



**CONTRIBUTIONS BY THE COMMON FUND FOR COMMODITIES FOR THE INTER-AGENCY CONSULTATIVE GROUP MEETING ON THE IMPLEMENTATION OF THE ISTANBUL PROGRAMME OF ACTION FOR THE LEAST DEVELOPED COUNTRIES VIRTUAL MEETING, 16 JUNE 2020**

Your Excellency Ms. Fekitamoeloa 'Utoikamanu, Under Secretary-General and High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States

Distinguished Panellists,

Ladies and Gentlemen,

At the outset, I would like to thank the organizers for making all the necessary arrangements for this meeting to be held virtually. This is an excellent opportunity for us to discuss the progress in the implementation of the Istanbul Programme of Action (IPoA) and UN's and others international organizations to help countries weather the "economic tsunami" unleashed by the pandemic.

As noted in the key messages of "LDC IV Monitor"<sup>1</sup> already in 2014 and long before now infamous COVID 19:

Quote:

*Reduction of the negative impacts of commodity dependence in LDCs can be achieved through diversification, value addition, effective participation in global value chains, diligent use of resource rents, and insulation of domestic economies from international price volatility. In the process of implementation of these strategies, employment and income outcomes have to be made explicit.*

unquote

Our organisation has been precisely engaged in doing this since 1989. As you may be aware, here in the Common Fund for Commodities (CFC), which is the world's only international organisation dedicated to the commodities, within the framework of the United Nations, dedicated to impact investing.

CFC was 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.

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<sup>1</sup> Istanbul Programme of Action for the LDCs (2011-2020): monitoring deliverables, tracking progress - analytical perspectives, Commonwealth Secretariat, London, 2014

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.

With 101 member states, our mission is to contribute to poverty alleviation by strengthening the income-generating capacity of commodity producers and mitigating vulnerability to their economic well-being.

Towards this goal, the Fund provides financial support for innovative projects with high impact promoting the interests of the smallholder farmers and small and medium enterprises (SMEs) engaged in commodity production, processing and trading in Developing Countries, contributing to the implementation of several key priorities of the IPoA.

During the period 2013 to 2020, the CFC has approved 27 projects operating in LDCs, with a total value of USD 63,9 million. These projects develop new opportunities for small-holder producers in LDCs through increases in production and productivity, horizontal and vertical diversification, value-addition, increasing access to markets, capacity building and risk management.

We acknowledge with thanks the support and financial assistance that we received from several generous donors including, but not limited to, Dutch Trust Fund and OPEC Fund for International Development. Yet, we regret that despite our sustained effort almost 8 LDCs and 27 LLDCs are yet to join us as Members and thereby getting the benefit of our project financing in their countries. We, hereby, urge all of them to join us and get the benefit of innovation and creativity that perhaps capture the culture of our work in the CFC.

Madam Chair,

The CFC is closely monitoring the impacts of the Covid-19 pandemic in its member countries and is sentient to the particular vulnerabilities of the smallholders of the agricultural value chains in which it operates. While the actual impact to rural communities will necessarily differ across countries and value chains, the economic livelihoods of smallholders are likely to be affected by a number of common factors.

In this regard, the CFC intends to implement an emergency liquidity facility of about Two Million USD as mitigation support to our projects that have been impacted by the pandemic. This is subject to approval of our Executive Board, which are very hopeful of so we can make this available at the earliest.

From our experience, receiving the distress calls from our clients in the fields of LDCs and LLDCs, we would like to seek your consideration for the following:

- the IPOAs quest for alignment with the SDGs has to be expedited to support rapid poverty eradication and sustainable development. It is perhaps the only framework that would help us to support acquiring new technologies, building domestic capacity and a knowledge base, promoting indigenous capacity for research and development, bridge the digital divide and technology gap.
- If current trends continue, the IPoA goal of doubling LDCs' share of world merchandise trade looks doubtful. Competitiveness-driven export diversification in terms of both products and markets continues to be a daunting challenge for LDCs. International

commitments including those related to market access of LDC goods and services need to be implemented urgently.

- An urgent reinvigorated framework of “Technology Bank” so that developing world doesn’t immerse more into digital divide as lack of digitalisation is perhaps the single most painful lesson of this pandemic.
- Mainstreaming Science and Technology into LDCs national development and sectoral policies.
- Priority in budget allocation for development of science, technology and innovation
- Promoting investments in innovative solutions for the development of modern and cost-effective technologies in agriculture, fisheries, minning etc.
- Building institutions and expand the knowledge base in the LDCs through regional hubs.
- Collaboration of private sector, government and business, what the Dutch call here as Triple Helix, has to facilitated vigorously both as a process and culture.

More importantly, national risk mitigation strategies for the LDCs have to address the vulnerabilities to economic shocks. International support for such mitigation strategy is urgently required in reducing the size and the frequency of the economic shocks, but also in improving the ability to mitigate the impact of shocks. Enhanced collaborations among national, international and UN organisations are all more the needed as we move forward to address all kind of exigencies.

On the whole, one fundamental lesson of the COVID-19 is the realization that unless poverty is addressed globally, with a renewed sense of urgency, the spread of killing viruses like COVID-19 could always run the risk of wreaking havoc in both developing and developed world. This is why we have to start preparing now and encourage ourselves to herald a return to normal. There will, however, be no normal if we forsake the idea of humanity and turn our backs on those forgotten people, near and far.

Therefore, CFC would remain on the lookout for being a part of a good ecosystem of business support actors, with shared objectives and complementary strengths, with priority for the more vulnerable at the margin, to deploy solutions for resilience and recovery.

I thank you for your kind attention.