was triggered by a wake-up call for sustainable development, amidst the COVID-19 outbreak and increasing global inequalities, all of which drive her to focus more on the developing world. In her free time, she enjoys volunteering for local organizations and international events. For example, she has volunteered at a church for the homeless in Budapest, participated in an organic farming project in Marseille, and worked as an interpreter at the Olympics in Rio de Janeiro.

Liz holds a Master's degree in International Economy and Business from Corvinus University of Budapest, and a Bachelor's degree in Economics from Xi'an International Studies University. Before relocating to Amsterdam, she lived in Budapest for five years, and traveled around the world for academic projects and conferences during her research study. Liz is a Chinese citizen. She loves classic and contemporary arts, enjoys doing fencing, yoga, and dancing ballet and salsa. She is also a part-time stand-up comedian, performing in English. ■

67th Meeting of the **Consultative Committee**

The Consultative Committee (CC) of the Common Fund for Commodities (CFC) held its 67th meeting from 25 to 28 January 2021 virtually. The Committee reviewed seven regular projects, carefully analyzing their technical feasibility and practical potential for having a lasting developmental impact in a post-pandemic milieu. The CC eventually recommended six projects for further consideration and approval by the Executive Board.

Project Meliora – Peru, Kenya – CFC-2020-17-0005

Established in 2018, Working Capital Associates (WCA) provides trade finance loans to SMEs in developing countries. Targeting exporters in agricultural value chains, WCA helps to provide sustainable incomes to smallholders. Under Project Meliora, the CFC will set up a credit facility to offer short-term working capital to selected WCA clients to facilitate their export activities. The project aims to ensure timely payments to 3,231 coffee producers (including 2,977 smallholders) and to support 123 full-time positions, of which 43% are held by women. The CC recommended financing the project with a loan of up to USD 2,000,000.

Carbon-Neutral Processing of Avocados and Avocado Oil – Tanzania – CFC-2020-17-0008

Olivado EPZ Limited (Olivado) produces and exports organic avocado oil. With support from the CFC, Olivado plans to invest in carbon-neutral avocado processing and improve market access for organic fruits and value-added products in East Africa. This new project aims to replicate Olivado's existing smallholder-focused business model in Tanzania. The company previously built a plant in Kenya which generates biogas and fertilizer from avocado waste, and now plans to install a similar facility in Tanzania. This would increase incomes for 10,000 smallholder farmers while delivering significant environmental benefits. The CC recommended financing the project with up to EUR 1,000,000, equally split in a term loan and a trade finance loan.

Maximizing Capacity Utilization of the Fortified Foods Division – Kenya – CFC-2020-17-0025

Equatorial Nuts Processors Limited (ENP) is a Kenyan company which processes nuts and fortified foods. The nuts are mainly exported to the USA, Europe, Australia, and Japan, while the nutritious fortified food products are sold to governments and relief agencies working to mitigate malnutrition. ENP intends to expand its existing nutritious food products to new customer segments and bottom-of-the-pyramid markets. The project will enhance market linkages for up to 20,000 smallholder farmers and will reduce malnutrition in low-income markets. The CC recommended financing the project with up to USD 1,500,000, equally split in a working capital loan and trade finance loan.

Green Gold Forestry – Peru – CFC-2020-17-0026

Peruvian SME Green Gold Forestry SA (GGF) holds a 254,000-ha rainforest concession which was originally obtained to produce Forest Stewardship Council-certified timber. However, it recently changed its business model and converted its concession into a protected forest. It now focuses on carbon retention and sequestration to take advantage of the growing demand for verified carbon units (VCUs). The project offers a novel way to generate value by protecting natural resources. Moreover, the project will improve the livelihoods of 1,500 indigenous community members through activities such as sustainable logging and fruit collection. It will also create 77 jobs. The CC recommended financing the project with a loan of up to USD 1,250,000.

Mercon Coffee Group – Brazil, Guatemala, Nicaragua, Honduras – CFC-2020-17-0047

Mercon B.V. is a coffee trading company headquartered in the Netherlands. The company sources green coffee worldwide, and supplies it to leading coffee roasters. The company is seeking a loan to finance Mercon's revolving credit facility – the world's first coffee-specific facility focused on sustainability. Under this innovative instrument, the margins of the facility will vary according to selected social and environmental KPIs (key performance indicators). As a result, the project expects to increase the number of coffee bags produced using Good Agricultural Practices (GAPs) from 0.4 million to 0.8 million by 2023, while increasing the number of farmers with sustainability certifications from 4,300 to 7,600. The CC recommended financing the project with a loan of up to USD 5,000,000.

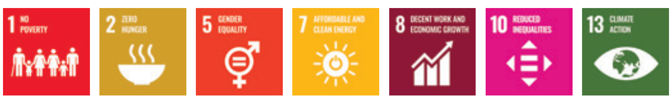
Madagascar Fruits Industries Sarl – Madagascar – CFC-2020-17-0062

Created in 2013, Madagascar Fruits Industries SARL (MAFI) is a subsidiary of the Royal Bourbon Industries group in the Reunion Islands. MAFI sources, processes and exports fruits and spices from Madagascar. It now aims to purchase processing equipment to improve capacity for ethical sourcing and fruit processing innovations. With CFC financing, MAFI will purchase raw materials from about 1,000 smallholder farmers and support them in doubling their yields. The CC recommended financing the project with a loan of up to USD 350,000.

67th Consultative Committee Meeting Highlights

Projects Recommended	6	38,500	Smallholder Farmers Supported
Total Value of Projects (in million USD)	70.3	11.3	CFC Contributions for Loan Financing (in million USD)

SDGs Impacted



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