

## **FUNDING INNOVATION - SUPPORT FOR COMMODITY DEVELOPMENT**

The CFC is inviting applications for support of commodity development activities in its member countries<sup>1)</sup>. Interested organizations are requested to submit their applications in the prescribed format.

The CFC provides a range of financial and technical instruments in support of business activities contributing to commodity sector development in Developing Countries. Examples include agriculture, commodity value addition and trade, minerals and metals. Besides generating a viable financial return, eligible activities should also deliver a measurable social and environmental impact.

To apply, please download and complete the **application form** according to **instructions**. Applications are to be made in English only as the CFC cannot provide for translation of proposals submitted in other languages.

## **OBJECTIVES OF CFC'S PROJECT FINANCING**

CFC supports activities which promote the contribution of the commodity sector to sustainable development of CFC member countries in the following aspects:

- (i) Social: Create employment (particularly for youth and women), provide sustained increase in household incomes, reduce poverty, and enhance food security.
- (ii) Economic: Enhance production and productivity, achieve higher local value addition; improve competitiveness of producers, producer organisations and small and medium sized industries, support the financial sector development.
- (iii) Environmental: Enhance production taking into account the environment and its long term possibilities for the same, or increased use of productive resources while maintaining or reducing the impact on the environment.

The CFC supports implementation of activities along the value chain that:

- are innovative, scalable and replicable,
- are financially sustainable,
- have a potential measurable positive socio-economic and environmental impact on the stakeholders in commodity value chains as compared to the prevailing baseline situation,
- develop stronger connections with existing markets or create new markets along the value chain,
- increase financial or other services available for commodity producers and commodity based businesses,
- enhance knowledge generation and information dissemination, and
- build effective and cost efficient collaboration between producers, industry, governments, civil society organisations and other stakeholders for commodity based development.

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<sup>1)</sup> See the list of CFC member countries at [www.common-fund.org/organization/members-of-the-cfc](http://www.common-fund.org/organization/members-of-the-cfc).

## **EXPECTED IMPACT**

### RELEVANCE TO THE SUSTAINABLE DEVELOPMENT GOALS (SDGS)

The proponents should identify and specify the SDGs to which the project will contribute.

### DIRECT DEVELOPMENT IMPACT

The proponent should present transparent and verifiable information concerning the baseline data and projections for:

#### (i) Economic impact:

- on the economic situation of the participating producer households;
- on the commercial /economic position of the applicant organization.

#### (ii) Social impact:

- on the position of the benefitting producer households;
- on the employment created and the wages paid by the applicant organization;
- on the welfare of special vulnerable groups such as women, youth and the poorest persons below the poverty line.

#### (iii) Environment impact:

- of the processing activities by the applicant organization;
- of the production practices of the project participants.

Please note that projects with adverse net environmental impact will not be considered by the CFC.

### INDIRECT DEVELOPMENT IMPACT:

To the extent relevant to the project, the proponent should describe the wider impact of the project:

- on the value chain in which the applicant operates;
- on the larger market system and commodity sector.

## **ELIGIBLE ENTITIES AND COFINANCING REQUIREMENTS**

All legal public and private entities are eligible to apply under this Call for Proposals, provided they:

- operate in commodity value chains in CFC member countries or provide financial services to micro, small and medium sized businesses operating in these value chains,
- have a proven relevant track record of sound financial operations in their current and / or proposed activities over a period of at least 3 years, which can be documented by means of (audited) financial statements, and
- share CFC's values, including internationally recognized principles concerning human rights, labour, the environment and anti-corruption as reflected in the United Nations Global Compact.

The amount of finance requested from CFC should not exceed 50% of the total amount required to execute the project. The balancing amount of co-financing is to be provided by the applicant and/or by other co-financiers. Such co-financing should be relative to the new funding requirement for the (investment) project. Sunk cost are not eligible to be considered as a financial contribution.

A thorough assessment of the co-financing available will form part of CFC's final due diligence verification.

## **MONITORING AND EVALUATION**

A suitable monitoring and evaluation system to assess the impact of CFC supported activity shall be an integral part of CFC financing. The baseline data for each activity is to be available or collected to demonstrate the effectiveness and impact of the activities before the activity or cooperation starts. At the completion of the activity an assessment of the outputs and development impact shall be made. In the interim, results are to be reported as compared to the planned objectives.