Common Fund for Commodities

Agrics: Optimizing the maize value chain in Western Kenya

The Common Fund for Commodities has agreed to support social enterprise Agrics with a loan of USD 226,000 to further grow Agrics' operations in rural Kenya, targeting approximately 80,000 farmers by 2020.

Agrics sells quality agricultural inputs like maize seeds and fertilizer, on credit, to smallholder farmers, trains farmers on modern agronomic practices and offers additional services like traction for improved land preparation and linkage to trusted buyers. Agrics generates revenue by procuring inputs in large quantities and selling them with a target gross margin above 30%.

Agrics provides quality inputs like maize seeds and fertilizer to smallholder farmers on credit, combined with training and additional services to maximize impact.

Besides maize seeds and fertilizer, poultry, beans and solar lights are among the products most purchased by clients through the credit scheme. Focus on effective credit management processes and strong client relations have been key success factors.

Credit scheme directly impacts yields

The combination of agronomic products and services has proven to be particularly successful in terms of impact. An external evaluation has shown that between 2013 and 2015, the average maize yield of Agrics' clients in Western Kenya increased from 570 kg/acre to 1,022 kg/acre representing a 79% growth. These results are believed to be due to the increasing use of certified seeds and fertilizer and improved knowledge and skills in crop production.

Agrics strives to enable smallholders in East Africa to use quality farm inputs in order to improve their income, food security and daily nutrition. The large number of smallholders in Agrics' current operating areas in Western Kenya provides a ready and highly undersupplied market. Between 2012 and 2016, Agrics saw an increase from 900 clients with a credit of EUR 60,000 to approximately 25,000 clients with a total credit of EUR 2.8 million.

With support from the CFC loan, Agrics' portfolio will be extended with new and higher-value products and services, based on demand from current and potential clients, including crop insurance, seeds for cash crops like soya and geodata-based advisory services.

The project is expected to be launched in the first half of 2016 with a total duration of 7 years.

About Agrics and ICS

Agrics was founded by ICS, a Dutch NGO that focuses on sustainable rural development, currently mainly East Africa. At the core of the ICS approach is economic development, with a focus on enterprise and innovation, using the forces of the market economy to create sustainable solutions to social problems. ICS has set up several agribusiness social enterprises in East Africa, and remains the majority shareholder for each of these enterprises.

For more information on Agrics, visit www.agrics.org or www.ics.nl.

ICS driver of development

agrics farm inputs & credits

Content

A word from Mr. Parvindar Singh on his new role as Managing Director

At the 27th meeting of the Governing Council in The Hague on 8-9 December 2015, the Member Countries of the CFC elected me by acclamation as Managing Director for a four-year term from 1 January 2016 until 31 December 2019.

I cannot help but think back over the past four years of our work here at the Common Fund, a period during which I had the privilege and the opportunity to meet representatives of national governments, international organizations, industry, academics, farmers, NGOs and other organizations involved in the growth and development of commodities. It has been a momentous time, during which we had to face the emerging challenges in commodity development and attempt to expand the role and mandate of the CFC to meet these challenges.

During this period the Members and partner institutions of the CFC endorsed the new initiatives and concrete steps taken by the Fund regarding resource mobilization, private sector involvement, staffing, operations, advocacy and forging new development partnerships. The uniqueness of the tasks of the CFC, its position in the international architecture on commodities, its focus on smallholder commodity development as a path to poverty reduction, and its interface with relevant bodies including the ICBs, UNCTAD and FAO, are the basis for fostering and expanding the CFC. There is now a consensus that we need a strong and effective CFC more than ever before. We are deeply grateful to all our partners for their support in this important task.

Mr. Parvindar Singh was elected as Managing Director of the CFC for a four-year term, from 1 January 2016 until 31 December 2019.

I am often asked about the vision that we have for the future role of CFC. As you are all aware, we have already started moving away from an exclusively grant-based regime to one that focuses on a range of financial interventions, including loans. This was necessary in order to ensure the financial viability of the CFC. In the future we hope to explore other kinds of financial interventions, including equity. Our goal will be to provide commodity smallholders with comprehensive support which includes technical, financial, marketing and administrative guidance. Our emphasis has never been merely on increasing financial returns, but on expanding the impact on smallholder livelihoods, incomes and employment. This will remain our foremost priority. CFC's financial assistance should act as seed capital to initiate the process, which can then be taken up by other institutions such as banks, external financial institutions and other investors, as well as by national governments. While implementing our projects, CFC must also ensure that environmental aspects are addressed, and that soil, water and vegetation are protected to safeguard sustainable commodity production in the long run.

Three months into the new role, I am looking forward to bringing the voice of CFC to the UNCTAD Expert Meeting on Commodities in Geneva in April and to the deliberations of UNCTAD XIV in Nairobi in July. Firstly, however, I am pleased to inform you that the CFC is moving to a new electronic filing system which will also allow Executive Directors to access the history of project proposals, thus meeting the Member Countries expectations in transparency.

Bridging the financing gap for Small and Medium Enterprises (SMEs)

In 2013, the Common Fund for Commodities (CFC) and the German Development Bank (KfW) jointly carried out a feasibility study of the opportunities in developing financing structures for SMEs to enable them to overcome barriers preventing their effective participation in agro-industrial value chains.

Against the backdrop of a changing worldwide economic situation including in Russia, the interest to invest in SME innovation is on the rise. According to the OECD, 95% to 99% of world's enterprises fall into the SME category. SMEs account for up to 70% of the new jobs created in OECD countries, and they play an important role in stimulating innovation and economic growth. Nevertheless, most countries are experiencing a gap between formal financing institutions and the financing needs of SMEs. This acts as a constraint to SME investments and impedes their innovation and development.

To take the next step in this discussion, the CFC and Ministry of Economic Development and Trade of the Russian Federation supported a conference on "Bridging the financial gap for small and medium enterprises". It took place on 26 November 2015 and was hosted by the Northern Biotechnology Cluster of the Moscow Institute of Physics and Technology (MIPT). The conference was attended by about 100 representatives from SMEs, biotechnology companies, Ministries, Regional Organizations, banks, financial institutions, international funds and organizations, and independent experts.

Mr. Denis Ulin, Deputy Director of the Development of Europe, North America and International Organization of the Ministry of Economic Development of the Russian Federation and Mr. Parvindar Singh, Managing Director, CFC.

The conference discussed the issues related to bridging the gap in financing agro-based SMEs to enhance innovative and the scope for investment to promote the competitiveness of small agro enterprises. It featured a range of speakers from the public, private and non-profit sectors, including representatives from Exima, Agama, Tula Niva, Russian Venture Company, SME Bank, the UN Capital Development Fund, ScopeINSIGHT, FAST, Baring Vostok Capital Partners and many others. "I hope that today's debate will help us improve the policies and mechanisms for the use of private and public funding in support of SMEs for achieving sustainable social and economic development," said Mr. Parvindar Singh, the Managing Director of the CFC, in his opening address.

During the event, participants proposed a number of recommendations based on the challenges and experiences of SMEs, including:

- The need to develop and improve the system of tax incentives to stimulate the growth of SMEs
- Using training and applied research to increase scientific innovation in support of highly efficient agricultural production
- The possibility of targeted investment funds and alternative financial instruments to finance long-term and potentially high-risk projects
- Addressing entrepreneurs' deficiency in financial literacy to enable them to effectively utilize existing support mechanisms
- Development of integrated project financing as a tool for developing intellectual, financial and physical infrastructure for agro-SMEs

It was stressed that research infrastructure in the field of living systems can serve as an incubator for SMEs in the area of agro-industrial technology. "The rapid growth of the center of living systems at the MIPT confirms the huge demand for the development of innovative agro and biotechnology in Russia," said Andrey Ivashchenko, Chairman of the Board of Directors of the ChemRar High Tech Center and a member of the Supervisory Board of the MIPT.

Mr. Kirill Semenov (SME Bank) noted that great opportunities could be unlocked by strengthening the quality of financial presentation in project proposals submitted by innovative SMEs to financiers. Specialist services for bringing SME projects up to the quality standards expected by financial institutions could provide momentum for growth.

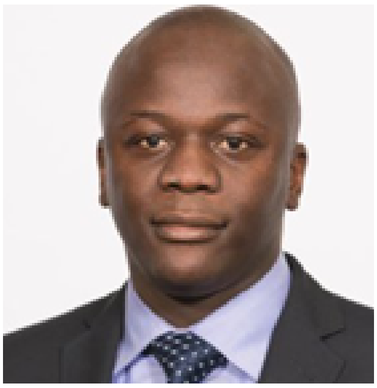
Finally, it was underlined that investment program targeting agro-SMEs should be developed in close contact with the practitioners. "Wheat grows in the field, not on the third floor of a bank office," said Mr. Ivan Chuksin, Stavropol University of Agriculture. Potential investors should be aware of growth opportunities and promising innovations in agriculture to be successful.

Hector Besong joins the CFC as Portfolio and Risk Manager

The CFC's increasing emphasis on financing projects through market-based financial instruments in collaboration with the private sector has created the need for a finance professional responsible for transactional and portfolio risk management. We are pleased to welcome Mr. Hector Besong as our new Portfolio and Risk Manager.

Hector joined the CFC following a 10-year career at Siemens Financial Services, the financing division of the German multinational company. During his decade at Siemens, he was based in the United States, France and most recently in Munich, Germany where he served as Risk Manager at Siemens Bank GmbH. Hector's career at Siemens focused on two areas: serving the needs of Siemens' customers worldwide by providing financing solutions to meet their capital investments, and managing the risk to Siemens by identifying and mitigating the risks associated with financing.

As a development financier, the CFC has a dual mission of achieving development impact through its lending activities while preserving its capital base. This involves identifying projects that deliver on both these objectives, evaluating the risks, assessing collateral and charging an interest rate that is sufficient to cover potential losses. The typical CFC borrower is a small and medium enterprise (SME) in a developing country active in the commodity value chain – referred to as the "missing middle" because this segment is under-served by lenders. The combination of exposure to emerging market risks, commodity price risk, currency risk and the relatively long duration of CFC interventions are risks that have to be managed.



Hector Besong, Portfolio and Risk Manager, CFC

Portfolio management is the sum of actions undertaken to ensure that both objectives of development impact and capital preservation are met in a sustainable manner. It is important to achieve a well-balanced, diversified loan portfolio to minimize overall risk to the fund. For example, potential losses from the downturn in commodity prices or an economic crisis in a country are minimized in a portfolio that is diversified across several commodities and countries. Portfolio management involves collecting information about the loan portfolio, analyzing the information and making decisions such as establishing diversification rules in the portfolio.

Hector holds a BA in International Business from the United States International University – Nairobi campus. He earned his MBA with a concentration in finance from Drexel University in Philadelphia.

Hector is a citizen of Cameroon. He is married and has a daughter.

Exploring the benefits of producing organic bananas in China

The project *"Promoting production and marketing of organic bananas in Asia"* (CFC/FIGB15) was implemented in China from 2010 to 2014 by the Institute of Fruit Tree Research of the Guangdong Academy of Agricultural Sciences in Guangzhou. Due to the potential domestic and export market for organic bananas, the project aimed to generate more income for smallholders by producing organic bananas instead of conventional bananas. While labor requirements are greater, the lower input requirements and premium prices for organic bananas present an interesting income opportunity for smallholder farmers.

The total project cost was USD 2.3 million, of which the Common Fund for Commodities (CFC) provided USD 1.4 million, while the balance was contributed by the Institute of Fruit Tree Research and the private sector.

The project was implemented in five fields, totaling 100 hectares, in the provinces of Guangdong, Guangxi and Yunnan. The project facilitated an integrated approach in knowledge sharing and capacity development involving researchers, extension agents, marketers, companies and growers on aspects related to production, processing, certification and marketing.

After four years of operation, yields for organic banana were lower than conventionally grown bananas, but because of the premium prices, farmers realized an additional income of USD 8,000 to 10,000 per hectare. As organic farming improves with time, a longer period is required to see the full benefits such as improvements in soil fertility and higher and more sustainable yields. It is anticipated that with an expanding market, growing organic bananas instead of conventional bananas can improve smallholders' incomes and livelihoods.

Article contributed by Mr. Yacob Ahmad

The full report is available on the CFC website as a PDF document.

A new approach to cotton classing in Kenya and Mozambique

Cotton lint prices are based on quality parameters that have traditionally been determined manually by visual inspection. However, automated textile manufacturing demands more precise characteristics, which are impossible to measure without instrumentation. Countries like the United States and Australia are now using the High Volume Instruments (HVI) system for classing cotton length and grade (color, leaf and extraneous matter). And China, Uzbekistan, Argentina, Brazil and Greece are also introducing nation-wide classing systems to meet emerging global demands.

The project helped support the introduction of a precise HVI cotton classing system at three laboratories in Mozambique and one in Kenya.

HVI classing in Kenya and Mozambique

By implementing national cotton classing systems in Kenya and Mozambique, the project sought to establish a functioning cotton classing structure that facilitates 100% sampling and instrument-based testing of cotton. Introducing the HVI data-based classing system offers suppliers the possibility to negotiate premiums for homogeneous quantities. The Common Fund for Commodities (CFC) financing (project CFC/ICAC 44) focused on capacity building, including the development of system manuals to complement the governments' efforts in building the required laboratory infrastructure and conditioning equipment.

Despite being relatively small cotton producers compared to other countries in Africa, Kenya and Mozambique have successfully developed self-financing cotton classing systems based on bale-by-bale testing. There are currently three laboratories in Mozambique (Beira, Nampula and Montepuez) and one in Nairobi, Kenya.

All four laboratories have been built to international standards observing the CSITC[1] guidelines. The laboratory's temperature and humidity are automatically controlled by an integrated Air Management System.

Improving access to cotton data

One of the disadvantages of hand classing is the time-consuming process of manually tabulating values and sending printouts to customers. To save time and increase convenience, the project developed a database management system to enable clients to access a HVI data via the internet. Using "query forms", database users can search for results by specific parameters, bale ID sequence or even results range. This system is accessible from any device with internet access, and is available in English and Portuguese for users in Mozambique.

Kenya is a net importer of cotton, and the HVI laboratory in Nairobi has given local spinners an opportunity to buy cotton with a confirmed quality grade. Regulations require ginnery owners to submit all cotton samples to the classing facility. However, local spinners' demand for HVI data before buying the cotton is helping support enforcement of the regulations.

Classers were trained on using the new technology, including a database that makes HVI data easily accessible to clients.

Replicating the system elsewhere

Successfully establishing and running an HVI laboratory requires major investment and commitment. Nonetheless, Kenya and Mozambique can serve as an example for other, larger cotton producing countries – either to adopt the approach as is, or in a modular way proportional to their production size.

Article contributed by Mr. Moses Bujaga, Wakefield Inspection Services (Project Executing Agency), Tanzania

1. CSITC = Commercial Standardization of Instrument Testing of Cotton. The guidelines have been developed and internationally accepted in the framework CFC project: CFC/ICAC/33.

Improving livelihoods with smallholder dairy development in Bangladesh, Myanmar and Thailand

The project *"Smallholder Dairy Development in Bangladesh, Myanmar and Thailand - Improving the Bargaining Power and Sustainable Livelihood of Smallholder Dairy Farmers through the Enhancement of Productivity and Market Access in Dairy"* (CFC/FIGMDP/19), concluded in June 2015 with a Final Review and Dissemination Meeting in Bangkok, Thailand. The project financing totaled USD 7.2 million, including a USD 2.0 million grant from the CFC, including an OFID contribution of USD 1.0 million and an in-kind counterpart contribution of USD 4.0 million from the Royal Government of Thailand. This project aimed to improve market access and sustainable livelihoods of 5000 smallholder milk producers in Bangladesh, Myanmar and Thailand through the enhanced production and marketing of quality milk and dairy products.

The project introduced improved cattle fodder, including Napier Pakchong 1 grass, to improve milk productivity for dairy farmers.

Increasing milk production

For the first component of the project, key activities included organizing on-farm extension advice, demonstrating good husbandry practices and introducing nutritious forage by establishing model dairy farms and demonstration plots, and outreach training on various aspects of production including clean milk production and farm hygiene. These interventions substantially increasing productivity in all three countries, greatly exceeding the project's target of 20 percent improvement.

In Bangladesh, the project faced several challenges due to social and political turbulence, as well as very remote project areas. Nevertheless, thanks to the determination of the project team and the support of the government, more than 200 Dairy Field School Training Programs were conducted. Project training covered all 3000 participating farmers (over 65 percent women). The project established 156 model dairy farms and increased average milk production from 4.5 to 7.6 liters/cow/day by the end of the project.

In Myanmar, forage shortage was one of the factors constraining milk productivity. The project introduced Napier Pakchong 1 (NP1) grass in 2011 and practical trainings for planting NP1 were organized by experts from Thailand. With support from the project, the Myanmar Dairy Association (MDA) distributed over 400,000 grass cuttings to farmers throughout Myanmar. This was followed by training programs and on-farm advice. At the end of 2014, NP1 grass covered over a thousand acres and is still increasing steadily.

Enhancing milk marketing

The project's second component enhanced market access by linking farmers to more formalized markets, diversifying the production of premium dairy products and improving milk quality. Before the project began, many farmers in Bangladesh did not have consistent market access. By the end of the project, a total of 1,705 beneficiaries were linked to organized milk collection centers via farmers groups and cooperatives. As a result, the amount of milk sold on the informal market fell drastically from 45.8 percent to under 8 percent.

In Thailand, the project supported setting up a demonstration unit for cheese making at the Regional Dairy Training Centre (RDTC). The RDTC was opened in 2013 with new equipment and facilities for cheese incubation, milk processing, packaging and quality testing. The RDTC supported five cooperatives to enhance dairy production, improve marketing and diversify the production of products such as cheese and yoghurt. The RDTC will continue to implement training on dairy production and processing for project beneficiaries and regional stakeholders.

Capacity building and information dissemination

The third component aimed to create effective mechanisms for information dissemination and sustainable capacity development. The Asia Dairy Network was established in the project's second year and a series of stakeholder workshops, meetings, trainings and e-learning programs were organized in the three countries. The Dairy Asia website (www.dairyasia.org) was redesigned and is updated regularly.

In summary, many positive outcomes have been achieved in the participating countries throughout this four-year project, including capacity building and increased awareness of the importance of hygiene for smallholder dairy farmers, milk collectors and processors. The project was also successful in introducing new technologies and production practices, as well as emphasizing the effectiveness of dairy for health, particularly for children.

The projected helped dairy processors introduce new products such as yoghurt and buttermilk.

Spicing up the nutmeg value chain in Indonesia

In the Indonesian province of North Moluccas, the project is training farmers in producing organic and aflatoxin-free nutmeg, as well as working to strengthen the local nutmeg value chain.

Indonesia is the world's second largest nutmeg producer. The annual global demand for high-quality nutmeg is estimated to be growing at 5 to10% per year due to its increasing use in medicine, cosmetics and food products. This provides an opportunity to enhance incomes and livelihoods of local farmers, including in the Indonesian province North Moluccas. Here, nutmeg is the main source of income for approximately 52,000 farmer families.

Unfortunately, the region's nutmeg has deteriorated in quality because of high levels of aflatoxin, which has impacted nutmeg exports as well as local food security. The ICCO Cooperation and IDH (Sustainable Trade Initiative) partnered with the private sector to develop North Moluccas' organic and aflatoxin-free nutmeg sector by training farmers in organic nutmeg production and enhancing the organic nutmeg value chain from production to export.

Inclusive value chain development

The multi-stakeholder program addresses major constraints by training farmers in Good Agricultural Practices (GAP), good pre- and post-harvest handling practices (GHP), food safety and traceability. The innovation rests in transforming the traditional nutmeg farming into traceable, sustainable organic production, and developing the value chain with new and stronger linkages between stakeholders. In the period between 2014 and 2017, the project will not only benefit the 5,000 participating farmers with an increased income of 10%, but partner trading companies are also expected to earn an additional 10% and will be able to create 100 new jobs.

The program's sustainability is anchored on the contributions and commitment of all the stakeholders in the nutmeg value chain. The farmers have the land and labor to produce organic, sustainable nutmeg, and the private sector can provide knowledge on production and post-harvest technology for organic production and certification. Responsible business is being advocated by raising awareness among the private sector on the local influence of their business activities and their role in opening markets for local small-scale producers. The enhanced value chain is based on good relationships, mutual trust and accountability.

Increased farmer income

The project has now reached 5,000 farmers, with a total acreage of 6,987 hectare and an estimated yield of 306 kg/season for mace and 631 kg/season for nutmeg. In the past two years the income of the farmers producing aflatoxin-free nutmeg has increased by 631,238 rupiah. Organic nutmeg farmers' income increased by 1,893,716 rupiah.

As result of higher availability of aflatoxin-free, organic nutmeg, an increase in the procurement volume of local traders and exporters is expected. To augment their trade capital, ICCO facilitated a loan from the Common Fund for Commodities (CFC). In 2015, CFC provided USD 120,000 to PT Agripro Tridaya Nusantara (Agripro), a strategic partner in the nutmeg program. The loan has a duration of 18 months to support six cycles of nutmeg procurement. In the fourth quarter of 2015, Agripro procured a total of 48,000 tons of aflatoxin-free and 12,000 tons of organic nutmeg. It projected to secure 98,000 tons of conventional nutmeg and 36,000 tons of organic nutmeg by the first quarter of 2016.

Revival of nutmeg

As farmers and local buyers are able to cash in on the increased supply and premium prices for quality and organic nutmeg, it will promote a sustainable organic nutmeg value chain with co-ownership and co-responsibility among various stakeholders. Upon conclusion, the program will have contributed to improving livelihoods for farmers and their families in the North Moluccas, and making the production of nutmeg and its related products a commercial venture with strong links to local buyers and the international market.

icco COOPERATION

57th Consultative Committee Meeting

During the 57th Consultative Committee Meeting (25 to 28 January 2016), the Committee reviewed nine Regular projects and four Fast Track projects, paying due attention to the potential for achieving lasting development impact and the financial soundness of the investment. As a result, seven Regular projects and four Fast Track projects were recommended to the Executive Board for consideration and approval.

Regular Projects:

UPSCALING THE PRODUCTION AND PROCESSING OF SELECTED OILSEEDS (CFC/2015/07/0032)

In Nigeria, Efugo Farms Limited (EFL) intends to stimulate the supply of oil seeds to produce edible and non-edible oils. The development impact of the project includes increasing of the number of outgrower farmers producing oil seeds from 2,000 to 20,000 in one year, generating an expected net benefit of 225 to 475 USD/ha. The project will also increase the number of workers at the processing plants and affect import substitution by increasing vegetable oil output.

INVESTING IN LIVELIHOODS OF RURAL WOMEN IN NORTHERN GHANA (CFC/2015/07/0046)

Based in Kumasi, Ghana, Royal Danemac Limited (RDL) intends to stimulate the production of soybeans for processing into soybean meal and oil. The main development impact of the project is increasing the number of women growing soybeans from 7,000 to about 21,000 in 2022. Furthermore, soybean production will have a positive effect on soil fertility and enrich the local diet. It will also increase domestic supplies of soybean meal for the Ghanaian processing industry.

CORN FARM PROJECT OF THE MUNICIPALITY OF AWAE (CFC/2015/07/0044)

The project aims to establish a smallholder outgrower scheme in Awae, Central Cameroon to supply maize to large commercial buyers such as the Brasserie de Cameroon and World Food Programme (WFP). Small-scale farmers will receive technical assistance, input and machinery services through the municipality, which also organizes delivery of maize to the end buyer. The project will cover around 2,450 ha for intensified maize production, with the intention to scale up. The net economic impact over 12 years is calculated at USD 3.43 million against the total investment of USD 2.5 million.

AGRI IMPACT FUND ASIA (CFC/2015/07/0034)

Agri Impact Asia Fund (AIAF) will provide debt and equity financing to small and medium-sized South and South East Asian agricultural companies that add value to agricultural commodities and provide smallholder farmers with access to local and international markets. AIAF will primarily focus on investments in companies working with millet, organic food and pulses, which provide substantial market potential and are mainly produced by small marginal farmers in remote areas.

ASILI FARMS KUPANUA PROJECT (CFC/2015/07/0078)

Asili Farms Ltd. is a fully mechanized commercial maize and soybean farm in Uganda. The farm owners are seeking financing to work towards their goal of expanding farming operations to 6,500 ha. In addition to procuring farm machinery, Asili aims to upscale training of small-scale farmers in commercial maize and soya production to supply the Joseph Initiative (JI). The projected training of 50,000 smallholder farmers and their integration into the JI supply network would have a substantial impact on the region's "bottom of the pyramid" population.

ACCELERATING LENDING TO FOOD & AGRI SECTOR IN EAST AFRICA (CFC/2015/07/0028)

The project entails incorporating two companies, one in Kenya and one in Uganda, which focus on agricultural value chain financing through factoring. The project promoter is Financial Access Capital Management BV (FACM, the Netherlands) on behalf of its subsidiaries Financial Access Capital Partners (FACTS) East Africa BV. The project will provide agricultural SMEs with access to factoring services that are less expensive than the money lending services currently available.

IRRIGATED RICE PRODUCTION IN THIAGAR, SENEGAL (CFC/2015/07/0030)

The project would upscale rice farming and milling operations of Coumba Nor Thiam (CNT) in the Northern Senegal River Valley region. The project activities will focus on increasing the total area under rice cultivation, enlarging the existing outgrowers' scheme and improving rice production capacity. The project would enhance income generation for outgrower farmers as well as increase the availability locally produced rice, enhancing national food security.

The recommended support for the above seven projects totals USD 9.2 million (USD 7.7 million in loans and USD 1.5 million in equity). The final decisions regarding the recommended projects will be taken at the 61st Meeting of the Executive Board (6 April 2016).

Some of the projects in this newsletter were made possible thanks to the financial support provided to the CFC by the OPEC Fund for International Development (OFID) and the Government of the Netherlands (Dutch Trust Fund Agreement).

OFID THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

Ministry of Foreign Affairs of the Netherlands

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