

THE COMMON FUND FOR COMMODITIES



Amsterdam, 1 July 2021 – The CFC holds its 68th Consultative Committee Meeting by teleconference.

The Common Fund for Commodities held its 68th Consultative Committee (CC) Meeting from 28 June to 1 July 2021. Complying with the COVID-19 measures, the meeting was held via teleconference for the third time. Five projects submitted under the 18th Call for Proposals were reviewed and eventually five projects were approved.

In his opening remarks, Ambassador Sheikh Mohammed Belal, Managing Director of the CFC, welcomed and thanked all members of the CC for their valuable contribution to the operations of the CFC. It was noted that the CFC demonstrated resilience during the challenging times of the pandemic and sustained its activities to further its mission of poverty alleviation. Through joint efforts and a quick response to the sudden disruptions, the CFC continued supporting SMEs and smallholders in commodity-dependent developing countries and managed to implement multiple projects.

In light of the shortcomings in the food system that the pandemic has revealed, Amb. Belal sought the Committee’s attention to support projects that can not only increase the income of smallholders and SMEs, but also help them produce quality nutritious food to provide immunity. In turn, this could facilitate the response to potential future crises or other health emergencies. Amb. Belal urged all to join CFC to “walk back” along the value chain so that more income and well being of the smallholders could be ensured.



The Committee emphasized that to make up for the COVID-19 shocks, it is very important that projects continue to remain focused on the smallholders and SMEs. This will not only help localizing the development, but it will also help inoculating communities with a sense of resilience that they demonstrated exemplary during this pandemic.

The Committee also appreciated the innovations like blockchain and other traceability initiatives that have been incorporated into some of the projects during this CC. It was hoped that such innovations will help uplifting more people from poverty at the margin.

The Committee reviewed five regular project proposals. Upon thorough analysis of their feasibility and potential for having a lasting development impact, all projects were recommended for future consideration and approval by the Executive Board. The Committee was in consensus that CFC is showing very encouraging sign of progress as quality, innovation and impact load of the projects has improved significantly.

The total value of these projects equals USD 45,9 million, of which the CC recommended that the CFC provides loan financing of up to USD 6,9 million. These projects are based in Mali (LDC), Indonesia, Uganda (LDC), Kenya, Zambia (LDC), Malawi (LDC), Rwanda (LDC), Tanzania, among others. These projects not only cover commodities like fruits, coffee, vanilla, but also include companies striving for global food security, waste reduction, climate change mitigation, and job creation.

In line with the CFC's endeavors to contribute to the Sustainable Development Goals (SDGs), these projects combined target SDG 1 (No poverty), SDG 2 (Zero hunger), SDG 5 (Gender equality), SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 10 (Reduced inequalities), SDG 12 (Responsible consumption and production), SDG 13 (Climate action). Moreover, 185,805 smallholder farmers are expected to benefit from these projects.

Aside from assessing these project proposals, the CC discussed the operations of the CFC, the Impact Portfolio Management, and the Loan Portfolio Management. The CC was also provided with an update on the Emergency Liquidity Facility (ELF) – a focused instrument unlocked in April 2020 to help eligible SMEs receiving CFC finance overcome the difficulties brought by the pandemic.

Furthermore, the CFC Secretariat updated the CC on the Working Group (WG) on Sustainable Fund Management, formed by the Executive Board. The WG has finalized the third block of discussions on the establishment of the Commodity Impact Investment Facility (CIIF). The CIIF would operate within the CFC development mandate and the areas of CFC competence, namely substantive contribution to the SDGs by investing in commodity value chains. The facility will be a powerful instrument to attract impact investors for the type of projects supported by the CFC.

Given the CFC's focus on API (Additionality, Partnerships, Innovation), the 68th CC Meeting can be seen as a success. By incorporating technological developments, emphasizing value addition of crops, and expanding its collaborations, the CFC constantly seeks to bring innovative elements into its projects. This way, greater impact can be achieved, and more livelihoods supported.

The CC is composed of nine independent experts in a specific commodity or subject matter area, and is an advisory body for the Executive Board of the CFC. Members of the CC provide the CFC with their expertise to identify best projects to be recommended to the Executive Board. The CC is composed of five women and four men, hence reflecting the CFC's commitment to gender equality. The meeting was chaired by Ms. Jie Chen for the second time.