

THE COMMON FUND FOR COMMODITIES



Amsterdam, 29 June 2020 – **CFC creates an Emergency Liquidity Facility to support SMEs overcoming the impact of the pandemic**

The Executive Board of the Common Fund for Commodities approved, by special vote without a meeting, an extension of the CFC’s Fast Track Facility to create an Emergency Liquidity Facility (ELF) with the total size of USD 2 million.

The ELF is formed to provide urgent working capital support to qualifying SMEs in commodity dependent Developing Countries (CDDCs) which are currently struggling with the impact of the COVID-19 pandemic on the global commodity value chains.

The ELF builds on the long-term experience of the CFC with the Fast Track Facility, which provided financing through simplified procedure to commodity sector development projects below the limit of USD120,000. The ELF, operated under the authority of the Managing Director of the CFC, will provide working capital support to such companies. Due to unique design of the ELF, building on the decades of CFC experience, qualifying companies can access ELF financing within the shortest time.

The ELF is intended to be operationalised, at the shortest possible time and thereby shielding jobs and businesses from the impact of the pandemic. Using CFC’s internal resources, the ELF could be seen as a member states recognition of the need for emergency working capital for SMEs in the CDDCs. Member states also acknowledged the fact that needs in CDDCs exceeds the financing capacity of the CFC by a long shot, accordingly the Executive Board of the CFC requested the Managing Director to establish a dedicated Trust Fund for voluntary contributions by Member Countries wishing to support the SMEs facing the challenges of the pandemic.

The quick deployment of the ELF by the CFC reflects the primary concern of the Common Fund about the short term and long-term impact of the pandemic on CDDCs. The immediate demand shock followed by disruption of the global supply chains and supply shock can erase decades of achievements towards the SDGs. The ELF will allow the CFC to support the vitality of SMEs in the commodity sector of CDDCs, so that they can overcome the pandemic, and expand their presence in the global markets once the recovery sets in.

Note to the editor:

The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution, dedicated to impact investing, established within the framework of the United Nations, with headquarter in Amsterdam. It 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.

For more information: www.common-fund.org