

## COMMON FUND FOR COMMODITY

### Press Release (CFC/ICAC/40)

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#### COMMON FUND PROVIDES SUPPORT TO AFRICAN PRODUCER ORGANIZATIONS TO IMPROVE INCOMES OF SMALL-HOLDER COTTON PRODUCERS

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The Executive Board of the Common Fund for Commodities, in its 51<sup>st</sup> meeting held in Amsterdam on 13 and 14 April 2011, has approved the project “ProCotton: Improving Productivity and Marketing of Cotton through Strengthening of Selected Producer Organizations in Eastern Africa” (CFC/ICAC/40). The total project cost is USD 840,000 of which the Common Fund finances USD 500,000 as a grant. Half of this amounts originates from funds of OFID (the OPEC Fund for International Development), which have been made available to the Common Fund for Commodities in support of earmarked project funding activities. Counterparts are contributing the remainder of USD 340,000 in kind.

The project is the result of consultations between the Common Fund, the Dutch NGO Solidaridad and the Rabobank Foundation. The project will focus on initial strengthening of three producer organizations in Tanzania and Zambia. This limited-scale assistance project targets producer organizations as instruments to strengthen producer productivity and increase income derived from cotton production and marketing. The approach advocated by the project, to raise farmer income by strengthening their organizations, has proven to be successful for other commodities like coffee, cocoa and tea. The project will provide integrated support programmes to established and well-functioning producer organizations, addressing constraints related to technical (agricultural production) support, access to finance, capacity building, access to markets, and product diversification and value-addition.

The project partners (Solidaridad and Rabobank Foundation) have positive experiences in reaching out effectively to small producers and their organizations, but they had not yet developed similar programmes for cotton in Africa. The current approved project is a component of a long term programme for similar commodity development interventions supported by Solidaridad and the Rabobank Foundation. The Fund’s contribution to start-up the project is limited to two years, after which the project partners will continue/expand the programme. It is envisaged that by 2014/15 up to about ten producer organizations with a membership of at least 75,000 smallholder cotton farmers will benefit from this programme.

The project will be implemented by Solidaridad who will also be responsible for the administration and financial management of the project funds. The International Cotton Advisory Committee (ICAC) will act as the Fund’s so-called “Supervisory Body” for the project. Counterpart organizations/beneficiaries will initially be “Biosustain” in Tanzania and COMACO (“Community Markets for Conservation”) and CAZ (“Cotton Association of Zambia”) in Zambia.

Project specific information can be obtained from Solidaridad (‘t Goylaan 15, 3525 AA Utrecht, The Netherlands. [www.solidaridad.nl](http://www.solidaridad.nl) tel: +31(0)30 272 03 13; fax: + 31(0)30 272 01 94)

*Note to the Editor: The Common Fund for Commodities is an intergovernmental financial institution established by the United Nations. The main objective of the Fund is to assist Developing Countries which are dependent on the production and export of primary commodities. The main target groups are commodity producers in Least Developed Countries and the poorer strata of the population in other Developing Countries. The Common Fund is headquartered in Amsterdam, the Netherlands.*

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