CFC common fund for commodities

Annual Report 2021

Mission & Vision Statement

Mission
"To contribute to poverty alleviation by strengthening the income-generating capacity of commodity producers and mitigating vulnerability to their economic well being"

Vision
"To strengthen and diversify the commodity sector in developing countries and transform it to be a major contributor to poverty alleviation and sustained economic growth and development."

Photo: Long beans, China. Adobe stock

Contents

Cover photos:
Large photo at the top:
- Indian female farmer. Adobe stock

Small photos from left to right:
- Banana harvest. Adobe stock
- Peppers. Adobe stock
- Picking ripe dates, Namibia. © M. Namundjebo
- Wheat field. Adobe stock
- Farmer in her sunflower field, Apac, Uganda. © FAO/Sumy Sadurni
- Grain market in Multan, Pakistan. © FAO/Asim Hafeez

Photo: Colcocoa

Foreword: a message from our **Managing Director**

Managing Director, H.E. Sheikh Mohammed Belal

Alongside the undoubted challenges of 2021, we have a number of inspiring outcomes to celebrate. The COVID-19 pandemic made life harder for many of the businesses we invest in, but it also opened the door to new ideas and opportunities to create transformative resilience-building changes.

We are proud of our achievements this year. 2021 saw the highest amount of funding disbursed since the organisation was reformed in 2012. 11 new investments were approved by the CFC's Executive Board, another new high. This involved an outlay of USD 114.3 million, including USD 18.9 million of CFC contribution. These investments targeted a number of Sustainable Development Goals (SDGs): 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). Together, these new partnerships will benefit **228,165 smallholders** by improving their market access and boosting their productivity. This will lead to a net additional income for each smallholder of **USD 263** per year. In total, it is expected that **80,658** hectares of additional land will be cultivated due to the interventions financed by the CFC. We have also made great strides on SDG 5, with women making up **63%** of those benefitting from our 2021 investments, compared to 31% in previous years. Alongside these steps, we have also begun the process of launching our Commodity Impact Investment Facility (CIIF), a new fund that will scale up our good work globally.

Each year we keep striving to do more, because our work is just as important now as it was when the CFC was established. At UNCTAD's first session in 1964, the impact of commodity price volatility was at the top of the agenda, and a discussion on creating a common fund began. Fifty-eight years later and the economies of many developing countries are still driven primarily by commodities. This kind of commodity dependence makes them vulnerable to economic shocks. It is a trap that UNCTAD rightfully warns these countries will not escape from in the foreseeable future unless they go through 'a process of technology-enabled structural transformation'.

We act as a bridge between the developing and developed world, transferring technology and innovations from our base in the Netherlands. We lean on the innovation around us with a number of our projects enriched by Dutch entrepreneurs and businesses, benefitting both them and agripreneurs in the developing world. Although countries in the developing world face significant technological challenges, their access to scientific and technical knowledge has grown. At the CFC we work to bring together innovation and local knowledge to develop solutions that make a difference on the ground.

To get a better idea of how we are helping smallholders benefit from value chain innovation, read about the impact some of our investments are having on: Shalem (page 69), Olivado (page 51), Kennemer (page 71), COOPAC (page 42), Mercon (page 73).

Our purpose is to advance sustainable business models, primarily involving smallholders or small and medium-sized enterprises (SMEs). We want to empower them to grow and develop so that local banks and other financial institutions feel confident enough to lend to them. Here are some ways we're putting that purpose into practice.

Supporting smallholders by adding value in Kenya

Shalem, a female owned and led agri-business in rural Kenya, approached the CFC for financing in 2017 after they had been turned down by local banks. The CFC and its co-financier, the Dutch Trust Fund, agreed a loan of USD 610,000 with Shalem. Working in partnership with us from 2017 to 2022, Shalem transitioned from a grain aggregator to an added-value manufacturer, supporting the least privileged people in the surrounding communities. Their products, fortified with minerals and vitamins, have built food security in the region and boosted the nutritional intake of its most vulnerable people at a time, during the pandemic, when it was most needed.

Photo: Mercon

Of course, there were challenges. As COVID-19 restrictions were introduced, bars and restaurants closed. In turn breweries reduced production and the demand for sorghum plummeted, leaving Shalem with hundreds of tonnes of the grain and no one to sell it to. The CFC stepped in with an additional loan, under its COVID-19 Emergency Liquidity Facility, to help Shalem weather the storm and continue paying its smallholder suppliers. This loan stabilized Shalem and enabled it to bounce back quickly. Today it no longer needs our fund, having grown into a strong business local banks want to invest in. And when we are no longer needed, that is a cause for celebration!

Alleviating poverty with organic coffee e-Commerce in the DRC and Rwanda

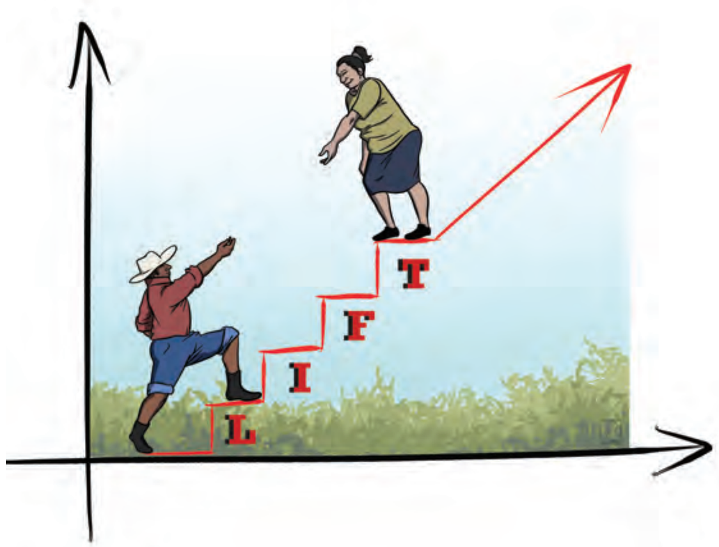
We are always looking to support the most vulnerable in the least developed countries, the LDCs, LLDCs, SIDs and the likes. Our investment in COOPAC has helped us do this in one of the most challenging geo-political tracts of land, between the Democratic Republic of Congo (DRC) and Rwanda. The venture was based on innovative coffee cultivation and gender equality, using an e-Commerce sales platform to expand its market access. This brought much-needed income and positive social impacts to an otherwise impoverished community.

Encouraging thriving ecosystems with carbon credits in The Philippines

After phenomenal success in their cocoa value chain, Kennemer is now using our fund to venture into the carbon credits market. After two years of research and evaluation, Kennemer launched MinTrees, a reforestation programme designed with 2,000 smallholders from rural Philippines. Through the programme, which is now in the final stages of verification with an external auditing company, Kennemer will soon be able to issue carbon credits.

Lifting the coffee value chain in Nicaragua, Honduras, Guatemala, Brazil and Vietnam

Taking a detour from our usual SME-sized businesses, the CFC invested in the Mercon Coffee Group to develop an innovative coffee value chain that provides smallholders with a comprehensive support package of knowledge and finance. Built around three key pillars – no child labor, no discrimination and fair and equitable payment – the program, known as LIFT, involves 4,200 farmers from Nicaragua, Honduras, Guatemala, Brazil and Vietnam.



The potential impacts are life changing for many. For example, we expect LIFT farmers from Nicaragua to receive an average annual coffee income of USD 6,706.80, compared to non-LIFT farmers who earn USD 1,474.00. We are keen to replicate this innovation in other coffee value chains.

Going green with avocados in Kenya

Olivado runs organic training programs for its smallholder suppliers, enrolling 800 in 2020 alone. It has a rigorous farm-to-market traceability system in place, including teams of field officers who regularly visit farms to offer support and advice on how to meet organic certification requirements. Olivado is also on track to hit zero carbon emissions through its investment in biogas plants that run off organic waste, including from its own avocados.

Growing agroforestry in Africa and Latin America

The Moringa Agroforestry Fund, which the CFC supports both as an investor and as its Technical Assistance Fund Manager, invests in businesses that work with smallholders who are farming forests sustainably, by combining trees with agricultural crops and animal husbandry. During the CFC's investment period, Moringa's work benefited 12,684 smallholders who sustainably manage 14,984 ha of land.

Demand is higher than ever, supply needs to rise to the challenge

As the world deals with a pandemic and the destabilising impact of conflict, it is no surprise demand for the CFC's services has increased across the globe. Given the enormity of the challenges facing us, we need to step out of our comfort zones to find innovative solutions.

In 1983 Indian economist and philosopher Amartya Sen noted that "starvation statements are about the relationship of persons to the commodity of food, rather than about the food supply *per se*". In other words, we have enough raw commodities but we must do a much better job producing, processing, marketing and consuming them, to prevent hunger and build fairer societies.

This is our core purpose. We are small, effective, and impactful. But to do more we need larger partners such as the World Bank, IMF, IFC, GCF, EU and the wider UN ecosystem, to de-risk our investments. With their support we can increase the innovative programmes that are still so rare in developing regions and address some of the most pressing issues of our age. For instance, let's find a way to put the Multilateral Investment Guarantee Agency (MIGA) or the Green Climate Fund (GCF) within reach of smallholders and SMEs, enabling them to become more climate resilient through better training and equipment.

Beyond our work, we need global solutions in the commodity sector that solve rather than relocate issues. Tax practices across the world are one example of an area that needs a unified approach to ensure fairness and social justice everywhere. After all, inefficient and unfair taxation affects everyone from the grandma in Manchester to the mother in Mali.

Take the Democratic Republic of Congo. It has enormous mineral wealth, particularly in cobalt, copper and diamonds. Yet it has some of the world's worst malnutrition and child mortality, as well as millions of children who are not at school. A more just distribution of this wealth would empower progress that releases millions trapped in poverty. Governments must reflect on how to do this, rather than pinning all the blame on the 'resource curse'.

I am deeply thankful to our member countries and the institutions that support us. I also continue to be inspired by the commitment and dedication of the smallholders and SMEs we work with; despite the challenges they face. And of course, I want to thank our team at the CFC for making all our achievements possible.

As we look ahead, I am optimistic that we can expand our impact and contribute even further to the UN SDGs by providing targeted financial support, scaling up sustainable and inclusive economic growth through our CIIF fund, and working to deliver on the Doha Programme of Action.

I look forward to continuing our journey with you.

Sheikh Mohammed Belal

H.E. Sheikh Mohammed Belal

I

CFC **at a glance**

"In a world facing huge challenges with shortage of commodities, rising prices and an increase of starvation among the poorest, the need for the support and engagement of the CFC is greater than ever. I am confident that the CFC as always will be there, ready to give support in order to contribute to development, where best needed. That makes me proud of the CFC."

Ms. Anna Tofftén (Sweden), Chairperson of the Executive Board

Photos left to right: Coffee berries, Brazil. Adobe stock | Hargeisa, Somalia, © FAO/Mustafa Saeed / Arete

CFC **Highlights**

Expected Impact (current loan portfolio)

415,000
farmers

31%
women among the farmers impacted

80,700
hectares cultivated

5,500
jobs created

10
projects in LDCs

Operations - 32 years supporting commodity producers*

448
projects approved

70
commodities financed

99
different countries supported, of which
36
are LDCs

937 million
of total project costs (in USD)

366 million
of capital committed (in USD)

571 million
co-financing/ counterpart contr. (in USD)

280 million
disbursed (in USD)

Organization

32 YEARS
years of project experience

101
member states

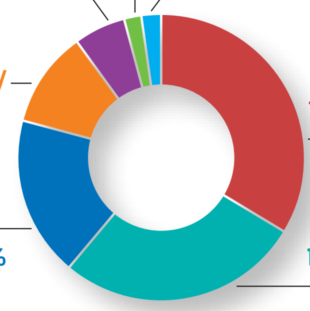
9
institutional members

7
investment partners

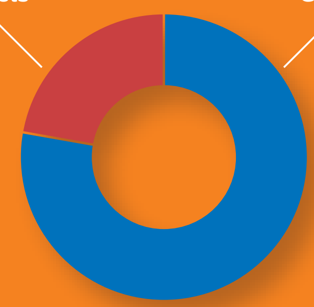
22
staff members, of which
59%
are women

9
commodity experts, of which **56%** are women, form the Consultative Committee

Commodity Value chain*



CFC projects in LDCs*



*Grand total since 1989

Photo: Varieties of pulses on display at an open air market in Cairo, Egypt. © FAO/Pedro Costa Gomes

Countries participating in **CFC projects since 1989**

1. Mexico
2. Cuba
3. Haiti
4. Guadeloupe
5. Jamaica
6. Honduras
7. Guatemala
8. Nicaragua
9. Costa Rica
10. Trinidad and Tobago
11. Venezuela
12. Colombia
13. Ecuador
14. Peru
15. Brazil
16. Paraguay
17. Argentina
18. United Kingdom of Great Britain and Northern Ireland
19. The Netherlands
20. Germany
21. France
22. Portugal
23. Spain
24. Russian Federation
25. Bulgaria
26. Turkey
27. Morocco
28. Algeria
29. Tunisia
30. Egypt
31. Mauritania
32. Mali
33. Niger
34. Chad
35. Sudan
36. Senegal
37. Gambia
38. Guinea-Bissau
39. Sierra Leone
40. Guinea
41. Côte d'Ivoire
42. Burkina Faso
43. Ghana
44. Togo
45. Benin
46. Nigeria
47. Cameroon
48. Central African Republic
49. Ethiopia
50. Djibouti
51. Gabon
52. Congo
53. DR Congo
54. Burundi
55. Rwanda
56. Uganda
57. Kenya
58. UR Tanzania
59. Angola
60. Zambia
61. Malawi
62. Mozambique
63. Namibia
64. Botswana
65. Zimbabwe
66. Lesotho
67. Eswatini
68. Madagascar
69. Syria
70. Israel
71. Yemen
72. United Arab Emirates
73. Oman
74. Bahrain
75. Uzbekistan
76. Afghanistan
77. Pakistan
78. China
79. Nepal
80. India
81. Maldives
82. Sri Lanka
83. Bhutan
84. Bangladesh
85. Myanmar
86. Lao PDR
87. Thailand
88. Vietnam
89. DPR Korea
90. Republic of Korea
91. Japan
92. Philippines
93. Malaysia
94. Singapore
95. Indonesia
96. Papua New Guinea
97. Solomon Islands
98. Vanuatu
99. Fiji
100. Samoa

CFC - Driving sustainable development through commodities

From the bread on your table and the cotton in your shirt to the copper and lithium in your smartphone and the oil and gas that heats your home, commodities are part of the fabric of our daily lives[1]. As the World Economic Forum has recognised, they underpin humanity's survival and progress.

But for centuries the rewards that come from producing and trading commodities have not been shared equally. The CFC was founded to change this. Our work is driven by the principle that commodity production, processing and trade should benefit both developed and developing countries alike. In practice this means it should deliver positive economic, social and environmental outcomes to everyone, particularly vulnerable communities in commodity dependent developing countries (CDDCs).

What are commodity dependent developing countries (CDDCs)?

According to UNCTAD, a country is commodity-export dependent when more than 60% of its total merchandise exports are commodities. The organisation's State of Commodity Dependence 2021 report, released on 8 September 2021[2], noted that the number of commodity dependent countries has increased during the past decade from 93 in 2008–2009 to 101 in 2018–2019.

Of the 101 commodity-dependent countries in 2018–2019, 38 relied on agricultural product exports, 32 on mining exports and 31 on fuels. The issue is particularly acute in Africa and Oceania, with more than three quarters of countries in both regions relying on commodity exports for more than 70% of their total merchandise export revenues.

All 12 countries in South America had a level of commodity dependence greater than 60% in 2018–2019. For three quarters of them, the share of merchandise exports that were commodities exceeded 80%. In Asia, the subregion of Central Asia had the highest level of commodity dependence, with commodities exports accounting for more than 85% of merchandise exports on average across its five countries. All of which were considered commodity export dependent.

The report urged developing countries caught in the trap of commodity dependency, which leaves much of their populations poor and vulnerable, to diversify their economies by enhancing their technological capabilities. Unless they go through "a process of technology-enabled structural transformation", it warned, they are unlikely to break free.

Our goal at the CFC is to reduce the vulnerability of CDDCs. We invest in businesses that support smallholders to add value and boost productivity while promoting climate resilience and gender equality. In turn this will reduce the poverty many of them experience.

We are keenly aware of the relationship between commodities and climate change, and the pressing need for countries to reduce their dependence on the extraction and consumption of fossil fuels. We are working hard to facilitate the transition to renewable energy in developing countries by increasing our investments in businesses that are tackling climate change in line with the UN's Climate Action SDG.

CFC MISSION

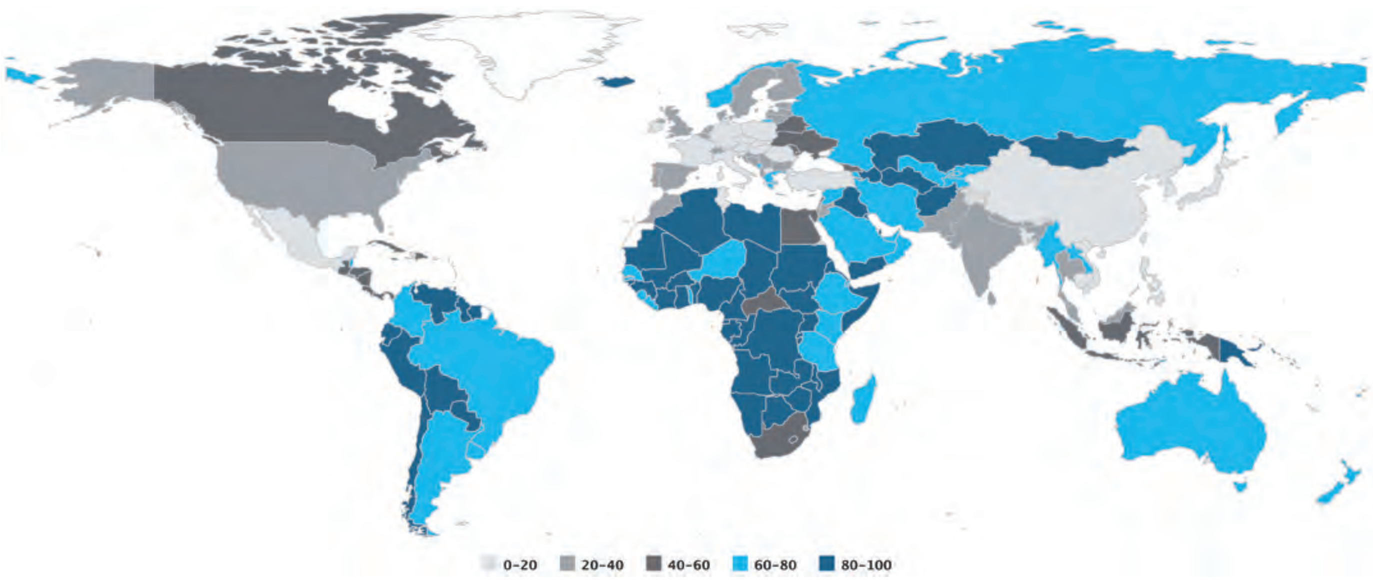
To contribute to poverty alleviation by strengthening the income-generating capacity of commodity producers and mitigating risks to their economic wellbeing.

CFC VISION

To strengthen and diversify the commodity sector in developing countries and transform it into a major contributor to poverty alleviation and sustained economic growth and development.

[1] Source: World Economic Forum. We must help developing countries escape commodity dependence
[2] Source: UNCTAD. State of Commodity Dependence 2021 report

The state of commodity dependence | UNCTAD



This map was prepared by UNCTAD and can be found at: https://unctad.org/topic/commodities/state-of-commodity-dependence

For many countries, commodities are the main source of income. Understandably producers are keen to earn more by producing more. But this frequently reduces selling prices and puts pressure on the natural resources, which compromises sustainability and development in the medium to long term. In addition, concentrating heavily on a few commodities has profound social consequences.

Take the case of commodities which require long-term investment, such as coffee. While a small number of plantation owners may benefit from a growth in trade, many workers toil in tough conditions for very little reward. In countries dominated by this model it can lead to underperforming economies, which is known as the 'resource curse'. The CFC was founded to rebalance this model so that the production, processing and trade of commodities benefits both producers and consumers, and the communities they live in.

Our work with the commodity sector contributes to sustainable development that benefits the social, economic and environmental fabric of a country. Of course, sustainable development is a broad term. There is no one-size-fits all formula, which is why we make sure our investments align with the strategies and development needs of each country and area we operate in.

The key starting point for all our investments is how will it increase food security, financial security and market access for the smallholder farmers who account for up to 80% of food production in Africa and Asia, but whose livelihoods are on a knife edge.

To address the issues they face, we provide financial support to innovative projects that will positively impact smallholder farmers and SMEs engaged in commodity production, processing, and trading in developing countries. By providing impact financing at the grassroots level we enable smallholders and SMEs to raise production, connect to markets and improve their incomes.

Our core activities

We support communities that rely on the commodities sector and are most exposed to its risks. We are based in the Netherlands from where we can harness innovation to act as a bridge between the developing and developed world.

We offer financing up to USD 2.0 million, which SMEs submit proposals for. This bottom-up approach ensures our investments are targeted to their needs and those of their local communities, while preserving the environment and creating stronger value chains.

Photo: Adobe stock

Beyond financing, the CFC manages technical assistance facilities for other impact investors operating in areas connected to our mission. This collaborative approach and knowledge sharing, enables us to extend our support to more SMEs and smallholder farmers in more countries.

Investing to make a difference

The Fund supports and invests in commodity value chains, in partnership with the public and private sector, development institutions and civil society. In particular, we harness the potential of commodity production, processing, manufacturing and trade, for the benefit of the poor.

We invest in organisations and activities that:

(i) are innovative and target new opportunities in commodity markets that lead to commodity-based growth, create employment, increase household incomes, reduce poverty and enhance food security;
(ii) are scalable, replicable and financially sustainable;
(iii) have the potential to positively and measurably impact the socio-economic and environmental situation of the people and places involved in commodity value chains;
(iv) develop stronger connections with existing markets or create new markets along the value chain;
(v) increase the financial, and other, services available to commodity producers and commodity-based businesses;
(vi) enhance knowledge generation and information sharing;
(vii) build effective and cost-efficient collaboration between producers, industry, governments, civil society organisations and other stakeholders for commodity-based development.
(viii) connect the modern, digitally aware consumer with hard-working smallholders using technology. We call this 'walking back along the value chain' to directly benefit the smallholders who put food on our tables.

Key areas we support

We provide technical and financial support from field to fork. That means we operate all along the value chain from production to consumption and reach across local, national, regional and international markets. Here are some examples of specific areas we target:

- Production, productivity and quality improvements
- Processing and value addition
- Product differentiation
- Diversification
- Marketing
- Technology transfers, upgrades and innovation
- Measures to minimise physical marketing and trading risks
- Facilitation of trade finance
- Risk management, such as price and weather volatility

Investment with impact

We fund projects that are sustainable and deliver measurable development impact within the framework of the SDGs. Our support is usually in the form of loans, including working capital, trade finance or similar financial instruments. In rare cases we will consider providing equity, quasi equity, lines of credit and guarantees. We also offer limited grants to qualifying organisations, for example, to enable specific new activities in areas of strategic interest or to support loan-based projects through activities such as capacity building and technical assistance.

Our activities are financed through voluntary contributions and capital subscriptions by member countries, as well as interest earned from our investments. The more generous member states are the more we can invest in overcoming the commodity dependence that exacerbates poverty, creating a fairer and healthier world for the benefit of everyone.

Partnering up to grow our impact

We can achieve more working together. We seek to build partnerships with public and private institutions, bilateral and multi-lateral development organisations, cooperatives, producer organisations, SMEs, processing and trading companies, and local financial institutions. We look for several elements when selecting a partner, including that they:

- operate in commodity value chains or provide financial and other services to small business operators, SMEs, cooperatives or producer organisations;
- have a proven track record in commodity development;
- have the ability to invest in the value chain to reduce transaction costs or increase revenues of producers, processors, storage or marketing;
- have a clear plan focusing on developing and/or diversifying their production or services;
- have a clear plan to expand their markets at local, national, regional and international level;
- have the technical, managerial and financial capacity to effectively and efficiently implement their activities;
- include social, economic and environmental aspects in their scope of work;
- share the CFC's values, including internationally recognised principles concerning human rights, labour standards, the environment and anti-corruption;
- will collaborate with the CFC to extend their core activities and create additional opportunities for everyone in the commodity value chain.

Connecting consumers with producers in the digital era

Enabling sustained growth in agricultural productivity, has a key role to play in fighting poverty and is central to our mission. But this one is part of a complex puzzle – smallholders still need help to profit from their work. Value chains are influenced by a range of forces on a national, regional and global level. Many of which are beyond our reach. With this in mind we're seeking support from member states and the UN ecosystem to tackle the non-competitive behaviour of multinationals and brands in dominant positions in local markets.

Inevitably smallholders suffer in this context, struggling to attract a fair price for their produce. It also leaves them exposed to price shocks from events outside their control, such as COVID-19. Where there is a dominant player, they are forced to take the price on offer, no matter how low it is. And these prices tend to fall faster in tough times, than they rise in better times. To redress this power imbalance, the bargaining capabilities of smallholders need to be enhanced. This will take collective political will and the adoption of digital technologies, including blockchain and the Internet of Things, that directly connect producers and consumers. This kind of connectivity could open the door to a more sustainable system, in which smallholders earn a fairer income and we all appreciate where our food has come from.

The CFC will continue to search for innovative ways to deliver on its promise to make commodities work for everyone in the coming years.

Box 1 | The Organization of the Common Fund for Commodities

Establishment and Membership

The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution, focussing on impact investment, within the framework of the United Nations. The Agreement Establishing the Common Fund for Commodities was negotiated in the United Nations Conference on Trade and Development (UNCTAD) from 1976 to 1980 and came into effect in 1989. Financing for the first development project was approved in 1991. The Common Fund for Commodities is a partnership of 101 member states and nine institutional members. Membership of the Fund is open to all states that are members of the United Nations and its specialised agencies, the International Atomic Energy Agency, and intergovernmental organisations that focus on regional economic integration and have expertise in our areas of operation.

Governing Bodies

The governing bodies of the Fund are its Governing Council and the Executive Board. The Managing Director is the Chief Executive Officer of the Fund. The Executive Board is advised by a Consultative Committee, composed of nine independent experts, on technical and economic aspects of proposals submitted to the Fund. The Governing Council meets annually, and the Executive Board and Consultative Committee twice a year.

Headquarters

The Common Fund is based in Amsterdam, the Netherlands.

CFC **staff**

Photo: Adobe stock

II

Emerging from the **COVID-19 pandemic**

When the Coronavirus first made the headlines in early 2020, little did we know about how it would change the world. In just a few weeks, lockdowns kept striking countries to contain the spread of the disease, which the World Health Organization declared a global pandemic in March 2020.

As a major threat to humans' health, COVID-19 forced governments to implement a series of restrictions that would later disrupt our connected world. According to the United Nations Conference on Trade and Development (UNCTAD), the pandemic generated a 10 per cent decline in international trade in goods and services for the year 2020. This disruption, combined with increased price volatility, specifically put developing countries in an increasingly vulnerable position. As a result, the global extreme poverty rate rose for the first time since 1998: from 8.4% in 2019 to 9.5% in 2020[1]. And according to the World Bank projections, when combined with other crises such as rising inflation and the conflict in Ukraine, the effects of COVID-19 will still be felt in 2022, with an additional 75 million to 95 million people living in extreme poverty in 2022, compared to pre-pandemic projections.[2]

Food being a basic need, the demand *per se* was not affected by the pandemic, yet its structure was. Lockdowns forced restaurants, hotels, catering and markets to halt their activities, leading to a surge in demand from supermarkets. In their endeavours to support local producers, other continents solicited less imported products hence slowing down smallholder farmers' activities and reducing their incomes. Moreover, logistics challenges, including borders closures, resulted in shortages of inputs in several developing countries and limited the exporting capacity of the agri-SMEs, consequently reducing farmers and SMEs' revenues.

CFC's response to the crisis

Early on, the Common Fund for Commodities (CFC) realized the effects of the pandemic on the SMEs it was supporting, which enabled it to rapidly respond. First, in June 2020, the CFC's Executive Board approved an Emergency Liquidity Facility (ELF) of up to two million USD. This aimed at further helping CFC projects affected by the pandemic, providing immediate working capital to qualifying SMEs who were at risk of terminating their operations. As such, the ELF enabled healthy businesses to access short-term liquidity to endure the challenges posed by the crisis.

The rapid implementation of the ELF stems from the CFC's concern about the short- and long-term effects of the pandemic on commodity dependent developing countries (CDDCs). This enabled SMEs operating in the commodity sector in CDDCs to resist the pandemic, in such a way that they could expand their presence in global markets during the pandemic recovery.

Second, the CFC's Executive Board approved a measure offering more flexible terms for CFC-financed companies facing difficulties due to the pandemic. This enabled the CFC to swiftly accommodate to the short-term needs of successful projects supported by the CFC by postponing repayments during moments of crisis. Qualifying projects thus had the ability to maintain sufficient liquidity and business operations amid the current circumstances.

Despite the challenges the pandemic posed to the CFC, this was an opportunity to demonstrate that collaboration and innovation are key to resilience. As a matter of fact, 2021 was the year with the highest disbursement amount since its reform in 2012. The number of projects approved

[1] The Sustainable Development Goals Report 2021, United Nations
[2] https://blogs.worldbank.org/opendata/pandemic-prices-and-poverty

Photo: Woman vanilla farmer, Bangli, Indonesia. Adobe stock

also reached a new high, as eleven investments were approved by the CFC's Executive Board, with an outlay of USD 114.3 million, including USD 18.9 million of CFC contribution. In total, these projects are set to benefit 228,165 smallholder farmers by supporting them with better market access and productivity. This year was also marked by more variation in the projects as they cover commodities like fruits and vanilla, as well as companies focusing on global food security, waste reduction, climate change mitigation, and resisting loss of biodiversity – and this by consistently considering gender empowerment.

The challenge of growing inequalities between countries and war in Ukraine

Two years have passed and, as the world seems to emerge from the pandemic, developing countries are still enduring its effects. In fact, the ongoing war in Ukraine added salt to developing countries' injuries as the current conflict has sent prices of essential commodities up to new and perilous heights.

Soaring food and fuel prices will affect the most vulnerable in developing countries, putting pressure on the poorest households which spend the highest share of their income on food, resulting in hardship and hunger. As a result, it is anticipated that all countries will be affected by this crisis, but developing countries already hit by the COVID-19 pandemic, rising debt and climate change will be hit especially hard by disruptions in food, fuel, and finance.

This will add to the ever widening gap in sustainable development between developed and developing countries. Besides a tough economic recovery, suffering labour markets, and high public debt, poorer countries are affected by vaccine inequity.

One thing COVID-19 has proved once more is that strong action needs to be undertaken if we strive for more equality worldwide. Throughout the pandemic, the war in Ukraine and the recovery, poorer countries have been the most affected as they experienced more poverty and health risks.

The CFC understands the challenges agri-SMEs in developing countries are facing and is using its best resources to help them recover. Partnerships, technology, and innovation are at the forefront of our approach to building resilient value chains. With an increasing number of companies needing support to upscale their activities and help their communities, our Commodity Impact Investment Facility (CIIF) comes at a timely moment. As an impact investment fund established and advised by the CFC, the CIIF paves the way for more engagement from impact investors in the development of the commodity. Ultimately, through our CFC and CIIF investments, we envision that our efforts and collaborations will contribute to a thriving commodity sector in a post-pandemic world in places where CFC works.

Photo: Adobe stock

Photo: Kennemer

III

Promoting the role of smallholder farmers in the mitigation of **climate change**[1]

Introduction

Agriculture, forestry and climate change are highly intertwined. Agriculture contributes towards climate change through the release of greenhouse gas (GHG) emissions. Between 2010 and 2019, researchers suggest that agriculture contributed 13-21% of total global GHG emissions.[2] The conversion of non-agricultural land, such as forests, into agricultural land, is also a significant contributor to climate change.

Due to effects on yields caused by changing weather conditions, and higher vulnerability to shocks caused by extreme weather events, the agriculture sector is also highly influenced by the consequences of climate change. For example, a global survey among FairTrade certified coffee farmers found that the majority (76% of farmers) had experienced productivity declines due to climate change and that they were unable to access adaptation and mitigation measures (Fonseca, 2013). Smallholder farmers are also prone to high levels of vulnerability due to numerous other risks attached to agricultural production, such as pests and diseases and market shocks (O'Brien et al., 2004). Such vulnerability is bound to undermine progress towards global poverty alleviation, food security, and sustainable development.

This article explores the drivers for smallholder farmers' participation in climate change mitigation. In particular it aims to describe the mechanisms by which smallholder farmers can participate in and benefit from programmes which offset or inset carbon emissions and offer incentives for the provision of ecosystem services.

Attention is already being paid to **adaptation strategies** to support smallholders in dealing with the risks and shocks posed by climate change, such as climate-smart practices, regenerative agriculture, and agroforestry systems (Akinyi et al., 2021). Less attention, however, has been given to the opportunities for smallholders to become involved in and benefit from **mitigation strategies**, i.e., those that aim to reduce and remove GHG emissions.

The latest report of the Intergovernmental Panel on Climate Change (IPCC) states that the agriculture and forestry sector *"offers significant mitigation opportunities while delivering food, wood and other renewable resources as well as biodiversity conservation"*.[3] According to the IPCC, the sector as a whole has the potential to provide 20-30% of the global mitigation needed for a 1.5 or 2°C pathway towards 2050.[4] Small-scale farms (of less than 2 hectares) account for 84% of all farms worldwide (i.e. more than 510 million farms are considered 'small'), cover around 12% of agricultural land, and produce roughly 35% of the world's food (Lowder et al., 2021), and therefore this sector also needs to play a more important role in this exercise of mitigation.

In order to develop mitigation strategies for smallholders, more attention is required to create new financial mechanisms and incentives that recognise and promote behavioural changes towards more sustainable practices (Amrein et al., 2015). Examples of such mechanisms include payment for ecosystem services (PES), and carbon offsetting and insetting. Carbon offsetting and insetting are measures taken by companies that lead to a reduction or removal of emissions of carbon (or other GHGs), outside or within their supply chains respectively, to compensate for their emissions.

This article undertakes a literature review and then outlines three case studies to look at opportunities and challenges of carbon markets, and the conditions under which they could work for smallholder farmers.

Carbon markets and agricultural value chains

A carbon market sets a cap on allowable GHG emissions, with that cap incrementally declining as the years go on to meet emission reduction goals. A government issues emission credits that add up to the cap on emissions. Companies and organisations that are required to comply with the emissions cap, can then buy and sell emissions i.e., carbon offsetting credits, which creates a financial incentive for them to pollute less. Carbon offsetting has been in existence for some decades but was particularly spurred on by a number of key events such as the 1995 Kyoto Protocol, the 2005 EU Emissions Trading Scheme, and the 2015 Paris Agreement.[5]

Two types of markets exist for carbon offsetting; compliance and voluntary. The first is governed through manda-

[1] Authors: Stefan Petrutiu, Maria Vitores, Verena Bitzer and Froukje Kruijssen, KIT Royal Tropical Institute, Amsterdam, 2022
[2] https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_TechnicalSummary.pdf; accessed on 13/06/2022
[3] Idem; TS-84, accessed on 13/06/2022
[4] https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_Chapter07.pdf; accessed on 13/06/2022
[5] https://impactful.ninja/the-history-of-carbon-offsetting/#:~:text=Carbon%20offsetting%20began%20in%201989,and%20the%202015%20Paris%20Agreement; accessed on 20/05/2022

tory and legally-binding caps on carbon emissions, and the latter is built around voluntary actions of companies, organisations or governments to mitigate their GHG emissions and meet emission reduction goals. The voluntary carbon market has been developed around international and country-level GHG targets, set as part of the UN Climate Change Convention, with the majority of credits bought by organisations to offset emissions which are 'produced' through projects that involve farmers around the globe taking part in reforestation projects, or projects which offer them clean cooking stoves, for example.[6]

In most countries, the food and agriculture sector does not yet fall under a mandatory emission trading system. At present, New Zealand is the sole example of a country in which agricultural emissions must be monitored and reported under its Emissions Trading Scheme (NZ ETS). Companies in the sector have been disclosing their carbon footprints and other environmental data, for example, through the Carbon Disclosure Project,[7] but setting targets and taking coordinated action on climate change in the sector has been a slower process. Currently, the focus is still on avoidance and reduction, with just a few companies aiming for net zero status by offsetting their remaining emissions through the purchase of carbon credits.[8]

The concept of insetting emissions is much newer, with a first conference dedicated to the topic organised in 2014 by Plan Vivo.[9] Insetting is a more direct way for farmers to generate carbon credits (e.g., through reforestation or agroforestry), as companies sourcing from them can purchase their credits while reducing carbon footprints in their supply chains (Amrei et al., 2015).

The voluntary carbon market is primarily driven by supply and demand and therefore prices for carbon credits vary widely.[10] The price variation is also due to different valuation approaches. For example, the Fairtrade and Gold Standards set a minimum price using a cost-based approach for credits derived from forest management projects of EUR 13 per tonne CO_2e,[11] plus EUR 1 as a Fairtrade premium.[12] Others take a so-called 'value-delivered' approach, in which carbon credits can account for full environmental, social and economic impacts of specific projects, and may be priced above EUR 177 per tonne CO_2e (e.g., Swiss retailer Coop pays roughly USD 150 per tonne).[13]

According to the leading GHG Protocol's Corporate Standard, GHG emissions are classified into three scopes. Scope 1 (direct activities of the company) and 2 (indirect activities of the company upstream in the chain) are mandatory to report, whereas Scope 3 (indirect activities downstream in the chain) is voluntary.[14] As a result, many companies only report on Scope 1 and 2 emissions, from owned or controlled sources of the organisation, and not for Scope 3 emissions. However, a rapidly increasing number of companies are committing to compensate for their indirect emissions too (see Box 1 for an example).

Smallholders' participation in climate change mitigation through carbon markets

For smallholder agriculture, three types of mitigation measures can be distinguished: i) emission reductions by reducing rates of land-use change, reducing deforestation, or improving the efficiency of production systems, such as through practices that deliver added nitrogen more efficiently to crops; ii) GHG removal enhancement, such as carbon sequestration in the soil or in belowground or aboveground biomass; and iii) reductions in dependence on firewood as a primary fuel, for example by introducing alternative fuel cooking stoves (Cohn et al., 2017).

Photo: Adobe stock

Box 1 | 4C Climate Neutral Coffee

The coffee giant JDE Peet's is a good example of increased commitment and effort to reduce emissions, while including farmers in its supply chain in relevant projects. The company committed to reduce absolute Scope 1 and 2 GHG emissions by 25% and absolute value chain Scope 3 GHG emissions by 12.5%, by 2030 from a 2020 base year. It recognises that its GHG emissions are primarily indirect (Scope 3), and that its Scope 1 and 2 emissions make up less than 10% of total emissions along the entire value chain. As coffee cultivation accounts for approximately 90% of the carbon footprint of roasted coffee, JDE Peet's engages in projects with smallholder farmers and partners (e.g., in Tanzania with Touton and Karagwe District Cooperative Union) to increase yields while reducing emissions at farm level. The company's project in Tanzania pilots the new voluntary 4C Carbon Footprint Add-On of the 4C Code of Conduct certification for coffee (launched in 2022). This certification offers companies and their supply chain partners a tailored solution to understand the current impact of their operations on the climate and proposes solutions on how to reduce and mitigate GHG emissions, as well as on how to communicate these efforts with their consumers. The last level (4) of the certification includes carbon compensation to differentiate the companies that offset emissions which cannot be eliminated, by paying for carbon credits created through 'qualified carbon projects'. Certified companies who complete Level 4 can sell the coffee as 4C Climate Neutral Coffee.

Sources: https://www.jdepeets.com/sustainability/minimised-footprint/climate-action/; https://www.4c-services.org/working-towards-climate-friendly-coffee-production-in-tanzania/; https://www.4c-services.org/process/add-ons/carbon-footprint/.

Promoting these measures among smallholders in practice is associated with a range of challenges. For example, the large numbers of scattered smallholders mean there are high implementation and transaction costs. Furthermore, smallholders that participate in such efforts face direct trade-offs in their time and costs of labour, and use of available resources (Akinyi et al., 2021). The voluntary nature of carbon offsetting in the agricultural sector inhibits both the efforts at financing adaptation and mitigation, and creating incentives for smallholder farmers to increase their participation.

Furthermore, certification processes are costly, resulting in difficulties in partnering with farmers.[15] Activities such as carbon measurement, monitoring, verification, certification and traceability, are complex and expensive, and demand experienced partners. For example, Rabobank's Acorn scheme (Box 2) needed a large group of partners to come into existence.

There is also a lack of institutional support, uncertainty over long-term additionality and trade-offs, weak governance,

[6] GHG targets must be met through national adaptation and mitigation measures and various market-based mechanisms, such as the Clean Development Mechanism (CDM). The CDM allows the setting up of projects in developing countries which can earn certified emission reduction (CER) credits, each equivalent to one tonne of carbon. Third parties must validate, verify and register carbon data, "a rigorous and heavy procedure aimed to ensure that real, measurable and verifiable emission reductions are realised which are additional to what would have occurred without the implementation of the climate project or the 'baseline' situation". There is a growing interest in the development of economic instruments which fit under the CDM or under voluntary standards, and which use adaptation and mitigation measures and ecosystem services for climate change mitigation.

[6] https://www.cdp.net/en/companies/companies-scores; accessed on 20/05/2022

[8] https://sciencebasedtargets.org/net-zero; accessed on 20/05/2022

[9] For a full timeline of progress on insetting, see page 7 of the Insetting Guide: https://www.insettingplatform.com/wp-content/uploads/2022/03/IPI-Insetting-Guide.pdf; accessed on 20/05/2022

[10] https://www.goldstandard.org/blog-item/carbon-pricing-what-carbon-credit-worth; accessed on 21/05/2022

[11] CO_2e (CO_2 equivalent) is the number of metric tonnes of CO_2 emissions with the same global warning potential as one metric tonne of another GHG

[12] See footnote 9; accessed on 21/05/2022

[13] See footnote 9; accessed on 21/05/2022

[14] https://plana.earth/academy/what-are-scope-1-2-3-emissions/; accessed on 21/05/2022.

[15] https://intelligence.coffee/coffee-farmers-carbon-credit-schemes/; accessed on 14/05/2022

fragmented land ownership, and uncertain permanence effects that affects participation in mitigation measures in agriculture.[16] Smallholders' participation in land-based carbon payment projects is negatively affected by insecure land tenure and limited resource capacities among marginalised smallholders (Tamba et al., 2021). Finally, the majority of carbon credits are generated by forestry (REDD+) and large-scale renewable energy projects, which according to the Fair Climate Fund have been shown to have very little to no additionality (i e., reductions would have been realised without carbon finance and therefore the offset claim is not legitimate).[17] The large supply of such credits also results in a very low price in the voluntary carbon market, which does not reward smallholder farmers sufficiently for their extra labour.

To facilitate smallholder (and community) participation, carbon standards such as Verified Carbon Standard, Verra, Gold Standard, Plan Vivo and the Fairtrade Climate Standard, which emerged to verify that carbon offsetting projects positively impact the environment, provide guidelines on participation of local communities throughout the different phases of an emission reduction project (Tamba et. al., 2021). Yet, the guidance of how to do so is not harmonized across standards and smallholder farmers often do not know how to join the voluntary carbon credit markets to receive financial benefits for the emissions they remove (Tamba et. al., 2021).

Still, thousands of projects have already included small producers through focus groups discussions, interviews or participatory workshops at community levels (Tamba et al., 2021). Evidence shows that the main incentives for the participation of smallholder farmers in land-based carbon payment schemes are non-monetary. These include improved yields, access to financial advisory services and credit, local infrastructure investments and the development of income-generating activities (Tamba et al., 2021). But, financial incentives, i.e., cash payments to farmers for mitigation through carbon markets, also drive more smallholder participation in mitigation strategies (e.g., adoption of climate smart practices after relevant trainings).

The carbon market is highly dependent on worldwide regulatory efforts to hold countries accountable for their climate impacts and is described by some experts as the 'wild west', with rules that differ between countries, and with emissions often unregulated by a recognised body.[18] The cases presented below highlight the need for more regulatory and mandatory GHG reduction targets to benefit farmers. The cases also reveal that farmers are not experiencing sufficient demand for carbon credits.

Box 2 | The Acorn platform for carbon credits for offsetting emissions

One new player on the carbon market (for offsetting) is Rabobank, which developed the Acorn platform to include smallholder farmers in agroforestry practices using modern technologies. Its objective is to build a global, transparent carbon removal system for smallholder farmers, using carbon removal units (CRUs) based on actual carbon stored in planted trees. These CRUs are sold after trees convert carbon into biomass, measured through remote sensing technology, such as satellite imagery. The platform also combines the use of artificial intelligence (AI) and machine learning for vegetation monitoring, and biomass and carbon stock estimations. Rabobank points towards the platform being unique, as the CRU differs from typical carbon credits, by representing actual carbon no longer in the atmosphere. It currently hosts ten projects with 5,000 farmers and has three corporate voluntary clients.

Source: https://acorn.rabobank.com/

[16] https://report.ipcc.ch/ar6wg3/pdf/IPCC_AR6_WGIII_FinalDraft_Chapter07.pdf; accessed on 13/06/2022
[17] https://www.fairclimatefund.nl/content/4-meer-weten/2-kennisbank/position-paper-fairclimatefund-nov2021.pdf; accessed on 21/05/2022.
[18] https://www.bloomberg.com/professional/blog/carbon-offsets-price-may-rise-3000-by-2029-under-tighter-rules/; accessed on 20/05/2022

Photo: Colcocoa

Empirical cases

Empirical case 1: Colcocoa (PlanT)[19]

Colcocoa, an innovative business which the Common Fund for Commodities (CFC) has been engaging with, is a specialised cocoa trading company, operating in Colombia since 2012, which is working with cocoa producers and value chain actors to produce and supply high quality cocoa. Colcocoa's vision is to improve the wellbeing of producers, and promote economic opportunities for cocoa-producing communities, while preserving the environment and promoting sustainable agriculture. One of the priorities of Colcocoa is to provide alternative sources of income for cocoa producers engaged in sustainable practices. Its carbon offsetting programme fits into this goal.

To promote environmental conservation, Colcocoa set up a reforestation programme. The programme is implemented in coordination with Echar Pa'lante and PlanT, two organisations created by Colcocoa. Echar Pa'lante is a verified sustainability programme for all of the producers associated with Colcocoa. After identifying producers to take part, Echar Pa'lante engages and coaches them through the carbon offsetting programme, provides agriculture advisory services to members on sustainable forestry and agriculture practices, and verifies the compliance of producers with its code of conduct which lays out the compliance requisites for the certification. The certification process was put in place in collaboration with Ceres, which certifies the cocoa as sustainable cocoa.

The carbon offsetting model

The carbon offsetting model of Colcocoa operates in the voluntary market and is enabled by PlanT, a marketplace tool that offers the possibility for companies and individuals to purchase carbon credits and financially support the reforestation program. PlanT is built using blockchain technology which offers a fully transparent and traceable mechanism based on a smart contract. An additional feature of PlanT is the direct relationship with the farms. Each tree planted can be georeferenced which enables any contributing party to follow up on the development of the tree. The approach to validate, verify and register carbon data is direct measurement, requiring experts to go into the field to take measurements and validate these, which is based on the methodology developed by Ceres and adapted for cocoa producers. To secure sales of carbon credits, Colcocoa currently relies on its partners to disseminate the programme (Green Furniture Concept, Rotary Club in Bourg and Bresse and Domaine de la Garde).

Farmers participation

Where initially there was no direct link between the cocoa producers and the reforestation activities, the carbon offsetting model has now moved to a new phase in which there is a direct link between reforestation and carbon offsetting activities and the cocoa producers. In the short term, income is generated through soil preservation and water management activities led by Echar Pa'lante, that should lead to improved productivity. The programme has now expanded to include reforestation and the preservation of existing trees.

The model is being piloted with 14 producers engaged on a voluntary basis through a participatory process led by Echar Pa'lante. During this engagement phase, the interaction with producers focuses on the benefits of sustainable agroforestry practices and technical assistance to guide producers on the best options. The expected benefit for the producers is cash payments in return for their participation. Another incentive for producers is the long term potential for additional income from selling sustainably managed wood.

Valuation and payments for carbon credits

PlanT operates on the basis of carbon capture estimates that were developed with technical assistance from the University of Bern in Switzerland, and the University of

[19] Alvarez, G. (2022). Personal communication. Interview conducted on 19/05/2022

Photo: Colcocoa

Caldas in Colombia. These vary depending on the conditions surrounding the tree and the species planted. For example, for the original tree planting programme, each tree will capture 0.3 MT of carbon during its cycle of 12 to 20 years. In the new pilot programme, which expanded to include existing trees in the cocoa producers' farms, the estimates range between 2.9 and 22.5 MT per tree. This wide range is explained by factors such as soil, tree variety, local agro-ecological conditions and the plantation age.

Colcocoa expects to sell the carbon credit at USD 12/MT for payment for environmental services and USD 15/MT in case of forest conservation. Another possibility is to contribute to the planting of trees. Colcocoa receives USD 3.5 for each tree planted and from this the producer receives 60% in cash. Farmers sign a contract with Colcocoa where targets and each party's obligations are specified. This is registered in the Registro Nacional de Reduccion de Emisiones to avoid double counting. The contract is valid for up to 3 years and for a maximum of USD 3,600 per farmer. Colcocoa guarantees the payments for the first-year, equivalent to USD 1,100.

A large incentive for farmers to be part of the programme is the premium price that Colcocoa pays for 1 MT of carbon (USD 7) compared to the national market (USD 3). An additional benefit for the farmers is provided by the advisory services provided by the technical staff of PlanT on what species are suitable and how to maintain the trees. However, so far, the producers have not received any compensation. The first payment is expected in August-September 2022. By then, Colcocoa expects to obtain some funds from the sale of carbon credits through PlanT, but will still make the payments for the first three years itself should the funds generated be insufficient.

Costs and investors

Apart from the technical assistance of the two universities involved, Colcocoa also received support from the Swiss government through the Swiss Platform for Sustainable Cocoa for the current pilot to use for measurement systems, methodology and initial visits. In Colcocoa's model, 40% from the carbon offset sales goes to cover programme operations' costs, the sales platform and verification costs. Additionally, Colcocoa absorbs 50% of programme operation costs as an investment in the pilot phase.

Impact and future

Although Colcocoa offered a price to farmers for carbon credits, above the national market price, it is still exploring avenues for passing on even greater benefits to farmers. Colcocoa intends to scale the carbon offset programme to all of the 3,000 producers that are part of the Echar Pa'lante programme.

The main challenge, however, remains in making the programme sustainable by reducing the operation costs and securing sufficient sales of carbon credits to cover the costs. To reduce costs, the plan is to evaluate alternative methods of measurement and to integrate the management of the carbon offsetting programme into the existing management system and code of conduct of Echar Pa'lante.

Furthermore, Colcocoa hopes to create more efficiency by incorporating aerial technology through satellite imagery to monitor progress and validate estimates, eventually replacing direct in-situ measurements and monitoring practices. The verification process by Ceres is also intended to be simplified so it can be made more affordable.

Empirical case 2: Carble[20]

Carble is a start-up from the Netherlands which uses space technology to reduce the carbon footprint of the coffee supply chain.[21] According to co-founder Sander Reuderink,[22] Carble emerged because of a deep dissatisfaction with the available models of becoming carbon neutral in the sector. Pressure on coffee farmers around the world to earn a living leads to high deforestation rates and the creation of coffee monocultures, which are seen as the most 'efficient' farming system – such as those that can be found in Brazil. When farmers grow coffee in agroforestry systems, for example in Colombia or Ethiopia, they have lower yields and are not rewarded for ecosystem services, e.g., in the form of carbon capture, that they provide.[23]

Many coffee businesses have announced their intention to become carbon neutral by 2030[24] – a situation in which carbon emissions (i.e., which cannot be reduced) are balanced out by carbon removal. Yet, in practice, there are many barriers to achieving carbon neutrality. Acknowledging conflicting assessments of the credibility and transparency of carbon offsets can bring you close to a net zero claim, says Reuderink, but it does not change the situation of coffee farmers who continue to live in poverty and face pressures to switch to more industrial farming systems.

As it is anticipated that global demand for coffee by 2050, which would require tripling current production levels, raising pressure on surrounding forests and other habitats in tropical regions.[25] Farmers will have to look for new land to cultivate. It is, therefore, increasingly necessary to track and measure emissions, and one challenge faced by the coffee sector is the lack of GHG emissions data to calculate, measure, and ultimately demonstrate reductions in carbon footprints. Carble aims to rectify this market failure by providing the technology for carbon insetting in the coffee chain, i.e., measuring the carbon stored by farmers in agroforestry systems and helping coffee companies to reward farmers for storing even more.

Climate change mitigation approach

Carble is technology-driven approach to insetting carbon. It combines remote sensing with manual field measurements to calculate how much carbon is stored by farmers. Carble uses algorithms based on three types of satellite data – two from the European Space Agency (ESA) (radar-based and optical Sentinel-2 satellites) and one from NASA's Global Ecosystem Dynamics Investigation (GEDI) to measure the thickness of forest canopies. This is combined with manual field measurements, which so far exist only for the Guji region in southern Ethiopia. A Belgian researcher conducted around 60 measurements in this region, determining the biomass and root system in isolated fields of 25 m^2, then the shrubs, dead wood and litter in sub-plots of 5 m^2 and, finally, all living organisms in a single 1 m^2. The calculated carbon storage across the field measurements is fed into the algorithm and extrapolated for an entire landscape. Carble claims that their measurements have an accuracy of nearly 90%.

Carble measures avoided deforestation against a baseline scenario. For example, if the regional deforestation rate is 1% per annum and if farmers store 1,000 MT of CO_2e per hectare, they can claim 10 tonnes of carbon emission reductions per year as ex-post payment. This is the 'delta' compared to the baseline scenario and can be considered for a PES. If farmers also plant additional trees (reforestation), they can increase their delta beyond avoided deforestation, and can be considered for insetting and sales of carbon credits.

The carbon emission reductions achieved by farmers – e.g., 10 tonnes of CO_2e – cannot be sold on the voluntary carbon market, but only to the buyers of their coffee. Buyers can see the carbon storage of their farmers in an online customer portal and include the carbon emission reductions in their Scope 3 carbon accounting.[26] To ensure credibility, Carble follows the international VERRA methodology to report on carbon emission reductions. As such, participating companies can, in future, show the reports

[20] https://www.carble.co/about-us/; accessed on 31/05/2022
[21] Reuderink, S. (2022). Personal communication. Interview conducted on 19/05/2022
[22] Idem
[23] https://dailycoffeenews.com/2022/03/30/dutch-startup-carble-seeks-to-reward-coffee-farmers-for-maintaining-forests/; accessed on 31/05/2022.https://www.sbicnoordwijk.nl/carble-coffee-industry-storing-carbon/?utm_source=rss&utm_medium=rss&utm_campaign=carble-coffee-industry-storing-carbon; accessed on 25/05/2022
[24] For example, Starbucks committed to Carbon Neutral Green Coffee by 2030 and Nespresso even made the commitment that every cup of Nespresso coffee will be carbon neutral by 2022
[25] https://www.sustaincoffee.org/assets/resources/ci-report-coffee-in-the-21st-century.pdf; accessed on 29/6/2022
[26] Scope 3 emissions are the result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly impacts in its value chain (often called 'value chain emissions'). https://www.epa.gov/climateleadership/scope-3-inventory-guidance#:~:text=Scope%203%20emissions%20are%20the,scope%201%20and%202%20boundary; accessed on 25/05/2022

from Carble to their auditors and, if they wish, get certified. Carble's business model consists of a subscription-based platform, as well as a commission of 10% on every tonne of CO_2e emission reduction.

Farmers' participation – upcoming pilot project in Ethiopia

Carble is about to embark on a one-year pilot project in the Guji region of Ethiopia with two small Dutch coffee companies: Trabocca (trader) and Beans Coffee (roaster). The project serves to validate that remote sensing works with the accuracy needed for carbon accounting compliance and that rewarding farmers for their ecosystem services makes a positive impact on their livelihoods.

The pilot will be set up around one larger farm with several outgrowers around it, reaching 100 farmers in total in an area of high potential for carbon storage, high risk of deforestation and low farmer incomes. Interest among farmers to participate was immediately high, even though familiarity with the idea of PES was low. Partnerships between the farmers and with potential roasters who would pay for ecosystem services and carbon credits were already established, as Carble's co-founder used to work at Trabocca. Through this partnership role, Carble's co-founder will work with the farm manager and the outgrowers to deliver extra financial benefits to the farmers. After the completion of the pilot project in Guji, Carble aims to scale the approach to larger groups of farmers and other geographies.

Costs and investors

Carble's start-up funding and support is provided through incubations from the ESA and the German development agency, GIZ. This covers the development and testing of the technology and business model.

The pilot project will test the different value propositions for the participating brands: for Trabocca, it is about understanding the potential for carbon emission reductions and how they can integrate this into their business model. Beans Coffee, by contrast, is already Climate Neutral Certified and will use the carbon emission reductions for their non-financial reporting. As such, it is committed to making the payments to farmers. In the pilot, Beans Coffee will be making the payments to farmers, but in future Carble plans to involve a mobile money operator to send the money directly to farmers. This would also facilitate the automatic capturing of the 10% margin by Carble.

Valuation of carbon credits

Carble aims to monitor the impact of the carbon payments on closing the living income gap of small-scale farmers. This requires an innovative method of valuing carbon emission reductions, by linking the price of carbon to a living income benchmark of a specific region. Currently, Carble's calculations from Ethiopia estimate that farmers have an annual income of around EUR 400 from coffee farming and EUR 120 from other sources, based on a 1.2 hectare farm.

Photo: Carble

If farmers were to be rewarded for carbon storage, they could double their income, but only if the carbon price was set at EUR 30 per MT of CO_2e, instead of the EUR 10 which is standard today. Moreover, even a doubling of farmers' income would not equate a living income. For this to be achieved, a carbon price of EUR 50 per MT of CO_2e would be needed.

Carble co-founder Reuderink believes that the price of carbon emission reductions will rise in the future, as demand for carbon neutral business operations will increase. Carble's concept, however, will only succeed with the participation of sufficient buyers willing to tackle the carbon footprint of their own supply chains.

Impact and discussion

Carble is still in its start-up phase and impact has yet to be traced. Carble's scalability ambition is to generate additional earnings of USD 1 billion for 1 million smallholder coffee farmers by 2030 – a long way to go from the small Ethiopian pilot project, but the company is already attracting attention and a number of coffee brands have made requests for additional projects with 10,000-20,000 farmers.

The company emphasises that upscaling is only possible if the cost for analysing a large number of farmers is minimal based on low-cost, high-resolution technology. At the same time, the reliance on manual field measurements and on high quality data points from participating traders or roasters (e.g., GPS mapping of farms) represent a hurdle that needs to be overcome. This will require an ecosystem of service providers around Carble which can make such services available to coffee brands, according to Reuderink.

One limitation to upscaling is already evident: farms smaller than 1 hectare cannot be included in Carble's model, as there are too few georeferenced points to establish a polygon that outlines the farm and the farm cannot be accurately displayed in satellite imagery.

Empirical case 3: Kennemer Eco Solutions (KenEco)

Kennemer Foods International, Inc. is an agribusiness company based in the Philippines that grows, sources and trades cocoa from Mindanao, Visayas and Palawan, as well as banana and abaca fibre. It was established in 2010 as a buying and post-harvest centre, sourcing from smallholder farmers. Realising the challenges these farmers faced in growing quality cocoa, Kennemer started to provide smallholders with inputs and services such as planting materials, training, agri-technology, and linking them to export markets. Kennemer has a contract growing scheme and a programme that trains some farmers as input and service providers, and cocoa bean aggregators. Kennemer also manages its own cocoa farms.[27]

In 2015, Kennemer started Kennemer Eco Solutions Pte Ltd. (KenEco) with the aim of creating a forest restoration and protection programme, compliant with the Verified Carbon Standard (VCS). KenEco is developing a carbon fund as a vehicle to calculate, reduce and offset carbon footprints.[28] The programme is called 'Mindanao Tree Planting Program for Our Climate and Communities' or MINTREES for short.[29] Revenues from the carbon credits are intended to directly benefit farmers in the development of a multi-layered, cocoa-based, agroforestry system, transforming low-biomass areas into carbon-rich productive forests.[30]

Climate change mitigation approach

The idea is that planted trees remove GHG emissions from the atmosphere while shade trees regulate the micro-climate in cocoa parcels, stabilise the ecosystem and improve soil conditions. The project's climate impacts and community co-benefits are certified through VCS and CCBS (Climate, Community, Biodiversity Standard), developed and managed by Verra. Interested companies can purchase tradable GHG credits called Verified Carbon Units (VCUs). Those VCUs can then be sold on the open market and "retired," or used by individuals and companies to offset their own emissions.[31] Where VCS focuses on the reduction of GHG emissions, the CCBS programme adds a wellbeing component that aims to improve livelihoods, create

[27] http://www.kennemerfoods.com/about/; accessed on 01/06/2022
[28] https://greeninvestasia.com/usaid-supports-modeling-of-deforestation-in-mindanao-to-launch-carbon-offset-project/; accessed on 01/06/2022
[29] http://www.kennemerfoods.com/2021/10/14/mindanao-tree-planting-program-for-our-climates-and-communities/; accessed on 01/06/2022
[30] https://aesti-impact.com/en/marketplace/66207bf19ac747d192a69f1c96d59803/details; accessed on 02/06/2022
[31] See footnote 27.

Photo: Kennemer

employment, protect traditional cultures and increase the resilience of ecosystems.[32] MINTREES carbon credits have been offered on the aESTI marketplace since April 2022.[33] The MINTREES project works with a landscape approach. The project document submitted for the CCBS and VCS request[34] describes that the project involves afforestation, reforestation and revegetation (ARR) activities. It started in 2015 and has continued with annual planting since then. The 2015-2019 planting was subject of the first monitoring period for verification for VCS.

Farmers' participation

The project builds capacity among farmers by training them in multi-crop agroforestry focused on marketable cash crops (e.g., cocoa, banana, abaca), improves access to markets by providing guaranteed offtake with transparent pricing of agricultural produce from agroforestry farms, and establishes agroforestry systems and reforestation areas by delivering seedlings and supervising planting.

The planted area for verification included 2,238 smallholder farms ranging from 0.2 to 6 hectares (average 0.4 hectares), located in Mindanao. The activities were implemented through farmer clusters and cooperatives at village level. The targeted beneficiaries are marginalised smallholder farmers and communities, especially women and minorities. Biannual verification events are planned, when new plantings will be validated and added.

Costs and investors

With funding from the United States Agency for International Development (USAID) Green Invest Asia project, a spatial analysis of deforestation in Mindanao was conducted, to assess past and future deforestation drivers. Using remote sensing (satellite data), a baseline was conducted of carbon stock changes and GHG emissions from unplanned deforestation and wetland degradation for Mindanao. With these data, KenEco can identify potential project areas.[35]

Valuation of carbon credits

The first credits became available on 1 April 2022, and by the time of writing this article, 115 MT of carbon credits has been sold at EUR 30/MT.[36] aESTI facilitates the trade in ecosystem services by connecting supply and demand, and provides KenEco's marketplace for the carbon credits. Their model assures that 90% of the value of each carbon credit goes directly to farmers, with the remaining 10% used to cover the costs of aESTI.[37]

Impact and discussion

Kennemer, through KenEco, aims to enhance farmer income through the improvement of the crops that are harvested, which should lead to farming communities becoming more resilient to climate change, by reducing soil erosion and increasing the soil's capacity to absorb and retain water, improving water quality and increasing biodiversity. The goal of the project is, by 2064, to remove over 1.2 million tonnes of GHG emissions, establish over 50,000 hectares of forest cover, and to train over 50,000 smallholder farmers (%50 women), and improve their livelihoods and wellbeing.[38]

COVID-19 pandemic travel restrictions delayed administrative processes, data collection and auditor site visits, which impeded the validation of the project within the required 5-year window. Verra granted KenEco two extensions for verification until 31 March 2022

The first monitoring report, developed in September 2021 by KenEco, reported the following results (see also Figure 1):[39]

- **15,726 MT** of net estimated GHG emission removals in the project area, measured against the without-project scenario.
- **948.43 hectare increase**, measured against the without-project scenario, of:
  - agroforestry systems established with smallholder farmers.
  - forest cover increased in the project area; and
  - area significantly better managed for biodiversity conservation.
- **2,242 community members**, of which 851 women (38%), who, as a result of project activities, have:
  - improved skills and/or knowledge resulting from training;
  - improved livelihoods, or income generated; and
  - improved wellbeing.
- **265 people employed in project activities**, expressed as the number of full-time employees, of which 92 were women (35%).
- **three critically endangered or endangered species benefiting** from reduced threats as a result of project activities, measured against the without-project scenario.

The second validation and verification is planned for 2023, and will include the 2020, 2021, and 2022 planting waves.

Figure 1: Results reported in first monitoring report by KenEco, September 2021[40]

[32] https://verra.org/project/ccb-program/; accessed on 03/06/2022
[33] aESTI is the Agricultural eco-system services trading initiative
[34] https://registry.verra.org/mymodule/ProjectDoc/Project_ViewFile.asp?FileID=53170&IDKEY=a98klasmf8jflkasf8098afnasfkj98f0a9sfsakjflsakjf8da73321430; accessed on 03/06/2022
[35] See footnote 27: accessed on 01/06/2022
[36] For comparison, a project which offers carbon credits in the same marketplace indicates a price of EUR 20 per MT see https://aesti-impact.com/en/marketplace/66207bf19ac747d192a69f1c96d59803; accessed on 23/5/2022
[37] https://aesti-impact.com/en/buyers; accessed on 02/06/2022
[38] https://registry.verra.org/mymodule/ProjectDoc/Project_ViewFile.asp?FileID=55795&IDKEY=dq934lkmsad39asjdkfj90qlkalsdkngaf98ulkandDfdvDdfhf76941305; accessed on 13/06/2022
[39] Idem: accessed on 13/06/2022
[40] Idem: accessed on 13/06/2022

Conclusions

Despite the above structural and policy limitations, the first conclusion of this study is that while the majority of literature focuses on increasing the number of smallholder farmers who 'participate' in adaptation and mitigation programmes by introducing new production practices, the evidence gathered for this study shows that, in practice, the first steps to inclusion in carbon markets may largely be dependent on companies, non-governmental organisations and standard bodies.

A second conclusion is that measuring mitigation interventions and carbon stocks, reductions and removals, is often based on methodologies provided by standard setting organisations, which are often unavailable or too complex for farmers. Without easy access, availability and ability to understand and use such methodologies, farmers cannot join and benefit from carbon markets without the support of value chain or enabling partners. Tamba et. al. (2021) also concluded that farmers' participation is negatively affected by their limited resources, and emphasised that this can be mediated by civil society organisations active within farmers' communities. Such third party support *"facilitates clear communication between project proponents and farmers, increase farmers' bargaining power in negotiations, and reduces transaction costs"* (Tamba et. al., 2021).

This short study found that, increasingly, more and more ambitious GHG-related commitments from the private sector are leading to the fast development of new technologies (e.g., use of satellite data, machine learning, etc.), which may soon offer very simple interfaces and ready-to-use data that may increase smallholder farmers' agency and enable them to seek and obtain benefits from selling carbon credits. Policies at different levels may create more pressure on companies in the food and agri sector to remove Scope 3 emissions, and to engage in insetting, rewarding of farmers, and growing of the voluntary market for carbon credits.

Participation of farmers in carbon markets, although guided in different standards in terms of processes for engagement and design of projects, does not yet include their participation in price setting. Methods to quantify the costs for farmers, to value their work, and to value ecosystem services and carbon credits, vary widely both in number and in complexity. The literature reviewed and the cases studied highlight these challenges, and show that innovative private actors in tight, direct supply chains, are driving farmers' participation. The mechanism and conditions under which smallholders are involved, and the costs and benefits, are difficult to understand due to the complexity of carbon markets and the diverse standards and methodologies used. In this regard, climate sensitive development financing can be an important instrument in supporting smallholder involvement in climate change mitigation.

The three cases studied showed that carbon payments vary widely and are relatively low, which confirms the review of 10 similar projects from Tamba et. al. (2021). Future studies and projects must also consider, and perhaps monetise, the other benefits which may incentivise smallholders' participation, such as crop and income diversification, benefits to soil, or increases in productivity.

A World Bank Report estimated that to meet the climate goals set out in the Paris Agreement, emission credit prices need to be between USD 40-80 by 2020 (World Bank, 2019). By comparison, credits being used in the pilots presented in this study are for prices far too low to drive down emissions. If GHG emissions are to be regulated, then the prices of carbon need to increase, giving a greater economic incentive to smallholders to participate in the carbon market.

Closing note from CFC

CFC has been supporting two of the three case studies presented in this paper. It signed a Loan Agreement with Colcocoa in 2021, for the amount of USD 1.1 million. The disbursement is expected for 2022. To know more about CFC's engagement with Colcocoa and how it is supporting smallholders to thrive in the climate crisis, please visit https://www.common-fund.org/cafexport-hacienda-la-tentacion-cocoa-colombia. CFC has been supporting Kennemer since 2017 with a loan of USD 1.4 million. For more information on Kennemer, please go to page 71 of this Annual Report.

Photo: Colcocoa

CFC aims to contribute to bringing more income for smallholders in a sustainable and climate friendly way, and to build robust partnerships with the likes of Colcocoa, Carble, Kennemer etc. CFC is aware of the challenges in understanding the mechanisms, drivers and decision-making processes that affect smallholder farmers' participation in carbon markets and, as such, will work harder to provide more comprehensive reviews of literature and systematic analysis of case studies in the future.

It is proven beyond doubt that agriculture can reduce emissions more cheaply than large emitters such as energy schemes. In agriculture, smallholders can reduce carbon emissions by reducing stocking rates or changing from conventional to reduced or no tillage production. This comparative advantage of agriculture and smallholders needs to be factored in as climate experts increasingly develop agri-friendly tools and technologies. CFC welcomes proposals for investments in such innovative pilots to play its role in not only reducing GHG emissions, but also to providing farmers with more avenues to augment their income by selling carbon offsets.

References

Akinyi, D.P., Ng'ang'a, S.K. and Girvets E.H. (2021). Trade-offs and synergies of climate change adaptation strategies among smallholder farmers in sub-Saharan Africa: A systematic review. *Regional Sustainability*, Volume 2, Issue 2, 130-143.

Amrein, A., Porras, I. and Vorley, B. (2015). Reforestation, coffee and carbon in Sierra Piura, Peru: can carbon financing promote sustainable agriculture? IIED and Hivos.

Cohn, A.S., Newton, P., Gil, J.D.B., Kuhl, L., Samberg, L., Ricciardi, V., Manly, J.R. and Northrop, S. (2017). Smallholder Agriculture and Climate Change. *Annual Review of Environment and Resources*, Volume 42, 347-375.

Asfaw, Solomon & Lipper, Leslie & McCarthy, Nancy & Zilberman, David & Branca, Giacomo. (2017). Climate-Smart Agriculture – Building Resilience to Climate Change. 10.1007/978-3-319-61194-5. https://www.fao.org/3/i7931e/i7931e.pdf

Fonseca, R. (2013). Carbon insetting: fixing the pillars of sustainable coffee agriculture. FLOCERT.

Hailu, A.F., Soremessa, T. and Dullo, B.W. (2021). Carbon sequestration and storage value of coffee forest in Southwestern Ethiopia. *Carbon Management*, Volume 12, Issue 5, 531-548.

Lowder, S. K., Sánchez, M. V. and Bertini, R. (2021). Which farms feed the world and has farmland become more concentrated? *World Development*, Volume 142, 105455.

o'Brien, K., Leichenko, R., Kelkar, U., Venema, H., Aandahl, G., Tompkins, H., Javed, A., Bhadwal, S., Barg, S., Nygaard, L. and West, J. (2004). Mapping vulnerability to multiple stressors: climate change and globalization in India. *Global environmental change*, Volume 14, Issue 4, 303-313.

Tamba, Y., Wafula, J., Magaju, C., St-Jacques, B., Stiem-Bhatia L., Arias-Navarro C., Aynekulu, E. and Winowiecki, L. (2021). A Review of the Participation of Smallholder Farmers in Land-based Carbon Payment Schemes. TMG and ICRAF Working Paper. https://doi.org/10.35435/2.2021.4.

Verburg, R., Rahn, E., Verweij, P., van Kuijk, M. And Ghazoul, J. (2019). An innovation perspective to climate change adaptation in coffee systems. *Environmental Science & Policy*, Volume 97, 16-24.

World Bank Group. (2019). State and Trends of Carbon Pricing 2019. Washington, DC: World Bank. https://openknowledge.worldbank.org/handle/10986/31755.

Photo: Akha Woman Coffee Worker. Adobe stock

"2021 faced us with difficulties throughout the pandemic and new beginnings are ahead of us now. However, we also face new challenges. As food insecurity is set to become an even more worrying trend, food producing countries, many of them developing countries, have an opportunity to step up to the challenge. CFC members can rely on its projects to help strengthen and diversify their commodity sector to alleviate poverty and foster development".

Ambassador Mario Oyarzábal (Argentina), Chairperson of the Governing Council

IV

IV.1 Report on progress of **projects under implementation**

The Common Fund for Commodities (CFC) implements projects in partnership with governments, international organizations and other development partners from private and public sectors, which support commodity development measures and actions that promote and accelerate development, expansion and modernization of commodity sectors and contribute to sustainable development in its three dimensions i.e. social, economic and environmental.

The CFC supports innovative commodity development financial interventions aimed at improving the structural conditions in markets and at enhancing the long-term competitiveness and prospects of particular commodities *inter alia* including:

(i) increasing earnings to sustain real incomes;
(ii) enhancing sustainability in commodity value chain activities;
(iii) promoting value addition and enhance the competitive position of marginalized participants in the value chain;
(iv) contributing to enhancing food security; and
(v) promoting production, productivity, trade, quality, transfer and use of technology and diversification in the commodity sector.

The CFC exercises due attention to the fact that agriculture is a place-based activity and the strategies that reflects the local innovations clusters need to be acknowledged and factored in.

Commitments, financing and disbursements

The operational guidelines of the Common Fund were originally adopted under the Agreement Establishing the Common Fund for Commodities and entered into force in 1989. They remained in force till 31 December 2012. Under these operational guidelines, the Fund had approved financing for 219 Regular projects plus a further 150 Fast Track projects, together 369 projects, with an overall cost of USD 608.5 million, of which the Fund financed USD 292.9 million (excluding cancelled projects in the amount of USD 15.17 million). The CFC financing is about 46% of the overall project cost. The balance of project costs was co-financed by other institutions (USD 117 million or 19%) and by counterpart contributions in cash and/or in kind (USD 198.2 million or about 33%), provided either by the Project Executing Agencies, collaborating institutions, governments or International Commodity Bodies (ICBs). The Common Fund financing of projects under the original operational guidelines comprises USD 278.8 million in grants (95%) and USD 14.1 million (5%) in loans.

Recognizing the new challenges and opportunities facing the CFC Member Countries, led to adoption of the reform package of the CFC, including updated operational guidelines which became effective on 1 January 2013. Under the new operational guidelines, the Fund currently has 53 Regular projects plus a further 26 Fast Track projects, (a total of 79 projects) at various stages of preparation and implementation, with an overall cost of USD 329.01 million. In addition, the Fund is participating in 8 Investment Funds with Equity and partnership financing, which together have the total assets under management of USD 523.0 million. Of the total project cost of USD 329.01 million, CFC contribution totals USD 73.18 million or about 22.2%. The balance account was paid as co-financing and/or counterpart contribution by the proponents under the new operational guidelines. The Fund financing comprise of USD 70.05 million in loans/equity etc. (96%) and USD 3.13 million in grants (4%).

According to the Fund's audited statements, the direct project related disbursements in 2021 (unaudited) stood at USD 0.05 million as grant and USD 4.25 million as loan/equity etc. (for both Capital Account and Operations Account). Special efforts are in place to streamline the components of the Agreements between the Fund and the Recipient of resources to reduce the delays between the approval of project and commencement of actual implementation on the ground and more of these efforts will be in place in 2022.

The CFC has funded projects in over 40 different types of commodities and in partnership with Investment Funds or Equity financing etc. The commodities funded includes abaca, arachis, bamboo & rattan, bananas, cashew, cassava, castor seeds, citrus, cocoa, coconut, coffee, coir, copper, cotton, fish, fonio, groundnuts, gum arabic, hides & skins, jute, lead, maize, meat and livestock, medicinal herbs and plants, olive, palm oil, paprika, potatoes, rice, natural rubber, shea nut, sisal, sorghum & millet, soybean, cane sugar, tea, timber, tropical fruits, spices and zinc, most of which are produced almost entirely in Developing Countries and in partnership with investment Funds among which are: Africa Agriculture & Trade Investment Fund (AATIF), African Agriculture SME Fund, Eco Enterprise Funds, Moringa Agroforestry Fund, SME Impact Fund and agRIF Coopertief U.A.

CFC-supported Regular Projects by Type

Project types were reclassified as a result of the current operational guidelines involving more public and private sector participation. The focus is on commodity value chain and to monitor its involvements into different related activities, the CFC classifies its funded projects according to the following categories. The graph on the right shows the classification of 53 Regular projects in various stages of implementation or at a preparatory stage.

As of 31 December 2021, a total of 215 regular projects had been financially closed. The financial resources recovered from completed CFC grants/loans projects are returned to the pool of Second Account resources or the First Account Net Earning Initiative once the project account is closed and are available to finance new projects.

Distribution of Project Value per Commodity

as of 31 December 2021

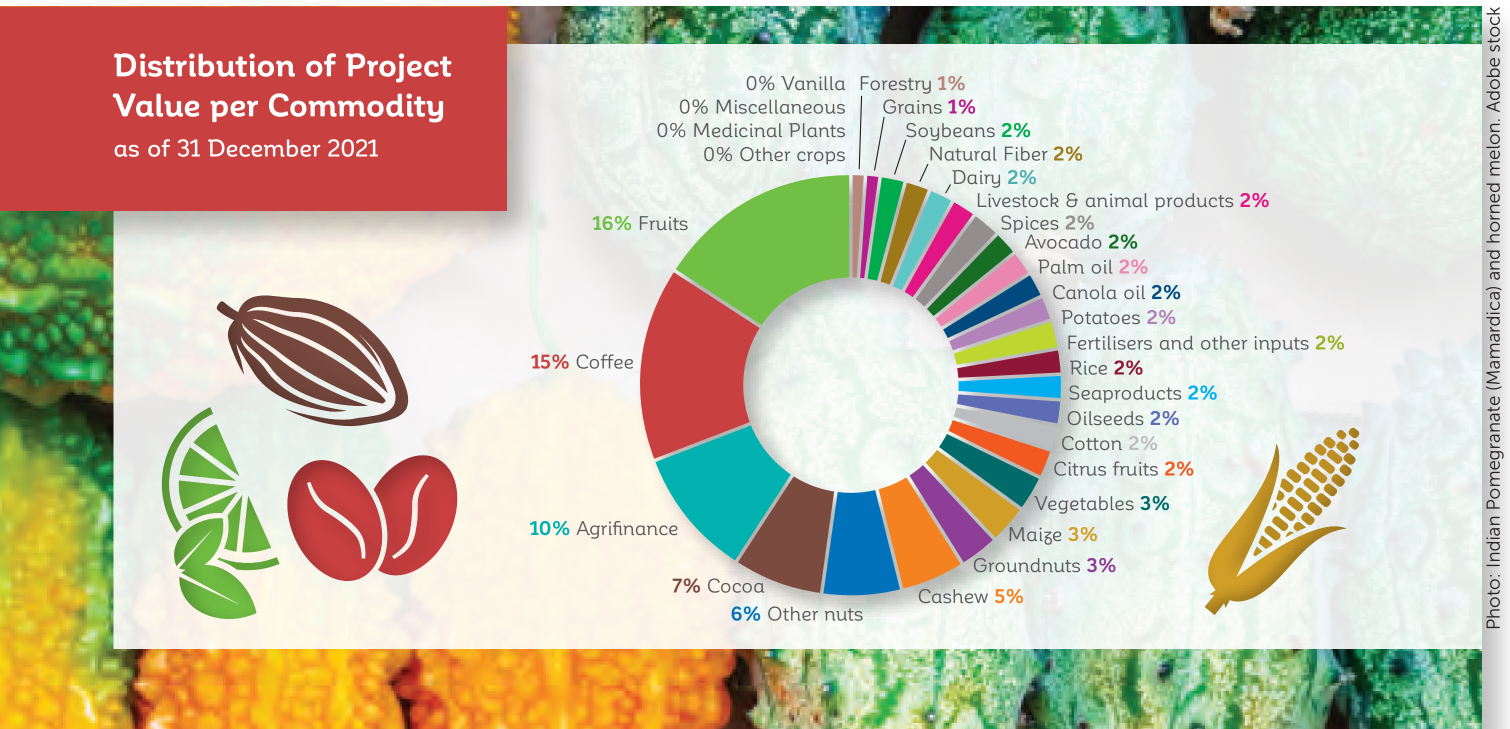
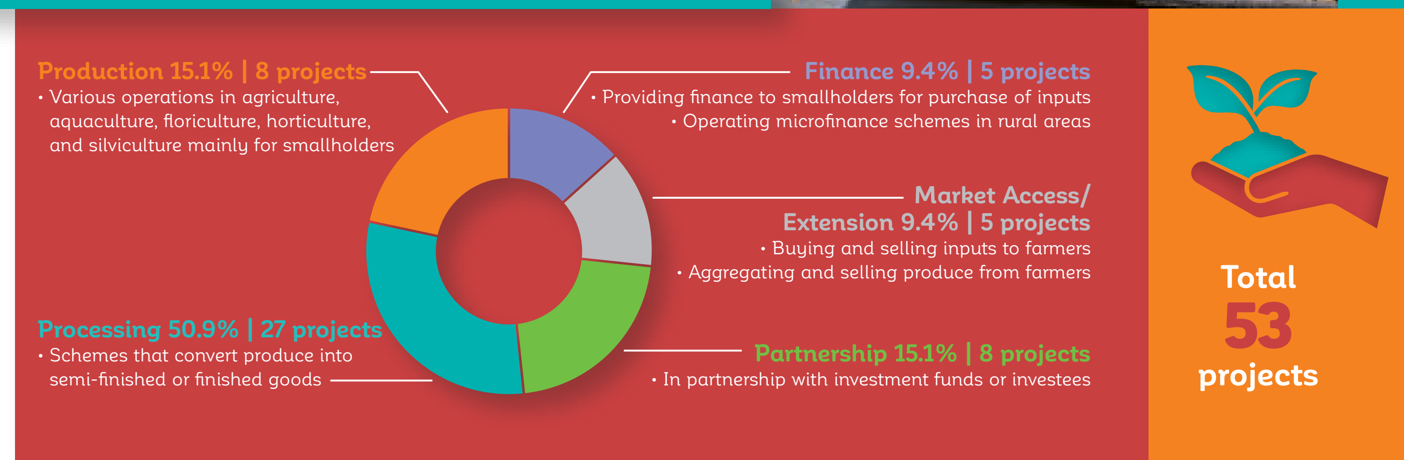


Photo: Indian Pomegranate (Mamardica) and horned melon. Adobe stock

Photo: Coffee beans on drying tabels at washing station. Adobe stock

Distribution of regular projects by value chain*



*Since 2012

Participation of Private Sector: Private companies contribute social, technical, commercial, and financial inputs to CFC funded projects and lead to larger innovation. Moreover, in order to promote and assess developmental impact, replicability and sustainability of project results, within and across countries, relevant private companies are required to document, report and communicate the same, including operational and financial performance as well as impacts achieved. More than 150 private firms have, in the past, shared the results of the CFC projects at dissemination workshops, while several other operating companies are directly participating in recording, establishing and maintaining consistent and systematic reporting of impact in projects or interventions receiving CFC financial support. The interest of the private sector in technical cooperation with CFC projects increases by the day. Offers from the private sector to seek finance for specific commodity development activities are increasing.

With our base in the innovation-rich Netherlands, it is natural that the CFC will endeavor to act as a bridge between the developing and the developed world to transfer technology and innovations. It is expected that a good number of portfolios are enriched from Dutch entrepreneurs and businesses which we wish to present as an example of win-win enterprises in our quest for creating agripreneurs in the developing world. Countries in the developing world face significant technological challenges, but they have also increased access to a larger pool of scientific and technical knowledge than was available previously. The CFC endeavors to take advantage of this innovation and scientific knowledge as it explores local innovations as well as indigenous knowledge.

IV.2 Operational & completed Projects in 2021

	EB Meeting	Project Title	Country(ies)/Area Involed	Page
Year 2013				
1	EB55	Commercial Farm Development - CFC/2012/01/0030	Ethiopia	23
2	EB55	SME Agribusiness Development in East Africa - CFC/2012/01/0076FA	Tanzania, Kenya, Rwanda, Burundi, Malawi, Zambia	23
3	EB55	Partnership with the Africa Agriculture & Trade Invest. Fund - CFC/2012/01/0268FA	Africa	24
4	EB61	Commercial Farm Development, Ethiopia - CFC/2013/01/0030 FT	Ethiopia	23
5	EB56	Commercial Meat Processing/Marketing in Lagos - CFC/2013/02/0042 FT	Nigeria	24
6	EB56	Partnership with the Africa Agriculture SME Fund - CFC/2013/02/0084FA	Africa	24
7	EB56	Partnership with the EcoEnterprise II Fund - CFC/2013/02/0085FA	Latin America	24
8	EB56	Partnership with the Moringa Agro-forestry Fund - CFC/2013/02/0086FA	Africa; Latin America	24
Year 2014				
9	EB57	Rural Injini Inclusive Maize Trading and Processing - CFC/2013/03/0120	Uganda	24
10	EB58	MORINGA agroforestry Technical Assistance facility - CFC/2014/04/0103 FT	Africa; Latin America	25
11	EB58	Modern processing Prosopis Charcoal & Animal Feeds - CFC/2014/04/0107 FT	Kenya	25
Year 2015				
12	EB59	Scaling Smallholders based Premium Coffee Production - CFC/2014/05/0079	Congo	25
13	EB59	Scaling Smallholders based Premium Coffee, Congo & Rwanda - CFC/2014/05/0079 FT	Congo; Rwanda	25
14	EB60	Tolaro Global Factory Expansion #2 ('Cashew Benin') - CFC/2015/06/0032	Benin	25
Year 2016				
15	EB61	Natural Fertilizer, Myanmar - CFC/2015/07/0020 FT	Myanmar	25
16	EB61	Accelerating Lending to Food & Agri sector in East AfricaSupply Chain Financing - CFC/2015/07/0028	Kenya, Uganda	25
17	EB61	Irrigated Perfumed Rice, Senegal - CFC/2015/07/0030	Senegal	26
18	EB61	Upscaling the Integrated production Oilseeds/Oil Seeds, Nigeria - CFC/2015/07/0032	Nigeria	26
19	EB61	Commerical Farm, Uganda (Kapanua Project) - CFC/2015/07/0078	Uganda	26
20	EB62	Start-up of Innovative Agriculture Finance Company for Cocoa, Philippines - CFC/2016/08/0064	Philippines	26
21	EB62	Upscaling Coffee Flour Production Plant of Sanam, Colombia - CFC/2016/08/0077 FT	Colombia	26
Year 2017				
22	EB63	agRIF Cooperatief U.A. - The Netherlands - CFC/2016/09/0089	The Netherlands	26
23	EB63	Reducing Vulnerability to Price Volatility - Kenya - CFC/2016/09/0097	Kenya	27
24	EB63	Acquisition of a processing plant for the aquaculture sector - Peru - CFC/2016/09/0122	Peru	27
25	EB63	Africa Food Security Fund - Ghana - CFC/2016/09/0124	Ghana	27
26	EB64	EcoEnterprises Fund III - CFC/2017/10/0066	Latin America	27
27	EB64	Formulation and fertilizer distribution for smallholder farmers, Côte d'Ivoire - CFC/2017/10/0111	Côte d'Ivoire	27
Year 2018				
28	EB65	Integrated Lime Production in Bahia - Brazil - CFC/2017/11/0005	Brazil	28
29	EB66	Expanding the Vanilla Value Chain - Tanzania - CFC/2018/12/0066	Tanzania	28
Year 2019				
30	EB67	East African Nuts & Oilseeds - Kenya - CFC/2018/12/0056	Kenya	28
31	EB67	Development of Social and Environmental Management System - CFC/2018/13/0003 FT	The Netherlands	28
32	EB67	Finding opportunities in health food market - nutriceuticals - LDCs and LLDCs - CFC/2019/14/0001 FT	Selected Least Developed Countries and Landlocked Developing Countries	28
33	EB68	Livestock Farming Cameroon - CFC/2018/12/0022	Cameroon	28
34	EB68	Working Capital Kenya - CFC/2019/14/0027	Kenya	29
Year 2020				
35	EB69	Addressing Vulnerabilities of CDDCs to Achieve the SDGs CFC/2019/15/0003 FT	LDC	29
36	EB69	Fruits and Spices Madagascar - Working Capital - CFC/2019/15/0010	Madagascar	29
37	EB70	High quality cocoa from communities - Colombia - CFC/2020/16/0021	Colombia	29
Year 2021				
38	EB71	Mercon Coffee Group CFC/2020/17/0047	Brazil, Guatemala, Vietnam, Nicaragua, Honduras	29
39	EB71	Carbon-neutral processing of avocados and avocado oil - CFC/2020/17/0008	Kenya, Tanzania	29
40	EB71	Reducing Vulnerability to Price Volatility - Kenya - CFC/2021/18/0001 FT	Kenya	27

Completed

	EB Meeting	Project Title	Country(ies)/Area Involed	Page
1	EB58	Commodity Value chain Tropical Timber from Community Forests - CFC/2014/04/0047 FT	Cameroon	30
2	EB62	Manufacture of Moringa Oleifera from Smallholder Farmers, Kenya - CFC/2016/08/0052 FT	Kenya	30
3	EB70	Working Capital Kenya - CFC/2020/17/0001 FT	Kenya	30

Operational Projects as of 2021 under the old rule

	EB Meeting	Project Title	Country(ies)/Area Involed
1	EB12	Reviving Banana Cultivation - Guinea	Guinea
2	EB29	Pilot Coffee Rehabilitation - CFC/ICO/11	Nicaragua, Honduras
3	EB53	Integrated Management of Cocoa Pests & Pathogens - CFC/ICCO/43	Cameroon, Côte d'Ivoire, Ghana, Nigeria, Togo

* Details available on CFC website

Photo: Cocoa pods. Adobe stock

Photo: Vanilla pods, Tanzania, NEI

IV.3 **Active Projects** in 2021

1 and 4. Commercial Farm Development in Central and Northern Ethiopia - CFC/2012/01/0030 and CFC/2013/01/0030 FT

Submitting Institution	Solagrow plc.
Location	Ethiopia (LDC)
Commodity	Potatoes and others
Total Cost	USD 6,255,000
CFC Financing	USD 1,100,000 (loan, of which USD 750,000 financed by the Dutch Trust Fund) USD 120,000 Liquidity support under Fast Track
Counterpart Contribution	USD 5,155,000

Project Description

Solagrow provides seed potatoes supplemented by seeds from other crops and mechanization services to organized outgrowers and other small farmers. The company works together with the Ethiopian Institute of Agricultural Research (IAR) for new potato varieties and technologies. In addition, the company produces quality food crops for local and export markets on its own nucleus farms, thereby integrating Ethiopian smallholder farmers through the provision of inputs, cropping technology and market access.

The CFC supports Solagrow in equipping further nucleus farms with machinery and equipment. It is anticipated that 1,600 new jobs will be created, and 2,500 new farmers will be involved on around 3,000 ha of land. Further, the company expects to offer its services to another 25,000 farmers around its farms.

2. SME Agribusiness Development in East Africa - CFC/2012/01/0076FA

Submitting Institution	MatchMaker Fund Management (MMFM)
Location	Burundi, Kenya, Malawi, Rwanda, Tanzania, Zambia
Commodity	Miscellaneous
Total Cost	Euro 10,000,000
CFC Financing	USD 520,000 (Loan - First Account Net Earnings Initiative (FANEI))
Co-financing	Balance to be sourced from other consortium partners

Project Description

The SME Impact Fund (SIF) provides meso-level financing to SMEs in agribusiness in East Africa. SIF provides financing as loans, from USD 65,000 to USD 650,000, with an average loan size of USD 200,000. SIF provides financing for SMEs in local currency, at competitive rates ranging between 18-20% per annum, for a period up to 60 months. Project partners are currently Dutch NGOs like Hivos and Cordaid, and private investors including MatchMaker Associates (MMA). The local banking partner is National Microfinance Bank (NMB) Bank of Tanzania, which gives SIF strong outreach to cover rural districts in Tanzania. Technical partners include Financial Alliance for Sustainable Trade (FAST), MatchMaker Associates (MMA), and Tanzania Horticultural Association (TAHA) with Business Development Services (BDS) project.

The target fund size could not be reached in the second closing and the fund will be divesting in the coming years. However, through the investments, SIF has reached 19,000 smallholder farmers and supported 2,500 jobs. SIF estimates that it has supported the livelihood of 98,000 beneficiaries through its investments.

3. Partnership with the Africa Agriculture and Trade Investment Fund (AATIF) - CFC/2012/01/0268 FA

Submitting Institution	Africa Agriculture and Trade Investment Fund (AATIF)
Location	Africa
Commodity	Miscellaneous
Total Cost (Target Fund Size)	N/A (Evergreen Fund)
CFC Financing	USD 2,000,000 (Equity – First Account)
Co-financing	Main other current investors are the EU, KFW and Deutsche Bank. The associated grant based Technical Assistance (TA) Facility is being financed by the German Ministry for Development Cooperation and Economic Development (BMZ)

Project Description
The Africa Agriculture and Trade Investment Fund (AATIF) is an innovative public-private partnership dedicated to realising the potential of Africa's agricultural production and related manufacturing, service provision and trade through sustainable investments across the entire value chain. AATIF investments foster agricultural value chain enhancement and is complemented through a TA Facility that provides grant funding for projects to strengthen the developmental aspects of individual investments. This TA Facility is managed by the CFC under a service agreement.

AATIF was established in 2012 and thus far the TA Facility develops an average of nine TA projects per year with project budgets ranging from EUR 6,000 to EUR 500,000. The TA Facility is providing support to investee companies that focus on enhancing direct impact beyond the company itself, specifically targeting lower-income communities. This type of TA support assists AATIF investee companies to create local economic opportunities and employment, for example through the establishment of a smallholder farmer outgrower scheme. The TA Facility also supports investee companies with advisory and technical support that improve business operations and efficiency, as well as capacity development of staff.

5. Commercial Meat Processing/Marketing in Lagos - CFC/2013/02/0042 FT

Submitting Institution	ESOSA Investments Ltd
Location	Nigeria
Commodity	Livestock
Total Cost	USD 250,000
CFC Financing	USD 120,000 (Zero interest loan)

Project Description
ESOSA Investments Ltd. is a small-scale meat processor operating in Lagos, Nigeria. In 2015, the CFC provided a USD 120,000 loan to support ESOSA in (i) acquiring additional processing equipment, (ii) increasing its profit and product diversification by introducing a range of new snacks, pastries etc., and (iii) strengthening its local supply chains by providing 100 pig farmers with improved breeds and training in improved animal husbandry.

The intervention is expected to create new employment opportunities for about 500 farmhands while the Fulani nomadic cattle herdsmen are also expected to benefit from the advantages of an enhanced commercial beef production.

6. Partnership with the Africa Agriculture SME Fund (AAF-SME) - CFC/2013/02/0084 FA

Submitting Institution	Africa Agriculture SME Fund (AAF-SME)
Location	Africa
Commodity	Miscellaneous
Total Cost (Target Fund Size)	USD 80,000,000
CFC Financing	USD 2,000,000 (equity)
Co-financing	Other main investors: Agence Française de Développement (AFD), PROPARCO, Spanish Government (AECID) and African Development Bank (AfDB)

Project Description
The AAF-SME Fund is Africa's first Impact Investing Fund with a focus solely on food producing and processing Small and Medium-Size Enterprises (SMEs) throughout the continent. AAF-SME is being complemented through a Technical Assistance Facility (TAF) that provides grant funding with an emphasis on the establishment of out-grower schemes. The CFC joined the Fund on the second close in May 2014.

The fund has invested in eight different agricultural SMEs across Sub-Saharan Africa (SSA) that focus on different value chain segments, from mixed farming operations to organic fertilizer production. The proceeds are mainly used for follow-on investments for existing portfolio companies, till the fund is scheduled to close.

Through its investments, the AAF-SME fund has supported local employment and strengthened commercial relations of smallholders with AAF-SME funded companies, which source their raw materials for processing.

7. Partnership with the EcoEnterprises II Fund (EcoE II) - CFC/2013/02/0085 FA

Submitting Institution	EcoEnterprises Partners II L.P. (EcoE II)
Location	Latin America
Commodity	Miscellaneous
Total Cost (Target Fund Size)	USD 40,000,000
CFC Financing	USD 500,000 (equity)
Co-financing	Main other investors: Dutch Development Financial Institution (FMO), Interamerican Development Bank (IADB) and European Investment Bank (EIB)

Project Description
The CFC joins the EcoE II fund to invest in small companies with a proven business model at expansion stage which are active in the sustainable agriculture and forestry (products) sector in Latin America. The targeted investee companies supply into a growing market for organic food products and certified wood predominantly in the US.

Since its first closure in 2011, the fund has disbursed in debt and equity investments across different portfolio companies, which are engaged in eco/organic niche products such as tea, juices, baby food and dried fruit. Overall, the fund has supported local employment and connected raw material smallholder suppliers. In addition, EcoE II's portfolio companies manage land in either a sustainable or conserved manner.

8. Partnership with the Moringa Agroforestry Fund - CFC/2013/02/0086 FA

Submitting Institution	Moringa Agroforestry Fund S.C.R.
Location	Latin America/Africa
Commodity	Miscellaneous
Total Cost (Target Fund Size)	Euro 100,000,000
CFC Financing	USD 1,349,613 (equity)
Co-financing	Main other current investors: FMO, PROPARCO, Spanish Government (AECID) and Latin American Development Bank (CAF)

Project Description
The CFC provides equities to the Moringa Agroforestry Fund (Moringa) which seeks to invest agroforestry projects in Africa and Latin America. These projects are expected to commercially compete with deforestation drivers such as cattle ranching, crop farming and timber harvesting. At the same time, Moringa investments are required to have a demonstrable positive impact on the environment and the livelihoods of local populations, while generating a clear positive impact on local populations and the environment. Moringa investments are complemented through a Technical Assistance (TA) Facility managed by the CFC.

Through its investments, Moringa targets a total of 8,000 new jobs created with an income effect on 35,000 dependents. In addition, about 60,000 out-growers are expected to be associated to commercial investments of Moringa, with a development impact on 340,000 dependents.

9. Rural Injini (Engine) Inclusive Maize Trading & Processing - CFC/2013/03/0120

Submitting Institution	Joseph Initiative Ltd. (JI)
Location	Uganda (LDC)
Commodity	Maize
Total Cost	USD 1,929,000
CFC Financing	USD 500,000 (Financed by the Dutch Trust Fund)

Project Description
The project aims to support Ugandan smallholder farmers to efficiently bulk and process maize to sell to regional wholesalers. Joseph Initiative Ltd. (JI) takes an integrated approach to trading, combining rural collection centres with village buying agents to collect maize in small quantities from remote farmers and making payments to them on the spot.

JI's business model concentrates on 'bottom of the pyramid' farmers producing 1 metric ton or less per year, as they are below the aggregation thresholds for commercial traders. A reliable market and access to inputs and finance will increase farmers' incomes. Inclusion of a large number of producers, increasing productivity and potentially reducing the current 40% post-harvest losses could lead to substantial improvement in Uganda's food security.


Photo: Joseph Intitative

10. Moringa Agroforestry Technical Assistance Fund - CFC/2014/04/0103 FT

Submitting Institution	Moringa Agroforestry Fund
Location	Africa/Latin America
Commodity	Agroforestry
Total Cost	USD 2,200,000
CFC Financing	USD 100,000 (Grant)

Project Description
The Moringa Agroforestry Technical Assistance Fund (ATAF) is a grant-based fund that supports the development impact of investments made by the Moringa Agroforestry Investment Fund. ATAF develops and finances projects for training, capacity development, and sustainable land management.

ATAF was established to mitigate risks and to increase the development impact of Moringa Fund investments. The TA support aims to strengthen the capacity of Moringa investee companies to include and integrate interested members of the local population into agroforestry production systems to improve their standard of living, agricultural practices, and, thus, to protect the environment.

ATAF commenced operations in 2016, after a service agreement was signed with the CFC. The CFC, as the ATAF Manager, has developed 18 TA projects in seven countries across Africa and Latin America.

11. Modern Processing & Value Chain Development for Prosopis Charcoal and Nutritious Animal Feeds, Kenya - CFC/2014/04/0107 FT

Submitting Institution	Start!e Limited (Social Enterprise)
Location	Kenya
Commodity	Timber
Total Cost	USD 214,000
CFC Financing	USD 100,000 (Zero interest loan, financed from the Dutch Trust Fund)
Co-financing	USD 15,000
Start!e Limited (Contribution)	USD 99,000

Project Description
In 2014, Start!e Ltd presented a proposal to turn the unwanted spread of the tree Prosopis Juliflora in Kenya's semi-arid areas into an income opportunity for the affected communities by setting up value chains for sustainable charcoal animal feed from the Prosopis fruit pods.

The CFC supported the initiative with a USD 100,000 loan disbursed in December 2014. The investment aims to: (i) enhance the collection of Prosopis; (ii) improve the carbonisation process; (iii) build customer relationships with a few, higher volume consumers and wholesalers; (iv) improve logistics; and (v) increase fundraising.

Early on, the project had to meet unexpected expenses on equipment and later deal with a logging ban introduced in February 2018.

12 and 13. Scaling Smallholder based Premium Coffee Production in Congo and Rwanda - CFC/2014/05/0079 and CFC/2014/05/0079 FT

Submitting Institution	COOPAC Holding Ltd.
Location	Congo DRC (LDC), Rwanda (LDC)
Commodity	Coffee
Total Cost	USD 3,931,880
CFC Financing	USD 1,500,000 loan (of which USD 750,000 is financed by the OPEC Fund for International Development (OFID) and USD 750,000 by the Dutch Trust Fund)
Counterpart Contribution	USD 2,194,660 – Root Capital; USD 87,220 – COOPAC Holding Ltd.

Project Description
COOPAC is an enterprise dealing in coffee production, processing, and export of premium specialty coffee. Founded in 2001 with 110 coffee farmers in the Gisenyi region in Rwanda, coffee beans are sourced from over 9,000 smallholder farmers in Rwanda and 7,000 in the Democratic Republic of the Congo (DRC). COOPAC is among the few Rwandan coffee suppliers benefiting from 3 major coffee production standards: Fairtrade (FLO), Organic, and Rainforest Alliance.

Financing from the CFC allows COOPAC to increase its wet coffee-washing capacity in the DRC, a critical technique in producing quality coffee, and by adding value through processing and certification. Part of the loan is used for working capital purchases to scale sourcing of its organic coffee from smallholders in both countries. With the goal of scaling coffee production up to 16,600 farmers by 2024, COOPAC hopes to create much-needed jobs and improve smallholders' yield and net income.


Photo: COOPAC

14. Tolaro Global Cashew Factory Expansion, Benin - CFC/2015/06/0032

Submitting Institution	Tolaro Global
Location	Parakou, Benin (LDC)
Commodity	Cashew
Total Cost	USD 5,464,000
CFC Financing	USD 1,500,000 (of which USD 1,000,000 is financed by the OPEC Fund for International Development (OFID))
Co-financing	Tolaro Global USD 464,637, other financiers USD 3,500,000

Project Description
Tolaro Global is the leading cashew processing company in Benin. Founded in 2010, the company processes and exports more than 3,500 metric tons (MT) of cashews to premium markets in Europe and the United States, with a value of almost USD 4 million.

The company buys raw cashews from 7,000 smallholder farmers and employs more than 650 workers, thus creating significant economic impact in Benin.

The CFC is financing the company's expansion plans. The project entails the acquisition of equipment to increase the processing capacity of Tolaro from 3,500 MT in 2018 to 20,000 MT by 2023. The number of farmers delivering raw cashew nuts to Tolaro is expected to increase from 7,000 to 15,000 by 2023. The number of factory jobs is expected to increase from 650 to 1,500 over the same period.

15. Intensified Livelihoods Improvement and Environmental Conservation through Social Business Activities (Natural Fertilizer, Myanmar) - CFC/2015/07/0020 FT

Submitting Institution	Swanyee Group of Company
Location	Myanmar (LDC)
Commodity	Fertilizer
Total Cost	USD 236,171
CFC Financing	USD 117,600 (Loan)
Counterpart Contribution	USD 118,571

Project Description
There are many distributors of chemical fertilizers in Myanmar, but only a few of them are engaged in the supply of natural and bio fertilizers. The Swanyee Group is active in selling organic agricultural inputs mainly to smallholder farmers in Myanmar.

It has a research department that has been experimenting with the production of natural fertilizers, in the form of vermiculture. The core of the project is to expand the current levels of vermiculture-based liquid and compost fertilizer. The project aims to demonstrate that organic fertilizers can be offered at lower costs than chemical fertilizers with effective social, economic and environmental impact.

The development impact of the project is the reduction in fertilizer costs for farmers from USD 60/acre to below USD 50/acre.

16. Accelerating Lending to Food & Agri sector in East Africa Supply Chain Financing - CFC/2015/07/0028

Submitting Institution	Financial Access Commerce and Trade Services (FACTS)
Location	Kenya, Uganda (LDC)
Commodity	Miscellaneous Commodities through Supply Chain
Total Cost	USD 7,000,000[1]
CFC Financing	USD 1,200,000 (of which USD 1,000,000 is financed by the OPEC Fund for International Development (OFID) and USD 200,000 by Dutch Trust Fund)
Counterpart Contribution	USD 10,300,000

Project Description
Factoring, as a form of supply chain finance, can play a critical role in injecting much-needed short term liquidity in value chains. The demand for factoring services, which support producers and traders to scale activities, however remains largely unmet in many developing countries. Since 2015, FACTS has worked to counter this by servicing the factoring needs of SMEs in Kenya and Uganda.

In 2018, the CFC and FACTS East Africa B.V. signed a USD 1,200,000 loan agreement to support and scale FACTS' impact on agricultural value chain participants. FACTS continued service to its portfolio of clients through the COVID-19 pandemic with the backing of shareholders and creditors.

[1] Total Project cost is the outstanding factoring portfolio of the Company. In particular, since the CFC entered into a 9-month facility, the total project cost is considered for the outstanding factoring portfolio for the year 2019 only. The factoring portfolio for the year 2019 amounted to EUR 3.2 million

17. Irrigated Perfumed Rice and Normal Rice Production in Thiagar, Senegal - CFC/2015/07/0030

Submitting Institution	Coumba Nor Thiam (CNT)
Location	Senegal (LDC)
Commodity	Rice
Total Cost	Euro 3,150,000
CFC Financing	USD 1,459,800 (of which USD 1,000,000 is financed by the OPEC Fund for International Development (OFID))
Counterpart Contribution	USD 1,690,200

Project Description
Coumba Nor Thiam (CNT) is the third largest rice processing company in Senegal, with 30 years' experience in the production and processing of normal and perfumed rice. Since 1987, CNT has been growing into a successful rice company, currently employing 2,500 outgrowers on 3,000 hectare (ha) of land and running a 500 ha own plantation in the Northern River Valley region. With a milling capacity of 120 ton/day, CNT is currently processing 15,000 ton/year of paddy rice.

CFC financing, part of which provided by the OPEC Fund for International Development (OFID)), will be financing the purchases of farming and irrigation equipment, necessary for the upscaling of CNT's profitable rice milling business. After the investment, the company is expected to increase its processing capacity to 40,000 tons by 2025, while adding 500 smallholders to its outgrower network bringing the total to 3,000 farmers. In total 16 new processing jobs are expected to be created.

18. Upscaling the Integrated Production and Processing of Selected Estranged Oilseeds, Nigeria - CFC/2015/07/0032

Submitting Institution	EFUGO Farms Nigeria Ltd.
Location	Nigeria
Commodity	Oilseeds
Total Cost	USD 3,893,500
CFC Financing	USD 1,500,000
Counterpart Contribution	USD 2,393,000

Project Description
Efugo Farms Limited (EFL), is an agro-industrial company producing various crop and livestock products, established in 1987 and based in Abuja, Nigeria. The company has focused in the production of edible oils (from groundnuts, soybeans, sesame) and non-edible oils (from castor beans, shea butter and neem seeds), responding to the high domestic demand for such products.

Having already established a modern processing plant, Efugo sought financial support for the acquisition of crucial processing machinery and the procurement of seeds from smallholder farmers.

In line with Central Bank of Nigeria (CBN) financing, the CFC term loan provides Efugo with both the necessary working capital for its sourcing activities and the funds needed for its CAPEX expansion. In the lifecycle of this project, Efugo will engage with more than 20,000 smallholder farmers, while creating 110 additional processing jobs and providing a significant income source to about 500 youth/women engaged in the harvesting of neem seeds and shea nuts.

19. Commercial Farm, Uganda (Kapanua Project) - Asili Farms Ltd., Uganda - CFC/2015/07/0078

Submitting Institution	Asili Farms Masindi Ltd.
Location	Uganda (LDC)
Commodity	Maize
Total Cost	USD 3,361,229
CFC Financing	USD 1,200,000 (of which USD 1,000,000 is financed by the OPEC Fund for International Development (OFID))
Counterpart Contribution	USD 2,161,299

Project Description
Asili Farms is a mechanized farming company that manages dual-season production of high-quality maize and soybeans for supply to regional food processors. Asili became operational in January 2014 and is farming under a conservation agriculture and precision farming approach to maximize yields. The ultimate strategic goal of Asili is to have commercial farming operations on around 6,500 ha. As part of the Agilis Partners Ltd. Holding, Asili Farms (AF) benefits from the guaranteed demand from the sister-company Joseph Initiative Limited (JI, also a borrower of a CFC loan), which is marketing Ugandan grains and pulses with extensive regional market access.

CFC resources are used to further expand commercial farm operations as well as to scale out Asili's engagement in training small-scale farmers in commercial maize and soya production.

20. Start-up of Innovative Agriculture Finance Company for Cocoa, Philippines - CFC/2016/08/0064

Submitting Institution	Kennemer Foods International Inc
Location	Philippines
Commodity	Cocoa
Total Cost	USD 11,600,000
CFC Financing	USD 1,400,000 (Loan)
Counterpart Contribution	USD 10,200,000

Project Description
Kennemer Foods International, is an agribusiness company specialized in the production, processing and trading of high-quality cocoa, sourced directly from smallholder farmers. Capitalizing on the knowledge and technology transfers, through its long-standing partnership with Mars, Kennemer sought to enhance its sourcing activities by enabling the plantation of new cacao trees, ensuring higher yields and better livelihoods for smallholders. Nevertheless, access to finance remains a challenge for smallholder farmers in the Philippines, limiting their ability to undertake the essential investments for such an expansion. To alleviate this problem, Kennemer set up an affordable smallholder financing mechanism, through its subsidiary, Agronomika Finance Company. Partnering with other impact investors, such as FMO, CFC provided the necessary funding for the operations of Agronomika. Smallholder beneficiaries are expected to improve their yield from 0.5MT/ha to 2MT/ha, increasing their average annual income from USD 625 to USD 3,750, while more than 50,000 hectares of new cacao trees will be planted.

21. Upscaling Coffee Flour Production Plant of Sanam, Colombia - CFC/2016/08/0077 FT

Submitting Institution	Truvalu Group (for SANAM Company)
Location	Colombia
Commodity	Coffee
Total Cost	USD 312,000
CFC Financing	USD 120,000 (Loan)
Counterpart Contribution	USD 192,000

Project Description
SANAM is a coffee flour production company, based in Colombia and dedicated to the use of waste (husk and pulp) that are usually discarded in the process of coffee processing. These wastes are transformed into Miel de Café (coffee honey liquid) and Harina de Café (flour) which are used as raw materials and supplements for cosmetic, food, pharmaceutical and feed products. The pulp and husk contain elevated levels of antioxidants, proteins and minerals.

The CFC supports SANAM to increase production capacity of the beverage and coffee flour line by investing in machinery and equipment through a loan extended via Truvalu Group (former ICCO Cooperation). SANAM is currently receiving the coffee waste from over 80 small coffee growers in the region. Collection of coffee waste by SANAM is a major saving for smallholders farmers, as they do not have to pay regular fees for waste management and collection services.

22. agRIF Cooperatief U.A. - The Netherlands - CFC/2016/09/0089

Submitting Institution	agRIF Cooperatief U.A.
Location	The Netherlands
Commodity	Partnership
Total Cost (Target Fund Size)	USD 200 million
CFC Financing	USD 1,000,000 (of which USD 1,000,000 is Financed by the OPEC Fund for International Development (OFID)).

Project Description
AgRIF is an impact investing fund that focusses on debt and equity investments into financial intermediaries who are active in, and have a clear commitment towards financing the agricultural sector. The fund addresses the scarcity of financial services in developing countries, and seeks to enhance financial inclusion in the agricultural value chain, with a focus on smallholder farmers and rural Micro, Small & Medium Sized Enterprises (SMEs).

AgRIF invests globally in countries classified as eligible by the Development Assistance Committee (DAC) of the OECD. While microfinance institutions are to be the major group of clients, agRIF will also invest in small banks, agricultural leasing companies and other financial intermediaries to the agricultural sector down to subsistence farmer level with individual loan size below USD 1,000. Up to 10% of its funds are allocated to debt financing of producer organizations and SMEs working in the agricultural value chains. agRIF is managed by Incofin Investment Management.

Photo: Sorghum. Shalem Investments

23 and 40. Reducing Vulnerability to Price Volatility - Kenya - CFC/2016/09/0097 and CFC/2021/18/0001 FT

Submitting Institution	**SHALEM Investment Ltd.**
Location	**Kenya**
Commodity	**Grains**
Total Cost	**USD 2,100,000**
CFC Financing	**USD 610,000 (of which USD 500,000 is financed by Dutch Trust Fund (DTF))**
Co-financing	**Other impact financiers: USD 800,000**

Project Description
Shalem Investments Ltd. ('Shalem'), is a female-led agribusiness aggregating, transporting, and marketing grains, cereals and legumes from a network of over 29,000 smallholder farmers, of which 70% women. Created by the female CEO and founder to help smallholder farmers in successfully marketing their sorghum crops, the CFC extended a loan to diversify into nutritious flour and porridge for low-income consumers. By developing nutritious products from drought-tolerant sorghum and millet in addition to maize, Shalem aims to reduce malnutrition in rural areas and create a stable income source for local farmers.

The nutritious food plant has commenced operations by the end of 2019, producing fortified staple foods, such as maize flour (Ugali) and porridge. Shalem's Asili Plus Porridge and Ugali are currently supplied to schools and are available in over 50 retail shops and BoP-markets in Meru and surrounding counties, reaching over 46,000 BoP-consumers with affordable nutritious food.

24. Acquisition of a processing plant for the aquaculture sector - Peru - CFC/2016/09/0122

Submitting Institution	**Acuacultura Tecnica Integrada del Peru S.A. (ATISA)**
Location	**Peru**
Commodity	**Shrimp**
Total Cost	**USD 4,000,000**
CFC Financing	**USD 1,500,000 (Loan)**
Co-financing	**Acuacultura Tecnica Integrada del Peru S.A. (ATISA): USD 200,000 Owner: USD 1,850,000**

Project Description
ATISA, is a shrimp aquaculture company located in Tumbes area, North Peru, led by a female entrepreneur who co-founded the business with her husband in 1997. Specialized in breeding, production, and distribution of premium shrimps, ATISA farms vannamei shrimps for both local and international markets and is recognised through its own brand called COOL!. ATISA is the first Peruvian company that obtained the GLOBALG.A.P. Aquaculture certification in 2016.

By investing in modern shrimp cultivation techniques and sustainable farming practices, the CFC supports ATISA's ambition to introduce organic shrimps and compliance with new social and environmental aquaculture certification standards. ATISA also intends to expand into shrimp processing to increase its offering of peeled shrimps, a high value product with less volatile commodity prices than unprocessed whole or headed shrimps.

25. Africa Food Security Fund - Ghana - CFC/2016/09/0124

Submitting Institution	**Zebu Investment Partners**
Location	**Africa**
Commodity	**Partnership**
Total Cost	**USD 100 million**
CFC Financing	**USD 1,000,000 (Equity)**

Project Description
The Africa Food Security Fund (AFSF) is an impact investing fund that seeks to invest in small and medium size businesses (SMEs) active along the agricultural value chains across Africa with a focus on Sub-Saharan Africa. The fund's investment mainly focuses on primary production, agricultural input and service providers, as well as agro- and food- processing companies.

AFSF finished its second closure in 2020. The target capitalization has been set at USD 100 million and AFSF's lifetime is set for 10 years. The fund is the follow up fund of the AAF-SME Fund that commenced its operations in 2014 of which CFC invested USD 2 million. Main partners are Zebu Investment Partners (ZIP, previously known as Databank Investment Partners) as AFSF Fund Manager, and CDC, DGGF, EIB, African AFDB, BOAD and BIDC as key institutional investors into AFSF.

26. EcoEnterprises Fund III - CFC/2017/10/0066

Submitting Institution	**EcoEnterprises Fund**
Location	**Latin America**
Commodity	**Partnership**
Total Cost (Target Fund Size)	**USD 100,000,000**
CFC Financing	**USD 1,000,000 (of which USD 1,000,000 is financed by the OPEC Fund for International Development (OFID))**

Project Description
The EcoEnterprises Fund III (EcoE III) is an impact investing fund that invests in Latin American SMEs which source raw material from collectors or smallholder farmers for value added processing. The target sectors are sustainable agriculture, agro-forestry, aquaculture, and wild- harvested forest products. EcoE III seeks to invest in growing companies that cater for increasing demands for organic food products and certified wood in the US.

The CFC has become a shareholder of EcoE III at its first closure in late 2018. EcoE III is expected to make 18 long-term capital investments, size between USD 2 - 6 million, within an average duration of 6 - 8 years. EcoE III aims at the creation of at least 5,000 jobs and to connect 25,000 small-scale producers.

27. Formulation and fertilizer distribution for smallholder farmers, Côte d'Ivoire - CFC/2017/10/0111

Submitting Institution	**AGRITEC S.A.**
Location	**Côte d'Ivoire**
Commodity	**Fertilizer**
Total Cost	**Euro 2,003,000**
CFC Financing	**USD 1,100,000 (of which USD 350,000 is financed by the OPEC Fund for International Development (OFID))**
Co-financing	**Coris Bank: Euro 530,000**
Counterpart contribution	**Euro 530,000**

Project Description
Founded in 2010, AGRITEC S.A. is a distributor of agricultural inputs (insecticides, herbicides and fungicides) and equipment (irrigation and spraying systems), based in Abidjan. The company has established a network of 60 sales outlets reaching up to 300,000 farmers across the country, providing them with crucial products for the increase of their productivity.

To improve access to fertilizers for smallholder farmers located in remote areas, AGRITEC sought to build a dry bulk fertilizer blending and packaging station in Yamoussoukro.

Partnering with Coris Bank, CFC provided a USD 1,100,000 loan, of which USD 350,000 is financed by the OPEC Fund for International Development (OFID). This will provide resources for capital expenditures associated with the factory building and the purchase of relevant equipment. The successful project completion is expected to create 120 new jobs, while it is estimated that smallholders' productivity, accessing AGRITEC's inputs, will increase by 38%, resulting in a significant increase of their incomes.

28. Integrated Lime Production in Bahia - Brazil - CFC/2017/11/0005

Submitting Institution Jan Stap BV
Location Brazil
Commodity Citrus Fruits
Total Cost Euro 2,375,000
CFC Financing Euro 1,000,000 (Loan)
Counterpart Contribution Euro 1,375,000


Photo: Torres

Project Description
In 2012, the Torres group established its production of Tahiti limes in the municipality of Pojuca, in Bahia State, Brazil. The group entered the production business with the goal to vertically integrate and control its supply chain in order to obtain the Fair Trade and Global Good Agricultural Practices (GAP) certification.

In December 2018, the CFC signed a loan agreement with the subsidiary Jan Stap B.V., to support the expansion of the group's sustainable lime plantation. While providing an environmental alternative to consumers in Europe, the plantation also contributes directly to local income generation and economic conclusion in one of the poorest municipalities of Brazil.

29. Expanding the Vanilla Value Chain - Tanzania - CFC/2018/12/0066

Submitting Institution Natural Extracts Industries Ltd.
Location Tanzania
Commodity Spices
Total Cost USD 1,800,000
CFC Financing USD 500,000 (Loan)
Counterpart Contribution Other impact financiers USD 1,300,000

Project Description
Natural Extracts Industries (NEI) is a for-profit social enterprise producing, processing, and exporting green vanilla into vanilla pods and extracts to international traders and retailers in the flavours industry. NEI has created a vertically integrated vanilla chain since 2011 by directly sourcing from 5,000 smallholder farmers. Its team of agronomists and field officers are assisting the farmers with trainings in good agricultural practices and other services throughout the full cycle from planting of the vines, pollination of the flowers to harvest of green vanilla. NEI has planted over 200,000 vines to date and using mobile-based technologies to reliably trace the quality and origin of vanilla on farmer level.

The CFC has extended a USD 500,000 working capital loan ensuring its farmers direct access to markets amid the challenges of COVID-19 and declining global vanilla prices. More than 5,000 farmers are expected to benefit from NEI's inclusive sourcing model over the coming 5 years.

30. East African Nuts & Oilseeds - Kenya - CFC/2018/12/0056

Submitting Institution Ten Senses Africa Ltd
Location Kenya
Commodity Nuts
Total Cost USD 4,200,000
CFC Financing USD 1,500,000 (Loan)
Counterpart Contribution USD 600,000
Co-financing USD 2,100,000

Project Description
Established in Kenya in 2008, Ten Senses Africa Ltd. (TSA) was created by the Integra Foundation, as the world's first fair-trade certified macadamia nut company. Macadamia exports started in 2010, and the company has since expanded its product line to include cashews, sesame seeds and sesame oil. TSA sources nuts from farmers throughout Kenya and processes them in Nairobi, supporting the local production of high-quality export products.

Joining impact investors such as DOB Equity and Incofin, CFC provided a 7-year loan giving TSA the ability to scale up and accelerate its business model to include more farmers and improve the quantity and quality of nuts and sesame oil exported. With CFC's support, TSA expects to reach an additional 10,000 of smallholder suppliers, of which 30% women. The average annual net income of smallholders is expected to increase from USD 750 to USD 980 with about 400 new jobs created.

31. Development of Social and Environmental Management System - CFC/2018/13/0003 FT

Submitting Institution International Labour Organisation (ILO)
Location The Netherlands
Commodity Cross commodity
Total Cost USD 105,540
CFC Financing USD 105,540 (Grant)

Project Description
As an impact investment fund with the mission of alleviating poverty following sustainable road map, the CFC is committed to follow the industry best practices regarding impact management. This project, therefore, concerns the development of CFC's Social and Environmental Management System (SEMS). Such systems are designed to enable a financial service provider to identify social and environmental risks associated with a particular transaction and take this into account when deciding whether or not to provide financing as well as identify opportunities to improve social and environmental performance.

The CFC has always considered these risks when assessing a project. However, recognizing the great importance and complexity of this topic, the CFC decided to take a step further, and develop its SEMS. For this task, the CFC has partnered with the Social Finance Programme of the International Labour Organization (ILO), which since 2012, has gained great experience on the development and implementation of SEMS. With proper policies, procedures and tools in place, the CFC intends that its investment practice will be more transparent and consistent with international good practices in achieving the SDGs.

32. Finding opportunities for niche commodities from developing countries in the health food market - CFC/2019/14/0001 FT

Submitting Institution UNCTAD
Location Selected Least Developed Countries and Landlocked Developing Countries
Commodity Other stimulant crops
Total Cost USD 240,000
CFC Financing USD 120,000 (Grant)
Co-financing USD 120,000

Project Description
This project, implemented in partnership with UNCTAD, aims to explore how LDCs and LLDCs can better harness their biodiversity and traditional knowledge about health foods or nutraceuticals to create jobs, expand exports, and achieve inclusive growth. In particular, the project will study the potential of selected LLDCs as suppliers of health enhancing foods and identify the policy measures needed to expand their exports in this sector.

The findings from the country-case studies and the assessment of the demand of nutraceuticals in advanced markets will be consolidated in a policy research publication, and disseminated in an interregional workshop. In addition to mapping the products and linking suppliers to potential markets, the project will also contribute to enhance regulatory and institutional capacities of LLDCs to meet the demands of importing countries and assess measures that need to be taken to attract impact investors to the sector.

33. Livestock Farming Cameroon - CFC/2018/12/0022

Submitting Institution West End Farms
Location Cameroon
Commodity Livestock
Total Cost USD 2,000,000
CFC Financing USD 1,000,000
Counterpart Contribution USD 1,000,000

Project Description
West End Farms is an integrated mixed farming SME company, based in Yaounde, Cameroon. Established in 2001, WEF has gradually developed to the largest commercial pork producer of the country adding to local food security. The company also grows maize, cassava and soya on a 300ha fully mechanized farm to produce feed for its porkers. Operating in a country which traditionally has been a net pork importer and where the efforts of local farmers to increase domestic production are hindered by poor infrastructure and high cost of feed, WEF endeavoured to upscale its business model.

Joining the Africa Agriculture SME Fund (AAF-SME), CFC provided WEF USD 1 million for the financing of the construction of a modern finishing facility in Douala and of its increasing working capital needs. CFC financing will enable WEF to increase its annual production from 8,000 to 20,000 animals, while 60 new jobs will be created, 40 % of which female.

34. Working Capital Kenya - CFC/2019/14/0027

Submitting Institution	Olivado
Location	Kenya
Commodity	Fruits
Total Cost	Euro 1,500,000
CFC Financing	Euro 500,000
Co-financing	AgriFI Kenya: Euro 1,000,000

Project Description
Olivado EPZ ('OEPZ') is a Kenyan fresh avocado trader and the world's leading producers of organic extra virgin avocado oil. It operates an integrated farmer-to-market model sourcing the avocados directly from over 2,800 smallholder farmers. The avocado oil is sold for export to traders and retailers in over 30 countries. In 2019, the company installed a biogas plant to utilize all waste and by-products from the avocado oil production to produce energy and fertilizer.

The CFC has extended a trade finance loan to accommodate the increasing international demand for responsibly farmed organic avocado oil. The loan will be used to buy more avocados from the existing farmers and to integrate some 160 new smallholders into Olivado's value chain each year. Every farmer who sells avocados to Olivado joins the certified organic and fair trade program, gaining access to extensive agronomic training programs, 95% guaranteed offtake agreements, and cash advances.

35. Addressing Vulnerabilities of CDDCs to Achieve the SDGs - CFC/2019/15/0003 FT

Submitting Institution	UNCTAD
Location	Land Locked Developing Countries (LLDCs) and Least Developed Countries (LDCs)
Commodity	Cross commodity
Total Cost	USD 160,000
CFC Financing	USD 120,000 (Grant)
Co-financing	USD 40,000

Project Description
The project looks at the preparation, presentation and discussion of technical reports on the impact of commodity related vulnerabilities on the efforts in achieving the SDGs. The studies for the reports will be organized by UNCTAD in commodity dependent developing countries selected to be representative of the typical challenges facing Commodity Dependent Developing Countries (CDDCs). The studies propose measures rebalancing global value chains in commodity markets, and come up with ideas that would further enhance the role of international organizations, CFC and International Commodity Bodies in assisting CDDCs to reduce vulnerabilities, and shake off their dependence on commodities. Another focus is on adaptation of the commodity sector to climate change, mitigating climate related vulnerabilities of CDDCs. The outcome of the paper is to come up with evidence-based policies, strategies and actions to help CDDCs overcome those challenges.

The project identifies new potential opportunities for CDDCs, drawing on their existing comparative and competitive advantages and natural endowments. The project offers strategic support to CDDCs in diversifying their exports, as well as in creating new employment and income opportunities.

36. Fruits and Spices Madagascar - Working Capital - CFC/2019/15/0010

Submitting Institution	SCRIMAD GROUP
Location	Madagascar
Commodity	Fruits
Total Cost	Euro 2,400,000
CFC Financing	Euro 1,200,000
Co-financing	Euro 1,200,000

Project Description
Created in 1993 and based in a Least Developed country (LDC)-Madagascar, Scrimad is focused on aggregating and processing organic fruits and spices, sourced from local smallholder farming cooperatives. Over the last 5 years, SCRIMAD has been transformed from a small family business to a leading processor and exporter of fruit and spices from Madagascar, establishing significant strategic partnerships with actors such as Ethiquable, a French cooperative specialized in fair trade.

In 2015, Investisseurs & Partenaires (I&P), an impact investment group dedicated to African SME financing, became a strategic equity investor in Scrimad. Complimenting the above investment, CFC financing to Scrimad provides the company with the additional working capital necessary to meet the growing demand for its products and increase its overall operational capacity and profitability. During the duration of this facility, the number of Scrimad smallholder suppliers is expected to increase from 2,000 to 3,000.

37. High quality cocoa from communities - Colombia - CFC/2020/16/0021

Submitting Institution	Cafexport Colombia S.A.R.L.; Hacienda la Tentación SAS
Location	Colombia
Commodity	Cocoa
Total Cost	USD 2,518,630
CFC Financing	USD 1,384,630
Co-financing	USD 1,134,000

Project Description
Cafexport's cocoa trading business was established in 2012 under the brand name Colcocoa to supply fully traceable and UTZ-certified cocoa beans to Italian confectionary producer Ferrero. At the time, Cafexport already exported coffee to major corporate buyers including Nespresso and Starbucks. With support of the CFC, Cafexport is looking to expand its own cocoa trading activities and cocoa production in Colombia. For this, the CFC has committed both a trade financing facility and an investment loan.

The project aims at reaching over 1,500 additional smallholders and providing them with off-take opportunities to significantly boost incomes. The additional income generated for smallholders is estimated to amount to USD 1,905 per year. Besides, by providing agronomic advice, reached smallholders can significantly increase crop yields and improve diets. In a region with very scarce formal employment opportunities, the project targets creating 20 permanent jobs, of which 40% are planned for women.

38. Mercon Coffee Group - CFC/2020/17/0047

Submitting Institution	Mercon Coffee Group
Location	Brazil, Guatemala, Honduras, Nicaragua, Vietnam
Commodity	Coffee
Total Cost	USD 50,000,000
CFC Financing	USD 5,000,000
Co-financing	USD 45,000,000

Project Description
Headquartered in the Netherlands, Mercon B.V is a vertically integrated group active in the origination, processing and wholesale trading of green coffee. Mercon is one of the largest coffee traders in the world, sourcing raw green coffee from all major coffee producing regions and supplying leading coffee roasters such Starbucks, Nespresso and Lavazza.

Mercon has recently initiated LIFT, an innovative, sustainable production platform that provides tools, training and services to smallholder farmers improving their productivity and raising their quality of life significantly (please read our impact story on LIFT program of Mercon).

In 2021, CFC joined Mercon's credit facility with a USD 5 million, along with Rabobank, IDB, FMO and IFC, to fund the necessary cash advances to LIFT farmers in Nicaragua, Guatemala, Honduras and Brazil. During the duration of the credit facility, the number of farmers participating in the LIFT program will increase from 3,200 to 5,800, with coffee sourcing increasing to 670,000 60 kg/bags from 370,000 per year. The overall number of certified farmers will increase to 6,700 from 4,736.

39. Carbon-neutral processing of avocados and avocado oil - CFC/2020/17/0008

Submitting Institution	Olivado EPZ Ltd.
Location	United Republic of Tanzania, Kenya
Commodity	Avocado
Total Cost	Euro 2,000,000
CFC Financing	Euro 1,000,000
Co-financing	Euro 1,000,000

Project Description
Olivado EPZ ('OEPZ') is a Kenyan fresh avocado trader and a leading producer of organic extra virgin avocado oil. It operates an integrated farmer-to-market model sourcing the avocados directly from over 2,800 smallholder farmers and installed a biogas plant in 2019 to produce biogas and fertilizer from the avocado waste generated through the oil processing.

Ensuring complete traceability from farm to bottle, Olivado has a rigorous farm-to-market system reliably tracing the quality and origin of avocado on farmer level. A dedicated team of field officers regularly visit the farms and support the farmers during cultivation. To exploit unmet market demand for avocados and avocado oil, the company is expanding its carbon-neutral business model to Tanzania. The Tanzanian oil extraction plant, Olivado Tanzania EPZ Limited, commenced operations in 2020.

The loan will allow Olivado to further grow its farmer-to-market model based on a Fairtrade and Organic certification scheme and pay smallholders in advance. Through this strengthened relationship with the CFC, Olivado expects to include up to 5,000 smallholder farmers in its inclusive small farmer program in Kenya and Tanzania, enjoying premium prices and a secure income. Olivado will be one of the few, if not the only, carbon positive Agri-processor in Kenya.

Dahra, Senegal. © Benedicte Kurzen/NOOR for FAO

Photo: Adobe stock

IV.4 Projects Completed in 2021

1.Commodity Value Chain Tropical Timber from Community Forest - CFC/2014/04/0047 FT

Submitting Institution	Community Forest Group BV (CFGBV)
Location	Cameroon
Commodity	Tropical Timber
Total Cost	USD 280,000
CFC Financing	USD 120,000 (as grant Funded from the Dutch Trust Fund)
Co-financing	USD 160,000 (Provided by FTT BV from the IDH grant)

Project Description

The project focuses on implementing a community forest management scheme under the national community forest legislation to provide a source of income for poor and remote communities in Cameroon. The project tests a model, developed by the Community Forest Group BV and supported by Sustainable Trade Initiative (IDH), for marketing of community-sourced tropical timber from Cameroon to developed markets. The model involves (i) training of forest communities in sustainable forest management practices, (ii) licensing and certification of their timber under relevant certification schemes (e.g. the FSC), and (iii) setting up a physical logistics chain to export certified timber. The operational model targets social business and includes obtaining third-party sustainability certifications in support of community forest management models. However, disruptions and losses due to delay in transport and export handling resulted in the loss of working capital and the operations have been wound down.

"The CFC has been devoted to creating a more sustainable, innovative and resilient world by working hard with multiple partners. It is a good mechanism to help vulnerable small businesses in developing world cope with supply chain crisis, which has been much proved by its performances during the COVID-19. At the time when the world is now confronted with commodities supply chain challenges, the CFC will and should definitely play a bigger role."

Ms. Jie Chen (China), Chairperson of the Consultative Committee

2. Manufacture of Moringa Oleifera from Smallholder Farmers, Kenya - CFC/2016/08/0052 FT

Submitting Institution	EDOM Nutritional Solutions Ltd.
Location	Kenya
Commodity	Moringa oleifera
Total Cost	USD 240,000
CFC Financing	USD 120,000 (Loan)
Counterpart Contribution	USD 120,000

Project Description

Edom Nutritional Solutions (ENS) produces and sells fortified maize meal and other staple flours. Created in 2013, the company is strategically located in Kisumu County, Kenya, on the banks of Lake Victoria, accessing agricultural raw materials from Kenya, Uganda and Tanzania. All its products are enriched with moringa, a great source of micronutrients, and are affordable by the majority of bottom of the pyramid consumers. By sourcing locally and organically, the company has a significant competitive advantage and demand is fuelled by the Government of Kenya passing a requirement for mandatory fortification of staple flours.

With the CFC loan ENS can considerably upscale its production, including investing in shared solar dehydrators and storage facilities for 1,000 smallholder farmers. The project is expected to create additional monthly earnings of around USD 400 for the involved farmers and increase the availability of affordable, nutritional products for bottom of pyramid consumers.

With a loan agreement signed in 2016, the CFC provided a loan of USD 120,000 to EDOM Nutritional Solutions to upscale its production of fortified porridge/maize meal and other staple flours. This included investments in shared solar dehydrators and storage facilities for 1,000 smallholder farmers.

The project was expected to create monthly earnings of upwards close to USD 400 for the involved farmers and increase the availability of affordable, nutritional products for bottom of the pyramid consumers.

3. Working Capital Kenya - CFC/2020/17/0001 FT

Submitting Institution	Olivado
Location	Kenya
Commodity	Fruits
Total Cost	N/A
CFC Financing	Euro 120,000
Co-financing	N/A

Project Description

Olivado EPZ ('OEPZ') is a Kenyan fresh avocado trader and the world's leading producers of organic extra virgin avocado oil. It operates an integrated farmer-to-market model sourcing the avocados directly from over 2,800 smallholder farmers. The avocado oil is sold for export to traders and retailers in over 30 countries. In 2019, the company installed a biogas plant to utilize all waste and by-products from the avocado oil production to produce energy and fertilizer. The CFC has extended an COVID Emergency Liquidity Facility in 2020 to bridge the liquidity gap caused by supply chain disruptions.

IV.5 Technical Assistance Facility Overview

Photos: Adobe stock

The Common Fund for Commodities' Technical Assistance (TA) Facility team partners with impact-oriented investment funds in the agricultural commodities sector to leverage the development impact and commercial sustainability of their investments into agribusinesses across Africa and Latin America. TA is where our knowledge and fund mix together to make the shared journey of sustainability truly comprehensive and durable. It is certainly a lifeline during periods of uncertainty and degradation as we face in the COVID-19 and conflict wrecked world. More importantly for CFC, it is our avenue to put into practices the ideas and innovations that we have been promoting and aspiring for ourselves and others in the developing world.

The TA Facility team comprises professionals with expertise in tropical agriculture, agroecology, agroforestry, project management, impact assessment and environmental, social and governance (ESG) risk management. And above all with an outsize attention to the smallholders and the SMEs.

The TA Facility team is supported by CFC financial and administrative staff. By leveraging this expertise, the TA Facility team aims to improve the operational capacity and profitability of the targeted agribusinesses and partner institutions as well as increase the developmental impact in the sectors and communities these businesses operate. This is achieved by providing expert consultancy and capacity development support and ensuring knowledge dissemination on agriculture and agri-finance with a specific focus on commodity value chains and sourcing models.

TA measures that are being implemented by the TA Facility team consist of hands-on and customized services to the investee companies. Examples include expert support for outgrower scheme design and implementation to reach smallholder farmers in various agricultural supply chains, market/value chain analyses and feasibility studies, training and capacity development, community development projects, and development and coaching of Social and Environmental Management Systems (SEMS). The TA Facility team also ensures that impact assessment studies are carried out in relation to each investment. Currently, CFC's TA Facility team manages two separate TA Facilities: the Africa Agriculture Trade and Investment Fund (AATIF) Technical Assistance Facility and the Moringa Investment Fund Agroforestry Technical Assistance Facility (ATAF), with projects spanning across Africa and Latin America.

The Africa Agriculture Trade & Investment Fund Technical Assistance Facility

The mission of the Africa Agriculture and Trade Investment Fund (AATIF) is to realize the potential of Africa's agricultural production and related manufacturing, service provision and trade through sustainable investments across the entire value chain. By providing financing where it is most needed, the Fund aims to contribute to inclusive growth and environmental sustainability increasing productivity, primary agricultural production, local processing, trade, employment, local value addition, knowledge transfer, and resilience, for the benefit of farmers, entrepreneurs and workers, men, and women alike.

AATIF is guided by principles of sustainability and additionality, combining development and market orientation. It does so by directly financing economically sound projects and by refinancing local financial intermediaries, such as banks. With this approach, AATIF also strives to assist the local financial sector in offering more reliable and sustainable solutions for smallholder farmers, cooperatives, and commercial farms.

13 Countries in Africa where AATIF TA Facility projects are implemented

4.7 Total funds pledged to AATIF TA projects (in million EUR)

31 Total number of agribusinesses and banks that have received AATIF TA support

85 Total number of AATIF TA projects approved

Parallel to AATIF, technical assistance resources are made available through the AATIF Technical Assistance Facility ('TA Facility'). Among other tasks, the TA Facility (i) provides investment-specific support to Partner Institutions and Final Beneficiaries, and (ii) promotes compliance with the Fund's Social and Environmental Policy and AATIF's Development Impact Statement.

The Moringa Fund Agroforestry Technical Assistance Facility

The Agroforestry Technical Assistance Facility (ATAF) was created by Moringa Partnership to provide technical assistance in relation to investments of the Fund with the goal to amplify and upscale positive ESG (environmental, social and governance) impacts triggered through Moringa investments. Moringa is a partnership between Edmond de Rothschild Private equity and ONF International. Moringa advocates agroforestry to enable a transition toward sustainability: advancing ecologically intensive agriculture while contributing to local development and economically viable business development.

ATAF is a grant-based mechanism parallel to the investment of the Moringa Fund, managed by the Common Fund for Commodities' TA Facility team. ATAF's vision is to become a unique and innovative tool to remove the barriers to the development of viable agroforestry systems and the inclusion of smallholders in pioneering outgrowing scheme. By providing farmers with access to training, supporting innovative research and development programs and by assisting commercial initiatives, ATAF will create an enabling environment to increase the resilience of farmers and landscapes in Latin America and Sub-Saharan Africa.

8 Countries in Africa and Latin America where ATAF projects are implemented

2 Total funds pledged to ATAF projects (in million EUR)

10 Total number of investees supported by ATAF

18 Total number of ATAF TA projects approved

Example projects:

ATAF – Regenerative Agriculture Project in Belize

TexBel is a company specialised in producing high-quality coconut water, lime, and other fruit juices in Belize. The company operates its nucleus farms of 900 ha and purchases fruits from outgrower farmers with a total land area of about 2,300 ha. Its model is based on the renovation of old and degraded citrus orchards affected by the HuangLongBing disease, converting them into an agroforestry model combining main crops used for exports with a large variety of different fruits such as pineapple, passion fruit, soursop, cocoa, etc.

To support the company and enable its products to enter the high-end US and European premium markets, ATAF is supporting TexBel to implement regenerative agriculture principles on its nucleus farm and to convert its coconut and citrus plots to organic.

As part of the ATAF support to TexBel, a three-year action plan was developed in 2021 to reach USDA[1] organic certification of the coconut and citrus production, implement a sustainable soil management system, and develop an organic fertilisation plan, including a compost and a Biostimulant production unit. The ATAF project has also provided TexBel staff with training on regenerative agriculture practices as well technical support to implement these practices. As a next step, ATAF will assist TexBel in the implementation of the recommended action plan and will provide advisory along the USDA organic certification process.

[1] https://www.ams.usda.gov/

Photo: Adobe stock

Photo: AATIF

AATIF – Feasibility study for a nationwide agricultural radio program in Nigeria

Sterling Bank is a commercial and retail bank based in Nigeria and is one of the country's first banks to participate in national financing schemes sponsored by the Central Bank of Nigeria to promote lending to the agricultural sector and smallholder farmers. It has since become a comparative frontrunner in agriculture finance in Nigeria with an agri-sector portfolio of USD 150 million. Sterling Bank plans to further increase financing to actors across agricultural value chains and provide more loans to smallholder farmers, who represent 80% of all stakeholders in the Nigerian[2] agricultural sector.

One of the major barriers to improve smallholder livelihoods is the lack of access to information on agriculture-related topics, such as crop market prices, weather forecasts, good agricultural practices, as well as on accessing financial services. Since radio remains the most widely used and effective medium to reach people in rural areas who may be illiterate or without regular access to electricity, Sterling Bank launched a pilot program for an innovative and interactive agriculture radio program in 2018.

In 2021, the AATIF TA Facility supported Sterling Bank by financing expert consultants to review the implementation and achievements of the radio pilot project and assess the requirements for setting up a fully-fledged agricultural radio station, specifically for broadcasting on a national scale. As a result, Sterling Bank is now equipped with a sound assessment and information on which the bank's management can decide on next steps towards the establishment of a nation-wide radio program.

Please visit our website to know more about our TA Facility Programs at TA Facility | Common Fund for Commodities (common-fund.org)

[2] http://venturesafrica.com/sterling-bank-intervenes-in-the-agriculture-sector-with-10-percent-of-its-loan-portfolio/

Map of countries where TA support has been provided:

1. Belize
2. Nicaragua
3. Brazil
4. France
5. Germany
6. Mali
7. Sierra Leone
8. Cote d'Ivoire
9. Ghana
10. Togo
11. Benin
12. Nigeria
13. Uganda
14. Kenya
15. Rwanda
16. Tanzania
17. Malawi
18. Zambia
19. Zimbabwe
20. Botswana
21. South Africa

Operating as an impact investor, the CFC finances interventions which have the potential to achieve higher social and economic impact in the country/region. The CFC understands that to act effectively and credibly as impact investor, the Fund must have a robust and efficient impact measurement and management system. In this regard, in October 2018, CFC's Executive Board has approved the new impact strategy of the CFC. This chapter provides more details on the focus of CFC's impact strategy, explains how the CFC has been implementing it, shows the impact highlights for CFC loan portfolio in 2021 and introduces three impact stories from featured CFC projects.

Photo: Chinese cabbages, Marawi City, Philippines. © FAO/Noel Celis

V

CFC's Impacts in 2021

Photo: Aguaje, Amazon. Adobe stock

V.1 CFC impact management practice

CFC's Impact Strategy Framework – The Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Building on the Millennium Development Goals, they balance the three dimensions of sustainable development: economic, social, and environmental. The goals are interconnected, but at the base of their heart they aim to tackle the root causes of poverty and set the world on a more prosperous and sustainable path.

Each country carries primary responsibility for its own economic and social development, but acting in collaborative partnership is widely believed to be the best way to take bold and transformative steps towards a more sustainable and resilient world. Recognizing this, SDG 17 explicitly calls for an enhanced 'Global Partnership for Sustainable Development' which involves bringing together governments, civil society, and the private sector to mobilize all available resources. This call to action has been taken up by the Common Fund for Commodities (CFC), which adopted the SDGs as its impact framework.

Because of the fundamental economic role of commodities, CFC projects may impact on the advancement of all 17 SDGs. While acknowledging this, CFC's impact management strategy mainly focuses on identifying its direct positive impact on selected 'core' SDGs where the impact is most apparent, and which can be assessed and measured across the whole portfolio of projects supported by the Fund. In this manner, the CFC seeks to have a clear portfolio-wide view of its contribution to achieving the SDGs.

Photo: Burkina Faso, © FAO/Horst Wagner

The five core CFC SDGs[1] are:

SDG 1 - No poverty - end poverty in all its forms everywhere

The slowing poverty reduction progress since 2015 has been set back further by COVID-19 and the global extreme poverty rate rose in 2020 for the first time in over 20 years. Combined with other crises, such as rising inflation and the war in Ukraine, it is estimated that in 2022 an additional 75 million to 95 million people will be living in extreme poverty in 2022, compared to prepandemic projections. In response to the COVID-19 crisis, more than 1700 social protection measures (mostly short-term) were announced by 209 countries and territories. Still, by 2020, only 47% of the global population were effectively covered by at least one social protection cash benefit, leaving 4.1 billion people unprotected, the majority of whom are the poor and the vulnerable. The CFC contributes to SDG 1 by investing in businesses that improve people's livelihoods throughout the supply chain, by among others, training and providing stable demand to smallholder farmers in developing countries.

SDG 2 - Zero hunger - end hunger, achieve food security and improved nutrition and promote sustainable agriculture.

Even before the pandemic, the number of people going hungry and suffering from food insecurity had been gradually rising since 2014. The COVID-19 pandemic has intensified the vulnerabilities and inadequacies of global food systems, adding hundreds of millions more people to the chronically undernourished, making the goal of ending hunger a more distant reach. In 2020, between 720 and 811 million people in the world were suffering from hunger – 161 million more than in 2019. In the same year, over 30% – a stunning 2.4 billion people – were moderately or severely food insecure, lacking regular access to adequate food. This represents an increase of almost 320 million people in just one year.

Still, the world can produce sufficient food to feed everyone adequately. Agriculture, forestry, and fisheries can provide nutritious food for all and generate decent incomes, while supporting people-centered rural development and protecting the environment. The CFC supports projects that work to increase smallholders' productivity, through technical assistance, access to proper inputs, improved infrastructure, and access to credit. CFC also supports projects that build farmers' resilience to external risks. In these ways, the Fund helps to ensure that people get access to safe, nutritious, and sufficient food all year round.

[1] In 2022 the CFC added SDG 13 'Climate action' as its sixth core SDG

SDG 5 - Gender Equality - Achieve gender equality and empower all women and girls

The world is not on track to achieve gender equality by 2030 and has been pushed further off track by the socioeconomic fallout of the pandemic. Women and girls remain disproportionately affected, struggling with lost jobs and livelihoods, derailed education, increased burdens of unpaid care work and domestic violence. And despite women's effective and inclusive leadership in responding to COVID-19, they are excluded from decision-making positions.

Women play a crucial role in agriculture, especially in developing countries, where they comprise around 43 per cent of the agricultural labor force. Gender disparities, however, are evident in unequal access to productive resources. For example, land rights, access to technology, access to finance and income distribution in commodity value chains are most often not gender neutral. By prioritizing the support of projects promoting gender equality (e.g. women-led enterprises, high percentage of women among the beneficiaries of the project, creation of employment for women, high number of women in senior positions, among others), the CFC contributes to the advancement of SDG 5.

SDG 8 - Decent work and economic growth - promote inclusive and sustainable economic growth, employment, and decent work for all

Prior to the onset of the pandemic, informal employment represented 60% of global employment. COVID-19 containment measures and mobility restrictions prevented labour reallocation to informal employment. Rather than becoming unemployed or shifting to informal jobs, as in previous crises, laid-off employees and self-employed workers alike left the labour force. A disproportionate impact on informal workers was reflected in a decline in the informal employment rate in some countries at the height of the crisis, which has left informal workers and their families in a highly precarious position, exposed to sudden income losses and heightened risks of falling into poverty. In 2021, the global unemployment rate declined slightly to 6.2%, which is still well above the pre-pandemic rate of 5.4%. The ILO projects that unemployment will remain above its 2019 level until at least 2023.

Moreover, in many countries having a job does not guarantee the ability to escape from poverty. According to the ILO, almost 1.4 billion workers are estimated to be in vulnerable forms of employment. Those workers are more likely to be informally employed, have fewer chances to engage in social dialogue and are less likely to benefit from job security, regular incomes, and access to social protection. The CFC supports projects that generate employment with decent working conditions. By investing in small and medium-sized enterprises, the Fund helps to create several quality jobs, promoting inclusive and sustainable growth, in the world's most vulnerable regions.

SDG 10 - Reduced inequalities - reduce inequality within and among countries

Before the pandemic hit, modest gains had been made in, for instance, reducing income inequality in some countries, continuing preferential trade status to lower-income countries, and reducing transaction costs of remittances. However, inequality persists in its various forms, whether income, wealth, opportunities, or other dimensions. Moreover, the pandemic has exacerbated existing inequalities within and among countries and hit the most vulnerable people and the poorest countries hardest. The CFC invests in projects in the world's most vulnerable regions, helping people to earn a fair share of the global value created from commodities, thereby reducing inequality.

Measuring CFC impact across its portfolio

Despite its broad scope, it can be challenging to report Impact Measurement using the SDG framework. Since the monitoring of the targets is done on a national and on a global level, it may be challenging to attribute the contribution of a particular organization in advancing specific goals. Currently, there is no official guideline for the private sector and the civil society to report on their work related to the SDGs.

To overcome these difficulties, it is necessary to convert the SDG framework in specific indicators. Having considered the different options available, the CFC decided to adopt the Impact Reporting and Investment Standards (IRIS+) as its main reporting tool. IRIS+ is a catalogue that pulls together the most useful metrics from across the impact investing industry, making it easier to create a system to measure performance. It is managed by the Global Impact Investing Network (GIIN) and is the most used tool for impact investors to report on their impact.

After an in-depth assessment, the CFC has mapped the most relevant IRIS+ metrics with its core SDGs. As result, the CFC has determined the main indicators to be monitored by its projects in line with its mission.

Implementing the impact strategy

The development impact is one of the major criteria for selection of interventions receiving CFC support. Each project received through the Open Call for Proposals is expected to provide indicators of its intended impact. Starting with the 13th Call for Proposals in 2018, the CFC asks all proponents to present the estimated impact of their projects using the SDG framework. More specifically, they are required to describe how their project would contribute to the advancement of the core CFC SDGs. The proponents need to express the target impact indicators for each year of their projects and their baseline values using the IRIS+ metrics. They are also expected to provide details of how project activities contribute to the core SDGs targeted by the CFC. Projects which are unable to provide such information are normally not recommended for further consideration during the screening stage.

The impact indicators are checked by the CFC at the due diligence stage and are included in the project agreement between the CFC and the project proponent. The project agreement assures that the project will aim to achieve the intended outcomes and will report specific impact indicators, as agreed with the CFC. This information is provided to the CFC on an annual basis. Consistent and regular impact reporting alongside with financial indicators is a distinguishing feature of the CFC Impact Strategy.

The CFC collects diverse information regarding the impact of its projects over their life cycle while seeking to minimize the overhead burden on the operational, organizational, and human resources. The CFC follows a robust approach covering impact indicators and impact measurements requiring project proposals to include:

- **Target Indicators:** The indicators should clearly demonstrate the intended level of achievements for each year of the project. The CFC expects that these will be systemically assessed and reported by the proponent, demonstrating that the implementation plans are feasible and not based in unrealistic assumptions;
- **Baselines:** Baseline levels for impact indicators should be included in the proposals. The CFC reviews and compares baseline data with other sources, e.g. similar projects;
- **Data on achievements:** The CFC systematically follows up the achievements of its supported projects to ensure timely and accurate reporting of the progress and impact. The follow up procedures are introduced, and project proponents are informed of the consequences of incomplete or late reporting on the implementation and eventual success of the project;
- **Monitoring and Evaluation:** Selective monitoring and evaluation for individual projects may be included but is generally constrained by the financial and human resources made available by the project proponents. The current focus of the CFC is on developing a practical approach for monitoring and evaluation across the entire CFC project portfolio;
- **Financing of Project:** Projects receiving CFC support frequently include larger financial institutions as co-financiers. Combining resources and technical facilities of the CFC with co-financiers enables more intense and detailed impact monitoring.

Social and Environmental Management System

Besides measuring the positive impact its projects help to create the CFC understands the importance of also considering the potential social and environmental risks of its operations. For this reason, the CFC has partnered with the Social Finance Programme of the International Labour Organization to develop its Social and Environmental Management System (SEMS). Such systems are designed to enable a financial service provider to identify social and environmental risks associated with a particular transaction and take this into account when deciding whether or not to provide financing as well as identifying opportunities to improve social and environmental performance.

The CFC has always considered the Environmental, Social and Governance (ESG) risks when assessing a project. This analysis is included in the entire process of evaluating a new proposal, from the initial screening of the applications received to the ongoing monitoring of an active project. However, recognizing the great importance and complexity of this topic, the CFC decided to take a step further, aligning its procedures to the current best practices from the impact investment industry, by developing its own SEMS.

With the support of the ILO, the CFC has developed several tools and procedures to consider systematically the social and environmental risks of potential projects. These tailor-made tools take into account the specific set-up of the CFC, the sectors it operates and cover all steps of CFC investment process. The main outcome of this project was the approval of CFC's Sustainability Policy by the Executive Board, setting the standards for the social and environmental risk analysis of CFC operations.

Impact measurement: an on-going work

The CFC recognizes that the impact investing sector is still developing a proper and robust system to allow all investors to manage and monitor their impact. The sector has actively taken up the challenge of measuring social impact and has made good progress in recent years, with the emergence of new tools, frameworks, and standards. However, there is still a long way to go until there are agreed parameters as comprehensive and reliable as those used for risk and return on the traditional financial market.

The CFC acknowledges these limitations and tries to give its contribution for the sector to progress towards a robust impact management practice. In this regard, the Fund engages with several relevant stakeholders in field and tries to keep up to date with the sector best practices.

For its own impact management practice, the CFC understands that an interpretation of the impact metrics is best complemented with an analysis of the context in which the project operates, to provide a more complete picture of social performance. Standalone numbers cannot by themselves indicate positive or negative social value, or necessarily be compared across companies or products. That is why the Fund also builds close working relationships with the projects and intends to eventually carry out more detailed qualitative and quantitative studies on a sample of investments. This combined approach is the basis from which the Fund can communicate a credible story of its SDG impact. Also, as the Fund learns from these experiences it will be able to invest more effectively by identifying and assessing sectors, regions and financial instruments which are instrumental in creating and having more practical impact.

Photo: Farmers harvesting rice, Vietnam. © FAO/Hoang Dinh Nam

V.2 CFC's **impact: loan portfolio**

At the time of writing this Annual Report, not all projects have been able to provide the updated impact report for the final year 2021. Nonetheless, it is clear that the effects of the COVID-19 pandemic were still felt across the entire CFC portfolio. Most projects experienced disruptions on their value chain, such as logistic challenges and lower demand. As a result, some companies needed to lay off some staff and decrease the volumes bought from smallholder farmers. Even so, on a portfolio level, CFC operations overall show a greater impact in 2021 when compared to previous years, with a new record in the number of farmers reached.

A brief analysis of the main indicators corresponding to the SDGs framework is presented below:

1 NO POVERTY

SDG 1 - No poverty

In total, around **415,000** people stand to benefit from the loan-based interventions currently financed by the CFC. These beneficiaries are in most cases smallholder farmers, living below the poverty line of USD 1.90 a day, as defined by the World Bank. Through the initiatives supported by the CFC, these people will benefit from an income increase, helping many of them to step out of the poverty line. Although not all projects have reported the data, the additional annual net income for the beneficiaries is estimated to range from **USD 100** to **USD 5,234** *per annum*. For the year of 2021, the number of people directly benefiting from the projects supported by the CFC reached **76,300**. The additional net income for these beneficiaries goes up to **USD 263** per year.

2 ZERO HUNGER

SDG 2 - Zero hunger

The additional income received by the beneficiaries can have a great impact in achieving food security, contributing to the SDG 2. Also, several projects supported by the Fund help to increase the area of cultivating land and the productivity levels of the crops being cultivated by the smallholder farmers, which could also positively impact the SDG 2. In total, it is expected that **80,658** hectares of additional land will be cultivated from the interventions financed by the CFC. For the year of 2021, **16,000** hectares of new land were cultivated and the total area of land under cultivation during the year was **52,000 ha**.

5 GENDER EQUALITY

SDG 5 - Gender Equality

The CFC encourages its projects to give special attention for vulnerable groups. In particular, several projects supported by the fund contribute to women empowerment, providing them training, employment opportunities, access to new markets and others. The projects are expected to report the percentage of female beneficiaries on their projects, the total jobs created for women, share of women in senior positions and of women ownership, among other gender-related metrics. On the current portfolio, around **31%** of the beneficiaries are expected to be women. In 2021, this figure reached **63%**. Also, 455 women were receiving full-time employment opportunities from the projects supported by the CFC.

8 DECENT WORK AND ECONOMIC GROWTH

SDG 8 - Decent work and economic growth

The projects supported by the Fund expect to create **5,619 new jobs**, giving employment opportunities to people living in vulnerable conditions. The annual income per job created ranges from **USD 900** to **USD 12,542**.For the year of 2021, the projects supported by the Fund were providing good employment opportunities for **1,382 permanent** and **3,724 temporary employees**.

10 REDUCED INEQUALITIES

SDG 10 - Reduced inequalities

The CFC supports interventions in developing countries, giving special attention to projects targeting vulnerable regions and countries, such as the Least Developed Countries (LDCs). On the current portfolio, the Fund has **10 projects** operating in LDCs, contributing to the economic growth, more value addition and exports increase of these countries. The Fund also targets interventions impacting vulnerable groups, such as people living below the poverty line, contributing to greater equality within the countries.

Total estimated impact of CFC project portfolio

1 NO POVERTY

415,000
beneficiaries

1 NO POVERTY

Additional net income ranging from
USD 100 to **USD 5,234**
per annum

2 ZERO HUNGER

80,658
hectares of additional land cultivated

5 GENDER EQUALITY

31%
women among the farmers impacted

8 DECENT WORK AND ECONOMIC GROWTH

5,472
new jobs

8 DECENT WORK AND ECONOMIC GROWTH

Annual income per job created ranging from
USD 900 to **USD 12,242**

Photo: Local produce on sale at an open-air market in Savannakhet. © FAO/Roberto Grossman

Impact of CFC activities in 2021

1 NO POVERTY

76,300
beneficiaries

1 NO POVERTY

Additional net income ranging from
USD 100 to **USD 5,234**
per annum

2 ZERO HUNGER

16,000
hectares of additional land cultivated

5 GENDER EQUALITY

63%
women among the farmers impacted

8 DECENT WORK AND ECONOMIC GROWTH

1,382 permanent and **3,724**
temporary jobs maintained

8 DECENT WORK AND ECONOMIC GROWTH

Annual income per job created ranging from
USD 600 to **USD 6,959**

Photo: Kennemer

Shalem is on a mission to do business as well as increase the prosperity of smallholders. Working in partnership with, *inter alia*, the Common Fund for Commodities from 2017 to 2022 it transitioned from a grain aggregator to an added-value manufacturer, empowering it to deepen its support for farmers. We take a closer look at what's driven the Shalem success story.

Photo: Ruth Gacheri Kinoti, founder and CEO of Shalem Investment Limited

Supporting Kenyan smallholders to thrive

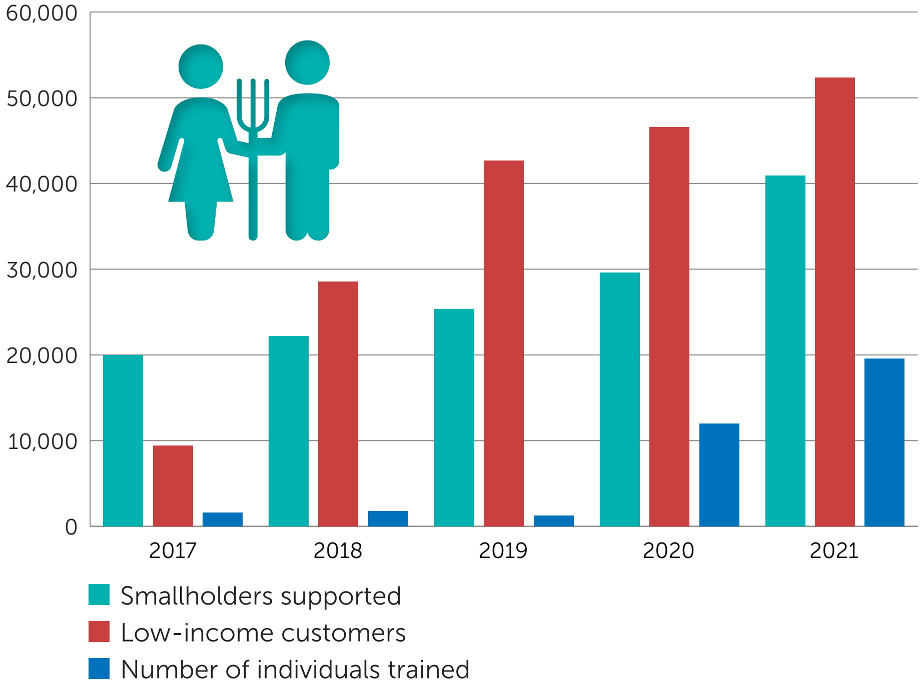
As a secondary school student Ruth Kinoti began her school day by carrying a bag of cereals (Maize beans or sorghum) to the local market. Selling them was the only way to pay for her bus ticket to a boarding school far away from her home. Her education relied on the success of her parents' smallholding, not just for the bus fare but for her school uniform and fees. Like many girls of her age, she was one bad harvest away from losing her education. That experience has left an imprint. It's one of the reasons why she founded Shalem and is committed to using her business to reduce the insecurity and vulnerability smallholders still face today. What started as a grain aggregating company, buying sorghum from smallholders to supply to local schools, is now a manufacturer and processor of scale. In 2021 it supported more than 40,000 smallholder farmers, boosting their incomes by an average of USD 240 each year. Vital money that puts food on the table, funds schooling and has a positive ripple effect throughout the community.

Not only is Shalem delivering price stability for smallholders by linking them to larger, more consistent markets, it is also providing affordable nutritional food for some of the poorest people in the region. Ruth's determination and entrepreneurial spirit have driven the growth of the business, with the backing of the Common Fund for Commodities (CFC) accelerating her ability to reach larger numbers of people. "The CFC transformed our business from an aggregator to a manufacturer. They trusted us when we didn't have collateral to afford the financing for a factory. Without them it would have taken another ten to fifteen years to get to where we are today," she says.

The relationship began in 2017 when the CFC and its co-financier, the Dutch Trust Fund, agreed a loan of USD 610,000 with Shalem. The funds were used to build a storage facility for farmers' produce, so that it can be stored after a good harvest until demand and prices rise. The money has also given Shalem the means to build a processing factory, including food fortification with much needed minerals and vitamins, which opened in 2019, expanding its capacity to deliver the value-added products that now account for 70% of its revenue.

The factory has been truly transformational, extending Shalem's reach across the Upper Eastern region of Kenya and enabling it to provide a year-round market for more smallholders, through products such as its Asili Plus flour. "Asili is a fortified flour for low-income

Shalem figures 2017-2021 (extract)



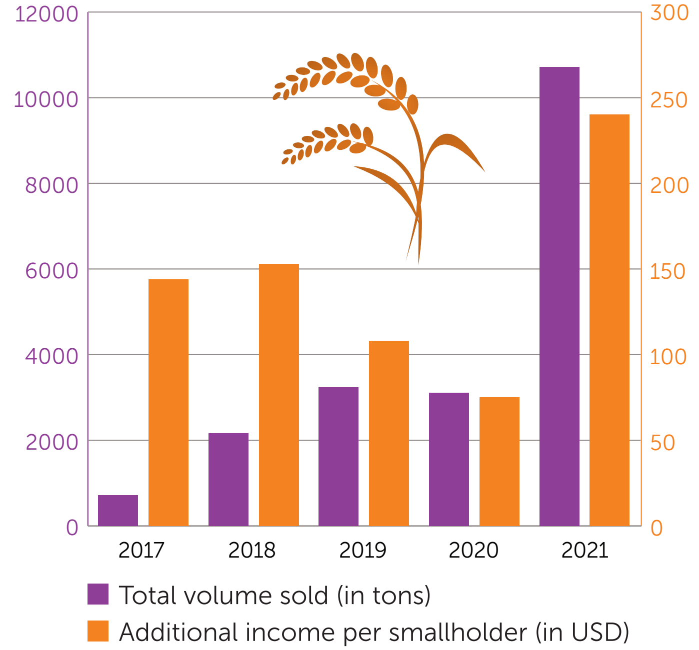


Photo: Sorghum, Hargeisa, Somalia. © FAO/Mustafa Saeed / Arete

consumers. The formula allows us to use a different mix of grains, depending on what's available, without compromising on the quality which creates a stable demand for farmers and a nutritious product for consumers," explains Ruth.

"The CFC transformed our business from an aggregator to a manufacturer. Without them it would have taken another ten to fifteen years to get to where we are today."

This combination of innovation, purpose and economic viability, was a compelling one says CFC project manager, Sonja Timmer: "There are four hugely impressive elements to Shalem. They cater to a low-income demographic, they have transitioned the business model from trading to processing and increased price stability, they've added value to their products through fortification and they've reached out to remote smallholders, particularly women, and boosted their incomes." The success of this approach is clear in the figures for 2021, the first year when the benefits of the factory really started to be felt. As a result of their growth, Shalem has been able to repay the CFC's investment and build the credibility they need to access funding from more risk averse local banks.

Beneath the headline figures – the thousands of smallholder suppliers, the rising premiums being paid for their crops and the growing numbers of low-income consumers accessing Shalem products – there are other positive stories unfolding too. For example, 74% of those who sold produce to Shalem were women, who often face the greatest barriers to accessing reliable markets. Shalem has also trained about 20,000 people in some of the areas where it required climate resilient growing techniques. In short, historically underserved people are being given the tools to build reliable, sustainable businesses.

Of course there are challenges. The COVID-19 pandemic had a dramatic impact on several of Shalem's key markets. As restrictions were introduced, bars and restaurants closed. In turn breweries reduced production and the demand for sorghum plummeted, leaving Shalem with hundreds of tons of the grain and no one to sell it to. The CFC stepped in with an additional loan, under its COVID-19 Emergency Liquidity Facility, to help it weather the storm so that she can continue to pay the smallholders. This loan helped Shalem to regain its fundamentals and thereby bounce back quickly.

The steep rise in commodity prices that followed the pandemic is also causing a challenge. Ruth points out the price of a bag of maize has almost doubled in the past year, which is not an increase she can pass on to consumers with limited purchasing power. Another big worry for her is the anticipation of more effect of climate change. "Climate change has its effects on our farmers and their ability to continue to live productive lives in rural areas of East Africa." states Ms Kinoti.

Still, she remains positive and has big plans: "After we have paid off our bank loan, we want to expand our storage capacity and double our production facility, so we can add even more value to our products. There is a good market for wheat products such as pastries and bread, and we want to move more into precooked foods. If we have good products that are well priced, we'll find the market."

Given Shalem's success so far, her ambitions aren't misplaced. But aiming high, doesn't mean Shalem will lose sight of its origins and core purpose. "My background as a smallholder farmer and my experiences as a child will always influence how we do business," she says. "A farmer can still bring a bag of maize on a motorbike, or five bags of sorghum on a donkey, to the factory and we will weigh it and pay." It's this accessibility that makes it a lifeline for many smallholders, boosting the prospects of them and their children. Which takes Ruth back to the little girl selling a bag of grain to pay for her bus fare, "It is very exciting seeing the girls going to school now, knowing they are not going through what we did."

Photo: Kennemer

Kennemer's success goes from **cocoa** to **carbon credits** and beyond

The success of a company is defined by a number of things. And while there is no secret ingredient to it, what significantly increases chances of long-term success, is the company's ability to see and foresee where the world is heading, and embrace it.

Kennemer Foods International is a well-established agribusiness company in the cocoa sector, both in the Philippines and abroad. Their focus on training and supporting smallholder farmers, whose produce they have been sourcing and trading since 2010, has both been the key to their success and what has kept them solidly grounded.

The Common Fund for Commodities has been supporting Kennemer since 2017 with a loan of USD 1.4 million. Kennemer's reliability as a company is what attracted the CFC in the first place, but it's their vision what continues to appeal to us. And now Kennemer would like to build on this success and be ready to carry its part of responsibility for the future of the cocoa sector.

"Sustainability is in our DNA," explains Jonna Bickel, Vice President *Farmer and Community Programmes*. "For us, the fact that consumers are increasingly asking to know if what they are buying is sustainable, both socially and environmentally, doesn't come as a surprise."

"Cocoa as a product needs healthy and nutritious soil to grow," continues Jonna. "Taking care of the local environment, planting trees, and adopting conservation measures are all things that we have been doing for a long time." This is crucial now more than ever, as farmers are increasingly affected by the changing climate. Unpredictable climate events, like tropical storms, are becoming more frequent in Mindanao – where most of the farmers live – followed by long periods of dry weather.

Farmers are the first to confront climate change. "Farmers experience climate change first-hand so they know what it is about," explains Jonna. "What they don't know is how to be more resilient to climate change. And that's where we decided that we could make a difference." The first step for Kennemer was to turn their existing reforestation efforts into a programme that could benefit the farmers as well as the environment and that, most importantly, they had the skills to monitor.

After two years of baselining and preperation, Kennemer launched MinTrees, a reforestation programme designed with 2000 smallholders from rural Philippines. Through the programme, which is now in the final stages of verification under the Verra voluntary carbon standard, Kennemer will soon be able to issue carbon credits.

CFC's support came at the right time to put the innovation on a firm footing. "What we were missing were the skills to monitor a programme of this kind and to calculate the amount of carbon credits we could issue based on the trees we were planting," explains Jonna. "It's been a journey that couldn't have been possible without the expertise we brought on board. Going through this process with the farmers means that they are now much more aware of the role they can play in fighting climate change."

And their efforts didn't stop there. Well aware that reforestation alone wasn't going to be enough to preserve the local ecosystem, Kennemer worked on a REDD+ project proposal with 13 communities in Davao Oriental, a rural province southeast of Mindanao. The project, the very first REDD+ project in the Philippines, is focused on landscape conservation and is developed on four pillars: forest conservation, reforestation, livelihoods and community welfare. Each pillar contributes in different ways to conserving the local ecosystem, both for the communities who live there and for the environment itself.

"On top of our conservation and reforestation activities, we work alongside indigenous and local communities to create community-based agriculture opportunities." explains Jonna. "There is a lot of land in the region, but very few employment opportunities. Too often companies come in and push communities out of their land, depriving them of their main source of livelihood. We tried to create a programme that worked with communities rather than against them."

The last pillar - happiness - is implemented through the development of social programs, such as health programs, or by offering scholarships in partnership with local universities. The preservation of community spiritual and cultural sites is another example. "These activities are driven by the communities, and are based on what their needs are, on what they think contributes to their well-being." concludes Jonna.

Whether Kennemer's ability to foresee and embrace change will be their key to long-term success, only time will tell. It's undeniable, however, that their vision goes beyond their business. "Cocoa is an agri-commodity where poverty is much more entrapped globally and as such, CFC, like many impact funds, were on the lookout for precedents of high impact projects bridging sustainability and environmental safety. We, therefore, appreciate the innovativeness of Kennemer, which is showing how farmers can play a role in fighting climate change while benefiting from the environmental impact they are creating. We are even happier to partner with such innovative program that also sets in a kind of 'green recoveries' that we badly need following the COVID-19 pandemic recession," says CFC's Managing Director H.E. Sheikh Mohammed Belal.

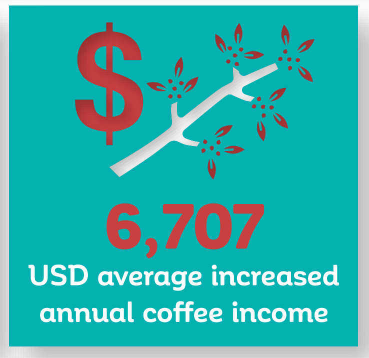
Photo: Kennemer

"On top of our conservation and reforestation activities, we work alongside indigenous and local communities to create community-based agriculture opportunities."

What Kennemer is creating is a hybrid model where profitability, social responsibility and environmental sustainability perfectly blend into developing products and programs that encompass the complete agricultural value chain from planting materials, training, agri-technology to the market of carbon credit. We hope more companies will follow the example of Kennemer to be an innovation and inspiration for all commodity value chains globally.

LIFT: Contributing to the prosperity of **coffee growers**

Coffee brings more than a sensorial experience to its consumers – it also carries a history of environmental and social impact in coffee growing communities. This is an element that Mercon Coffee Group has put at the core of its activities since its establishment in 1952. As a global green coffee supplier, Mercon has developed a sustainability strategy, for which the LIFT multi-services Program for farmers has been essential. Based on three pillars – Profit, Planet, and People – LIFT is an integrated system of service tools supporting farmers to grow high quality coffee, while ensuring that their livelihoods and the environment benefit from these activities.



Measurable and accountable impact is at the core of LIFT's innovative approach. With 18 practices that were developed around the three pillars, the LIFT Index assesses the work of each farmer and eventually assigns them a score. While three of the practices – no child labour, no discrimination, fair and equitable labour conditions – are mandatory, other practices are evaluated with different weights. Through its LIFT services, Mercon aims for farmers to reach minimum 80% in the LIFT Index within the first three years of program participation.

Thanks to LIFT, Mercon is the first green coffee supplier with a sustainability-linked revolving credit facility, meaning that the loan links the impact performance of LIFT with the interest rate of the facility. By improving the impact Key Performance Indicators (KPIs), Mercon can qualify for an interest margin reduction. Savings from this are invested by Mercon back into LIFT. In contrast, if no KPI is achieved, an interest margin addition is applied to its loans and the increased revenue is invested by the financial institutions into a selected charity. To maximize the transparency of its process, an external auditing company verifies Mercon's KPIs.

Embracing this innovative system, the Common Fund for Commodities (CFC) became a lender to Mercon in 2021. The CFC loan of USD 5 million supports Mercon with funding short-term advances to smallholders. In the long run, the CFC hopes that LIFT can serve as a blueprint for other businesses driven by accountable environmental and social impact.

Ever since it was established in Nicaragua in 2016, LIFT has grown to the point that it now involves 4,200 farmers from Nicaragua, Honduras, Guatemala, Brazil, and Vietnam. After 3 years of joining the program, LIFT farmers from Nicaragua are expected to receive an average increased annual coffee income (average simulation is USD 6,706.8 for LIFT farmers, compared to non-LIFT farmers who can earn as low as USD 1,474.2). When taking the Living Income benchmark of USD 5,125.68/year for a family of 4 in Nicaragua – as calculated by the Living wage coalition – participating in the LIFT program is an opportunity for improving livelihoods and lifting households above the Living income benchmark reference. Strong relationships and constant communication between LIFT farmers and agronomists have been instrumental in achieving such long-term, positive results. Recently, LIFT by Mercon has been recognized by the Global Coffee Platform as 2nd party scheme equivalent to the Baseline Coffee Code v1.2. This means LIFT is now eligible for GCP Roasters and Retailers Reporting on Sustainable Coffee Purchases! So how does this journey start?

To ensure the best services to their smallholder farmers, LIFT agronomists receive trainings first. At the beginning of every year, they assess their knowledge on different issues and strengthen it accordingly. Internal trainings are provided on different topics by internal and external experts on a range of topics like farm management, best agricultural practices, regenerative practices, certification, gender equity, and farm planning. Webinars are also held to keep up with the development on certain issues such as nutrition and integrated pest management.

Photos: Elvin Alaniz and Janira Centeno, LIFT Agronomists, Mercon

Photo: Norlan Palacio, LIFT producer. Mercon

"Now my children oversee everything related to farm certification, my wife keeps the activities records, while I supervise the field activities. With LIFT we know that being a coffee producer is more than just producing coffee; here we are all united and we all get benefits."

Once they master their skills, agronomists move onto training producers through a result-oriented, personalized and practical approach. Accompanied by the producer or a designated person, the agronomist conducts a complete tour of the coffee plantation and determines the farmers' previous knowledge of farming practices – a crucial starting point that will shape the personalized farm management plan and the technical assistance to be delivered.

"The best way to do this is to learn by doing. This is why we start with the participants' prior knowledge and experience, in a way that we build the knowledge or practice we want to instil in them", explains LIFT agronomist, Elvin Alaniz.

During this visit, farmers share their doubts and discomforts, and agronomists identify the phenological stage of the crop and areas for improvement, after which technical recommendations are provided. In addition, farmers and agronomists regularly communicate on the phone, which allows for timely and personalized assistance, fostering their trust relationship.

Over time, this personalized approach has proved to be successful. As Elvin observes, "producers have improved their abilities in managing their plantations" thanks to better record keeping and alignment with the LIFT guidelines. The training has further enabled farmers to make progress on environmental issues, specifically in rational agrochemicals management and use of fertilizer, ultimately enhancing productivity.

"Integrated crop management has really helped me, especially by using organic soil amendments", details Norlan Palacio, a Nicaraguan LIFT farmer who joined the program in 2016 – his motto is "Healthy soil, plants more productive".

Not only has the technical assistance improved productivity, but it has also kept the harvest consistent, stabilizing incomes. Emilseades Meza, a LIFT farmer since 2017, reports "before joining LIFT, coffee yields could be high one year, but very low the following one".

A unique feature of LIFT is its focus on developing a wide range of skill sets. In the second year of the curriculum, producers receive financial education, helping them manage the farm better and involve their families. "Now my children oversee everything related to farm certification, my wife keeps the activities records, while I supervise the field activities", says Norlan. "With LIFT we know that being a coffee producer is more than just producing coffee; here we are all united and we all get benefits. And the major outcome we see is on the community, something we didn't have before".

Engaging with LIFT, therefore, strikes as something more than a mere transfer of knowledge and skills. It's about providing business services and developing a relationship around trust and support, wherein farmers are proud to be part of this program. "Working together, we grow together, and I feel confident to be part of the LIFT program", says LIFT farmer Donald Blanco, father of three children.

Impressive progress has been made through LIFT on all three pillars – and this comes a long way. According to agronomists Janira Centeno and Elvin, the Productivity pillar is the most challenging to achieve results for. In the short term, productivity depends on the economic situation of producers, who are aware of the benefits of adopting certain practices but struggle to boost the nutrition of their coffee plantation. The main reason behind this limitation is the lack of legal land ownership, consequently hampering farmers' access to finance that helps improve farm management. Besides technical assistance, productivity requires a socio-cultural ecosystem too.

"The best way to do this is to learn by doing. This is why we start with the participants' prior knowledge and experience, in a way that we build the knowledge or practice we want to instil in them",

With LIFT, Mercon demonstrates how a business can grow alongside its farmers through a circle of prosperity. The impact achieved with the program speaks volume of the potential of a company committed to both its people and the environment – a key potential in a world where transparent and sustainable value chains are being increasingly asked for. To this end, the CFC is excited to have recently extended its collaboration with Mercon.

"The CFC works to address the imbalance in the distribution of bargaining power, where coffee producers are the weakest participants in the value chain, keeping their prices consistently low. However, with LIFT, coffee producers not only found a way out, but they also got much needed knowledge and assistance to address the downward price spiral" states Ambassador Sheikh Mohammed Belal, Managing Director of CFC. He also hopes that LIFT may inspire others in the coffee value chain to adopt such innovative business models, ensuring that financial returns always go hand in hand with social and environmental impact.

Photos: Adobe stock

Photo: Adobe stock

VI

33rd Meeting of the **Governing Council**

The Common Fund for Commodities (CFC) held its 33rd Annual Meeting of the Governing Council (GC) on 14 and 15 December 2021 via teleconference. H.E. Mario Oyarzábal, Governor of the CFC for the Argentine Republic, opened the Meeting in his capacity as Acting Chairperson of the Governing Council. He welcomed all Members of the Council and representatives of the Food and Agriculture Organization of the United Nations (FAO) and the International Rubber Study Group (IRSG). The Managing Director of the CFC, Ambassador Sheikh Mohammed Belal, delivered a statement on the activities of the CFC during 2021.

This year's keynote address was delivered by Ms. Rebeca Grynspan, Secretary-General of the United Nations Conference for Trade and Development (UNCTAD) through a pre-recorded statement. As the CFC was created under the auspices of UNCTAD, this participation highlights the shared history and guiding principles of both institutions. During this speech, Commodity Dependent Developing Countries (CDDCs) were addressed as a priority area for the COVID-19 recovery as they have experienced the most severe effects of the pandemic. Climate adaptation and mitigation in CDDCs constitute another important policy area, requiring a new level of collaborations and partnerships to develop an appropriate response. Taking a more holistic view on the next steps for development in CDDCs, Ms. Grynspan presented three areas of action for a common agenda: i) diversification and value addition, ii) technology transfer and innovation, and iii) inequality reduction. In this respect, she praised the CFC for its Commodity Impact Investment Facility (CIIF) and for its proactivity in bridging the finance gap in CDDCs. The CFC and UNCTAD will thus continue to work with partners and join forces with CDDCs to support them in easing commodity dependence, strengthening resilience, and achieving the Sustainable Development Goals (SDGs).

The Governing Council

Following the regular procedure, the substantive Agenda of the Governing Council opened with the General Debate, during which fourteen delegations delivered national statements, including a statement on behalf of the OECD group, delivered by the representative of Sweden, and one written statement.

During the pre-GC meeting, two presentations on CFC projects were given. The first was given by the founder of Colcocoa, a Colombian coffee trader that supplies UTZ-certified and fully traceable cocoa beans to a global confectionary producer. The presentation focused on the evolution of the business and its impact on the ground. For the second presentation, the Chief Executive Officer (CEO) of The Moringa Fund – an investment fund targeting agro-forestry projects in Latin America and Sub-Saharan Africa – highlighted the impact of Moringa over ten years of experience. As the CFC partners with Moringa as both investor and Technical Assistance Facility Manager, this presentation brought to the fore the importance of such collaborations and thus their impact on the ground.

The Council took note of the fact that 2021 marks the year with the **highest disbursement** amount since CFC's reform in 2012, and this despite the COVID-19 pandemic-related lockdown and challenges. Also, **eleven projects** were approved during the year with an outlay of **USD 114.3 million**, including **USD 18.9 million** of CFC contribution. Combined, these projects are expected **to reach 228,165 smallholder farmers**, thereby supporting them with improved market access and productivity levels. The projects not only cover commodities like fruits, coffee, vanilla, but also include companies striving for global food security, waste reduction, climate change mitigation, and resisting loss of biodiversity. Specifically, the issue of gender empowerment has been a constant theme across almost all investments under considerations. The main targeted SDGs were **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, the CFC Secretariat presented the Governing Council with the report of the Fund's activities under the First Account Net Earning Programme throughout 2021. It was recalled that during its Twenty-Fourth Meeting in 2012, the Governing Council approved the interim plan 2013-2015 for the CFC directing the Fund to use the balance of resources in the Net Earnings Programme to establish development partnerships with impact investment funds. As such, the CFC Secretariat reported that the CFC has engaged in 5 development partnerships since 2013. It is worth mentioning that most of the impact investment funds contain Technical Assistance Facilities (TAFs) and the CFC itself is manager of the TAFs of two of its invested Funds: the Moringa Fund and the Africa Agriculture Trade and Investment Fund. Further, the Governing Council took note of the Fund's activities under the Second Account during the year 2021 and the 2020 Audited Financial Statements.

The CFC Secretariat also presented a Memorandum of Understanding (MoU) between the Dutch-Bangla Chamber of Commerce and Industry (DBCCI) and the CFC. In its endeavors to strengthen its involvement in development activities, the DBCCI intends to partner with the CFC to advance both organizations' mandate and objectives in achieving the SDGs. Hence, the GC considered and approved this MoU, authorizing the Managing Director to sign it on behalf of the CFC.

The GC was also presented with a second MoU to reinforce the CFC's cooperation with the Council on Smallholder Agricultural Finance (CSAF) on coordinated measures as to loan restructuring. Information exchange and closer cooperation between the lenders would thus be benefits of such a partnership, alongside more standardized procedures to deal with situations of financial distress. After having considered the MoU, the GC approved it.

The CFC is grateful to all its governors, participants and staff members who made this Thirty-Third Annual Meeting of the Governing Council a success. Through their commitment to making value chains more resilient and alleviating poverty from the most vulnerable, the CFC was able to reinforce its partnerships and support more smallholder farmers and SMEs, while achieving positive environmental impact. The year 2021 is, therefore, a proof that global challenges are yet an opportunity for collaborations and innovation to release the thriving potential of countries and the commodity sector.

Chairperson and Vice-Chairpersons of the Governing Council for the Year 2022

The Governing Council re-elected by consensus H.E. Mr. Mario Oyarzábal, Governor of the CFC for the Argentine Republic as Chairperson for the period up to and including the Thirty-Fourth Annual Meeting of the Council.

The Chairperson and Vice-Chairpersons of the Governing Council for the year 2022 are as follows:

Chairperson for 2022
H.E. Mr. Mario Oyarzábal (Argentina)

Vice-Chairpersons for 2022
African Region Group: H.E. Mr. Lawrence N. Lenayapa (Kenya)
Asian and Pacific Region Group: H.E. Mr. J. Eduardo Malaya (Philippines)
China: Mr. Guosheng Zhang
Latin American and Caribbean Region Group: To be communicated later
OECD Group: Ms. Anna Tofftén (Sweden)
The Russian Federation: Mr. Anton Tsvetov


Photo: Adobe stock

Highlight: Approval of the establishment of the Commodity Impact Investment Facility (CIIF)

A central outcome of this 33rd GC Meeting is the consensus approval of the Governing Council for the establishment of the Commodity Impact Investment Facility (CIIF) as a new instrument to attract impact investors for the financing of projects identified and managed by the CFC. This initiative was introduced by the CFC's Executive Board during its 68th meeting, after which a Working Group on Sustainable Fund Management (WG-SFM) was established. The WG-SFM held 14 monthly meetings to develop a Private Placement Memorandum which was endorsed by the EB in its 72nd meeting and eventually approved by the GC during this meeting, allowing the Managing Director to take the necessary steps to establish the CIIF.

The CIIF is an impact investment fund, established and advised by the CFC as a public-private partnership to invest in commodity value chains in developing countries. It will benefit from the CFC's experience and expertise with funds from impact investors to address the fundamental issues of the financing gap among smallholders and SMEs across almost all commodity value chains in the developing world.

The role of the CIIF in the impact investing industry
Upon introduction of the UN Sustainable Development Goals (SDGs) in 2015, the impact investing industry has experienced an impressive growth, yet it hasn't reached its full potential. According to the Global Impact Investing Network (GIIN), the central obstacle to the industry's expansion is not the lack of financing, but rather the lack of impact-focused projects and effective management for these projects.

However, this realization mocks the gap in financing needed to achieve SDGs, such as ending poverty and halting climate change, at $17.9 trillion for the 2020-2025 period, a new UNCTAD estimate showed. This puts the current annual gap at $3.6 trillion – more than $1 trillion wider than before the COVID-19 pandemic – without even factoring in the effects of the Ukraine conflict. The $17.9 trillion figure is likely an underestimate because the calculations were done before the start of the war in Ukraine in late February. The conflict is tightening global liquidity, especially for developing countries, as investors flock to assets perceived as less risky. The cost of credit has already increased since the start of the conflict, with bond yields rising an average of 36 basis points.

Taking this factor into account as well as the various disruptions in global value chains (GVC), the CIIF comes at a timely moment to make a valuable contribution to the global impact investment movement, and to address the current challenges. In addition, the CIIF will benefit from the CFC's experience in consistently measuring the impact of its investments.

Combining the CFC's expertise with funds from impact investors, the CIIF will address the core issues hampering the development of successful small and medium-sized enterprises (SMEs) in GVC, including:

- Financial viability and investability of commodity projects
- Scalability of successful GVC projects
- Delivering consistent impact measurements
- Taking measures to mitigate social and environmental risks

The CFC views the establishment of the CIIF as a historical moment for the organization and a great opportunity to engage a larger network of impact investors with the development of the commodity sector. The fusion of bottom-up approaches and international collaboration will indeed create more scope for integrating innovation, technologies and knowledge sharing to work towards the common goal of sustainable development and poverty alleviation. The CFC urges all member states and institutional members to make use of the CIIF in ways that will help lifting people from poverty and create instances of hope in this time of gloom and doom.

For more updated information on the CIIF, please visit www.common-fund.org/ciif

VII Financial Reports

Statement of Financial Position - First Account, as at 31 December 2021

(expressed in United States Dollar and Special Drawing Rights)

	2021 USD	2020 USD	2021 SDR	2020 SDR
ASSETS				
Non-current				
Right of Use Asset	768,300	994,100	548,900	690,200
Promissory Notes	34,159,900	36,514,300	24,406,900	25,352,400
Debt Securities	74,277,100	73,918,200	53,070,200	51,322,500
Participations in Investment Funds	1,554,900	3,130,000	1,111,000	2,173,200
Non-current assets	110,760,200	114,556,600	79,137,000	79,538,300
Current				
Debt Securities	3,006,000	3,509,500	2,147,800	2,436,700
Participations in Investment Funds	855,300	0	611,100	0
Prepayments and other short-term assets	104,000	204,300	74,300	141,800
Amounts receivable from Members -/- provision	874,400	940,600	624,800	653,100
Loan Receivable	0	0	0	0
Cash and Cash equivalents	3,516,700	4,884,900	2,512,600	3,391,700
Accrued Income on Investments	697,400	694,700	498,300	482,300
Recoverable Taxes on goods & services	96,500	40,700	68,900	28,300
Other receivables	1,555,300	1,556,100	1,111,200	1,080,400
Current assets	10,705,600	11,830,800	7,649,000	8,214,300
Total assets	121,465,800	126,387,400	86,786,000	87,752,600
EQUITY AND LIABILITIES				
Equity				
Paid-in-shares of Directly Contributed Capital	103,340,900	105,761,500	73,836,000	73,431,700
Net Earning Programme	14,043,900	14,662,200	10,034,400	10,180,300
Accumulated Surplus/(Deficit)	2,310,800	3,264,000	1,651,100	2,266,200
Total Equity	119,695,600	123,687,700	85,521,500	85,878,200
Liabilities				
Non-current				
Operating lease Obligations	725,400	972,700	518,100	675,400
Turkey settlement	156,600	156,600	111,900	108,700
Accrued liabilities	147,500	147,500	105,400	102,400
Non-current liabilities	1,029,500	1,276,800	735,400	886,500
Current				
Operating lease Obligations	159,700	139,900	114,100	97,100
Luxembourg settlement	0	647,400	0	449,500
Accured liabilities	581,000	635,600	415,000	441,300
Current liabilities	740,700	1,422,900	529,100	987,900
Total liabilities	1,770,200	2,699,700	1,264,500	1,874,400
Total equity and liabilities	121,465,800	126,387,400	86,786,000	87,752,600

Statement of Financial Position - Second Account, as at 31 December 2021

(expressed in United States Dollar and Special Drawing Rights)

	2021 USD	2020 USD	2021 SDR	2020 SDR
ASSETS				
Non-current				
Promissory Notes	5,449,200	5,885,800	3,893,400	4,086,600
Debt Securities	57,114,500	65,415,900	40,807,700	45,419,200
Participations in Investment Funds	1,667,500	1,233,800	1,191,400	856,600
Loan Receivable -/- provision	6,911,900	6,631,800	4,938,500	4,604,600
Non-current assets	71,143,100	79,167,300	50,831,000	54,967,000
Current				
Debt Securities	9,998,900	6,015,400	7,144,100	4,176,600
Amounts receivable from Members -/- provision	0	0	0	0
Loan Receivable -/- provision	6,737,700	3,221,600	4,814,000	2,236,800
Cash and Cash equivalents	4,599,900	4,727,200	3,286,600	3,282,200
Accrued Income on Investments	1,117,100	1,097,700	798,200	762,100
Receivable from Dutch Trust Fund	0	375,000	0	260,400
Other receivables	0	36,300	0	25,200
Current assets	22,453,600	15,473,200	16,042,900	10,743,300
Total assets	93,596,700	94,640,500	66,873,900	65,710,300
EQUITY AND LIABILITIES				
Equity				
Paid-in-shares of Directly Contributed Capital	24,865,200	25,279,000	17,765,900	17,551,600
Accumulated Surplus/(Deficit)	66,587,900	66,209,500	47,576,400	45,970,200
Total Equity	91,453,100	91,488,500	65,342,300	63,521,800
Liabilities				
Non-current				
Belgium settlement	356,400	383,300	254,600	266,100
Luxembourgh settlement	3,500	78,000	2,500	54,200
Turkey settlement	234,900	234,900	167,800	163,100
Non-current liabilities	594,800	696,200	424,900	483,400
Current				
Payable to Dutch Ministry	0	917,600	0	637,100
Other payables	1,548,800	1,538,200	1,106,700	1,068,000
Current liabilities	1,548,800	2,455,800	1,106,700	1,705,100
Total liabilities	2,143,600	3,152,000	1,531,600	2,188,500
Total equity and liabilities	93,596,700	94,640,500	66,873,900	65,710,300

Statement of Profit or Loss - First Account, for the year ended 31 December 2021

(expressed in United States Dollar and Special Drawing Rights)

	2021 USD	2020 USD	2021 SDR	2020 SDR
Income				
Net Income from Investments	1,772,500	1,784,400	1,244,200	1,280,900
Other Income	1,863,300	1,988,600	1,307,900	1,427,500
Unrealized (loss)/gain on participations in investment funds	-620,200	-1,980,800	-435,400	-1,421,900
Realized Exchange (loss)/gain on Operations	1,200	-3,900	800	-2,800
Unrealized Exchange (loss)/gain on translation of Balance Sheet items	-1,365,500	1,966,200	-958,500	1,411,400
Total income	**1,651,300**	**3,754,500**	**1,159,000**	**2,695,100**
Expenses				
Staff Salaries & Benefits	2,656,900	2,630,700	1,865,000	1,888,400
Operational Expenses	280,300	295,700	196,800	212,300
Meeting Costs	60,500	100,900	42,500	72,400
Premises Costs	226,900	217,400	159,300	156,100
Legal and Due Diligence Facility	0	0	0	0
Total expenses	**3,224,600**	**3,244,700**	**2,263,600**	**2,329,200**
(Loss)/Profit for the year	**-1,573,300**	**509,800**	**-1,104,600**	**365,900**

Statement of Profit or Loss - Second Account, for the year ended 31 December 2021

(expressed in United States Dollar and Special Drawing Rights)

	2021 USD	2020 USD	2021 SDR	2020 SDR
Income				
Net Income from Investments	1.780.600	1.952.000	1.249.900	1.401.200
Income from Loans	1.051.600	770.500	738.200	553.100
Contribution DTF I	475.000	875.000	333.400	628.100
Unrealized (loss)/gain on participations in investment funds	45.900	-186.300	32.200	-133.700
Realized Exchange (loss)/gain on Operations	-37.200	31.000	-26.100	22.300
Unrealized Exchange (loss)/gain on translation of Balance Sheet items	-445.600	510.700	-312.800	366.600
Total income	**2.870.300**	**3.952.900**	**2.014.800**	**2.837.600**
Expenses				
Project Payments	85.800	43.700	60.200	31.400
Administrative fee on investment portfolio	1.446.200	1.484.600	1.015.200	1.065.700
Provision for overdue loan	959.900	855.900	673.800	614.400
Total expenses	**2.491.900**	**2.384.200**	**1.749.200**	**1.711.500**
(Loss)/Profit for the year	**378.400**	**1.568.700**	**265.600**	**1.126.100**

Statement of Comprehensive Income - First Account, for the year ended 31 December 2021

(expressed in United States Dollar and Special Drawing Rights)

	2021 USD	2020 USD	2021 SDR	2020 SDR
(Loss)/Profit for the year	-1,573,300	509,800	-1,104,600	365,900
Items that will not be reclassified to profit and loss	0	0	0	0
Items that will be reclassified to profit and loss	0	3,900	0	2,800
Total comprehensive income for the year	**-1,573,300**	**513,700**	**-1,104,600**	**368,700**

Statement of Comprehensive Income - Second Account, for the year ended 31 December 2021

(expressed in United States Dollar and Special Drawing Rights)

	2021 USD	2020 USD	2021 SDR	2020 SDR
(Loss)/Profit for the year	378.400	1.568.700	265.600	1.126.100
Items that will not be reclassified to profit and loss	0	470.900	0	338.000
Items that will be reclassified to profit and loss	0	0	0	0
Total comprehensive income for the year	**378.400**	**2.039.600**	**265.600**	**1.464.100**

Directly Contributed Capital, as at 31 December 2021 (USD)

	First Account			Second Account		
	Outstanding Contributions[1]	Payments		Outstanding Contributions[1]	Payments	
		Cash	Promissory Notes		Cash	Promissory Notes
Afghanistan	0	399,412	371,247	0	0	0
Algeria	0	862,744	0	0	0	0
Angola	0	61,786	0	0	339,823	413,675
Argentina	0	0	381,825	0	635,460	44,614
Bangladesh	143,549	95,062	0	0	308,154	353,568
Benin	4,950	344,491	353,568	0	0	0
Bhutan	0	3,424	3,536	0	338,969	350,032
Botswana	4,950	344,491	353,568	0	0	0
Brazil	0	1,692,815	0	0	701,208	0
Bulgaria	752,414	284,202	0	0	0	0
Burkina Faso	4,950	344,491	353,568	0	0	0
Burundi	0	34,239	35,357	0	308,154	318,211
Cameroon	0	990,853	0	0	0	0
Cape Verde	0	342,393	353,568	0	0	0
Central African Republic	9,899	346,588	353,568	0	0	0
Chad	14,850	364,254	353,568	0	0	0
China	0	3,807,113	3,928,142	0	0	0
Colombia	0	1,060,568	0	0	0	0
Comoros	0	342,393	353,568	0	0	0
Congo	1,090,766	0	0	0	0	0
Dem.Republic of Congo(Zaire)	0	1,213,098	0	0	0	0
Costa Rica	0	833,938	0	0	0	0
Cote d'Ivoire	45	1,273,830	0	0	0	0
Cuba	0	291,399	300,575	0	393,960	298,816
Denmark	0	599,933	404,482	0	718,430	0
Djibouti	0	388,206	353,568	0	0	0
Ecuador	0	126,968	0	0	699,028	0
Egypt	0	616,445	519,745	0	0	0
Equatorial Guinea	0	734,443	0	0	0	0
Eswatini (former Swaziland)	0	94,101	367,709	0	262,885	0
Ethiopia	39,600	187,975	176,784	0	171,197	176,784
Finland	0	586,004	604,602	0	154,611	26,140
Gabon	308,693	455,118	0	0	0	0
Gambia	9,900	346,588	353,568	0	0	0
Germany	0	5,954,753	6,081,373	0	657,485	98,590
Ghana	0	1,085,935	0	0	0	0
Greece	0	347,901	353,568	0	0	0
Guatemala	0	423,346	0	0	408,621	0
Guinea	24,750	13,911	3,536	0	338,969	350,032
Guinea-Bissau	0	342,393	353,568	0	0	0
Haiti	14,850	348,685	353,568	0	0	0
Honduras	38,893	37,758	0	350,032	339,823	0
India	0	370,828	378,318	0	560,088	91,775
Indonesia	0	449,328	116,678	0	579,573	136,045
Iraq	1	878,501	0	0	0	0
Ireland	0	3,455	3,536	0	615,094	105,375
Italy	0	2,558,455	2,637,619	0	612,520	116,127
Jamaica	0	48,056	49,500	0	612,816	127,079
Kenya	0	906,469	0	0	0	0
Dem. People's Republic of Korea	735,422	0	0	0	0	0
Republic of Korea	0	517,919	533,888	0	0	0
Kuwait	0	941,579	0	0	0	0
Lao People's Dem. Republic	0	387,130	357,104	0	0	0

Directly Contributed Capital, as at 31 December 2021 (USD)

	First Account			Second Account		
	Outstanding Contributions[1]	Payments		Outstanding Contributions[1]	Payments	
		Cash	Promissory Notes		Cash	Promissory Notes
Lesotho	0	342,393	353,568	0	0	0
Madagascar	0	48,209	0	0	703,374	0
Malawi	14,850	348,685	0	0	0	353,568
Malaysia	0	832,788	876,849	0	0	0
Maldives	0	34,239	0	0	308,154	353,568
Mali	14,850	40,531	35,357	0	308,154	318,211
Mauritania	39,600	395,774	353,568	0	0	0
Mexico	0	170,697	0	0	770,650	152,502
Morocco	0	471,279	3,536	0	375,021	130,533
Mozambique	0	439,549	333,450	0	0	0
Myanmar	19,800	342,665	356,397	0	0	0
Nepal	4,950	310,251	318,211	0	34,239	35,357
Netherlands	0	752,209	1,520,343	0	730,118	0
Nicaragua	0	98,166	0	0	653,459	0
Niger	4,950	344,491	0	0	0	353,568
Nigeria	0	124,171	123,749	0	624,220	95,426
Norway	0	347,901	364,175	0	608,489	100,147
Pakistan	0	871,363	0	0	0	0
Papua New Guinea	0	120,151	0	0	699,703	0
Peru	0	1,074,903	0	0	0	0
Philippines	0	614,978	0	0	785,857	0
Portugal	0	171,346	0	0	447,097	104,179
Russian Federation	6,594,046	6,368,048	0	0	0	0
Rwanda	14,850	348,685	353,568	0	0	0
Samoa	0	342,393	353,568	0	0	0
Sao Tome and Principe	0	734,443	0	0	0	0
Saudi Arabia	0	360,373	371,247	0	0	0
Senegal	0	959,157	0	0	0	0
Sierra Leone	14,850	348,685	353,568	0	0	0
Singapore	0	227,143	236,891	0	411,896	62,593
Somalia	358,518	344,491	0	0	0	0
Spain	0	2,547,890	0	0	619,883	0
Sri Lanka	0	422,309	438,425	0	0	0
Sudan	118,799	290,011	247,498	0	102,718	106,070
Sweden	0	874,180	933,420	0	640,618	101,038
Syrian Arab Republic	0	916,910	0	0	0	0
United Republic of Tanzania	64,349	198,462	176,784	0	171,197	176,784
Thailand	0	485,578	484,388	0	0	0
Togo	0	763,530	0	0	0	0
Trinidad & Tobago	0	680,870	0	0	0	0
Tunisia	0	959,840	0	0	0	0
Uganda	89,099	380,145	353,568	0	0	0
United Arab Emirates	1,069,586	0	0	0	0	0
United Kingdom	0	3,166,031	3,012,273	0	664,193	0
Venezuela	0	878,775	0	0	0	0
Yemen	9,900	688,981	707,136	0	0	0
Zambia	191,309	912,100	0	0	0	0
Zimbabwe	0	725,106	0	0	0	0
TOTAL	11,822,786	68,306,642	34,159,909	350,032	19,415,954	5,450,409

[1] *As stated in Schedule B of the Agreement Establishing the Common Fund for Commodities, Members in the category of least developed countries as defined by the United Nations shall pay only 30% of the number of shares exceeding 100, over a period of three years. The remaining 70% (of shares exceeding 100) shall be paid as and when decided by the Executive Board. This remaining 70% is also included in the Outstanding Contributions.*

Voluntary Contributions, as at 31 December 2021 (USD)

Country	Pledge (3rd 5YAP) Currency	Pledge (3rd 5YAP) USD (1)	Payments Cash up to 31 Dec. 2020 USD	Payments Cash 2021 USD	Payments Total 31.12.2021 USD	Payments Total 31.12.2021 SDR
Austria[3]	USD	2,000,000	2,000,000	0	2,000,000	1,428,990
Belgium[3]	EUR	3,000,000	3,235,542	0	3,235,542	2,311,779
Cameroon	USD	0	7,994	0	7,994	5,712
China	USD	2,000,000	2,000,000	0	2,000,000	1,428,990
Denmark	DKR	2,250,983	794,987	0	794,987	568,015
Ecuador	USD	0	45,311	0	45,311	32,375
Finland	USD	2,000,000	2,011,089	0	2,011,089	1,436,913
France[3]	USD	15,000,000	2,385,648	0	2,385,648	1,704,533
Germany	USD	22,549,790	22,549,790	0	22,549,790	16,111,711
India	USD	5,000,000	5,000,000	0	5,000,000	3,572,475
Indonesia	USD	1,000,000	1,000,201	0	1,000,201	714,638
Ireland	USD	250,000	250,000	0	250,000	178,624
Italy	USD	15,000,000	14,999,999	0	14,999,999	10,717,423
Japan[3]	USD	27,000,000	32,231,940	0	32,231,940	23,029,559
Luxembourg[3]	USD	150,000	149,989	0	149,989	107,167
Madagascar	USD	8,643	8,616	0	8,616	6,156
Malaysia	USD	1,000,000	999,922	0	999,922	714,439
Netherlands	USD	17,000,000	19,560,207	0	19,560,207	13,975,669
Nigeria	USD	150,000	150,000	0	150,000	107,174
Norway	USD	22,490,000	22,446,462	0	22,446,462	16,037,884
OPEC Fund	USD	29,250,000	29,250,000	0	29,250,000	20,898,978
Papua New Guinea	USD	0	70,055	0	70,055	50,054
Republic of Korea	USD	300,000	300,000	0	300,000	214,348
Singapore	USD	250,000	250,000	0	250,000	178,624
Sweden	USD	2,345,996	2,345,996	0	2,345,996	1,676,203
Switzerland[3]	USD	6,000,000	3,000,000	0	3,000,000	2,143,485
Thailand	USD	1,000,000	1,000,000	0	1,000,000	714,495
United Kingdom[2]	STG	5,736,300	7,399,909	0	7,399,909	5,287,198
TOTAL		182,731,712	175,443,658	0	175,443,658	125,353,611

[1] Amounts pledges have been converted to USD equivalent using the IMF rates of 23/12/21
[2] Payment of MOU of GBP 4,270,000 received considered as contribution under Article 18.1.(e)
[3] Not a member of CFC

2021 Administrative Budget, Summary

	2021 USD	2021 EUR
Staff Costs	2,723,600	2,498,700
Operational Costs	556,000	510,100
Meeting Costs	198,300	181,900
Contingency	10,900	10,000
TOTAL	3,488,800	3,200,700

Photo: Man with straw sandals. Adobe stock

To: the Governing Council of the Common Fund for Commodities

Grant Thornton Accountants en Adviseurs B.V.
Flemingweg 10
P.O. Box 2259
2400 CG Alphen aan den Rijn
The Netherlands

T 088 - 676 90 00
F 088 - 676 90 10
www.gt.nl

REPORT OF THE INDEPENDENT AUDITOR ON THE ABBREVIATED FINANCIAL REPORTS

Our opinion

The summary financial statements 2021 (hereafter: 'the abbreviated financial reports') of the First Account and Second Account of the Common Fund for Commodities, based in Amsterdam, is derived from the audited financial statements 2021 of the First Account and Second Account of the Common Fund for Commodities.

In our opinion the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements 2021 of the First Account and Second Account of the Common Fund for Commodities.

Abbreviated financial reports

The abbreviated financial reports do not contain all the disclosures required by the International Financial Reporting Standards. Reading the abbreviated financial reports and our report thereon, therefore, is not a substitute for reading the audited financial statements of the First Account and Second Account of the Common Fund for Commodities and our auditor's report thereon. The abbreviated financial reports and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our auditor's report on those financial statements of June 30, 2022.

The audited financial statements and our auditor's report thereon

We expressed an unmodified audit opinion on the audited financial statements 2021 of the First Account and Second Account of the Common Fund for Commodities in our auditor's report of June 30, 2022.

Responsibilities of management board for the summary financial statements

Management is responsible for the preparation of the abbreviated financial reports in accordance with the accounting policies as applied in the 2021 financial statements of the First Account and Second Account of the Common Fund for Commodities.

Our responsibilities

Our responsibility is to express an opinion on whether the abbreviated financial reports are consistent, in all material respects, with the audited financial statements based on our procedures, which we conducted in accordance with Dutch law, including the Dutch Standard 810, "Engagements to report on summary financial statements".

--this document is signed digitally--

Amsterdam, June 30, 2022

Grant Thornton Accountants and Adviseurs B.V.

Drs. P.N. van Vuure RA

--this document is signed digitally--

ANNEX I

Governors and Alternate Governors as of 31 December 2021

Chairperson of the Governing Council during 2021:
H.E. Mr. Mario J. Agustín Oyarzábal (Argentina)

Vice-Chairpersons during 2021:
Africa: H.E. Mr. Lawrence N. Lenayapa (Kenya)
Asia and Pacific: H.E. Mr. J. Eduardo Malaya (Philippines)
China: Mr. Guosheng Zhang
Latin America and Caribbean: H.E. Mr. Mario J. Agustín Oyarzábal (Argentina)
OECD: Ms. Anna Tofftén (Sweden)
Russian Federation: Mr. Anton Tsvetov

Country	Governor	Alternate Governor
Afghanistan	c/o H.E. Mr. Mohammed Asif Rahimi	-
Algeria	H.E. Ms. Salima Abdelhak	Ms. Wahiba Boutibane
Angola	H.E. Ms. Maria I. Resende Encoge	Mr. Adelino Naquarta Sepalanga Domingos
Argentina	H.E. Mr. Mario Javier Agustín Oyarzábal	Ms. Eva González
Bangladesh	Mr. Tapan Kanti Ghosh	H.E. Mr. M. Riaz Hamidullah
Benin	H.E. Mr. Eusèbe Agbangla	Mr. Angelo Dan
Bhutan	H.E. Mr. Tenzin R. Wangchuk	Mr. Sonam Gyaltshen
Botswana	H.E. Mr. Samuel Otsile Outlule	Mr. Jimmy Rule Opelo
Brazil	Mr. Alexandre Peña Ghisleni	Mr. Pedro Escosteguy Cardoso
Bulgaria	Mr. Petar Dimitrov	-
Burkina Faso	H.E. Ms. Jacqueline Marie Zaba-Nikiema	Mr. Christian Somda
Burundi	Hon. Capitoline Niyonizigiye	Mr. Sébastien Nzimana
Cabo Verde	c/o H.E. Mr. José Filomeno de Carvalho dias Monteiro	-
Cameroon	Mr. Luc Magloire Mbarga Atangana	H.E. Ms. Madeleine Liguemoh Ondoua
Central African Republic	c/o H.E. Mr. Daniel Emery Dede	-
Chad	Mr. Moutaye Whoor Hamit	-
China	Ms. Hong Liang	Mr. Guosheng Zhang
Colombia	Mr. Juan José Páez Pinzón	Mr. Julián Camilo Silva Sánchez
Comoros	c/o H.E. Mr. Said Mdahoma Ali	-
Congo	Mr. François Bossolo	-
Costa Rica	H.E. Mr. Arnoldo Brenes Castro	Ms. Eliana Villalobos Cárdenas
Côte d'Ivoire	Mr. Kobenan Kouassi Adjoumani	Mr. Aly Toure
Cuba	Mr. Carlos Fidel Martín Rodríguez	H.E. Ms. Anet Pino Rivero
Democratic People's Republic of Korea	c/o H.E. Mr. HAN Tae Song	c/o Counsellor
Democratic Republic of the Congo	c/o Ms. Pascaline Gerengbo Yakivu	-
Denmark	Ministry of Foreign Affairs	-
Djibouti	c/o H.E. Mr. Omar Abdi Said	-
Ecuador	H.E. Mr. Andrés Terán Parral	Mr. Carlos Alarcón Armendáriz
Egypt	H.E. Mr. Hatem Elsayed Mohamed Kamaleldin	Ms. Dahlia Tawakol
Equatorial Guinea	c/o H.E. Mr. Làzaro Ekua Avomo	c/o Director General de Comercio
Eswatini	Mr. Newman S. Ntshangase	Mr. Mluleki S. Dlamini
Ethiopia	H.E. Mr. Hirut Zemene	Mr. Ayele Lire Jijamo
Finland	Mr. Mika Vehnämäki	-
Gabon	c/o H.E. Mr. Serge Thierry Mickoto Chavagne	-
Gambia	H.E. Ms. Teneng Mba Jaiteh	Mr. Ousainou Senghore
Germany	Ms. Andrea Jünemann	Mr. Marcus Hicken
Ghana	Hon. Alan Kyerematen	H.E. Mr. Francis Danti Kotia
Greece	Mr. Evangelos Dairetzis	Ms. Eleni Karagianni
Guatemala	H.E. Mr. Eduardo Sperisen Yurt	Ms. Débora Maria Cumes Mariscal
Guinea	Mr. Emile Yombouno	Mr. Housseine Bangoura
Guinea-Bissau	c/o H.E. Mr. Apolinario Mendes de Carvalho	-
Haiti	Mr. Hervey Day	H.E. Mr. Pierre André Dunbar
Honduras	Mr. Mauricio Guevara Pinto	Mr. David Ernesto Wainwright
India	Mr. Diwakar Nath Misra	H.E. Mr. Pradeep Kumar Rawat
Indonesia	Mr. Febrian A. Ruddyard	Ms. Dian Lestari
Iraq	Mr. Kadhim M. Jawad Al-Hasani	Mr. Munther Abdulameer Asad
Ireland	H.E. Mr. Brendan Rogers	-
Italy	Mr. Lucio Loiero	Mr. Davide Colombo
Jamaica	The Honourable Floyd Green	H.E. Ms. Cheryl Spencer
Kenya	H.E. Mr. Lawrence N. Lenayapa	Ms. Josephine Opili
Kuwait	H.E. Mr. Abdul Rahman Al-Otaibi	-
Laos	Mr. Buavanh Vilavong	H.E. Mr. Phoukhong Sisoulath
Lesotho	The Honourable Matsepo Molise-Ramakoae	H.E. Dr. Pontšo Susan Matumelo Sekatle
Madagascar	H.E. Mr. Jean-Omer Beriziky	Mr. Eric Ratsimbazafy
Malawi	Ambassador	Mr. Mike Jamu Mwanyula
Malaysia	Ybhg. Datuk Ravi Muthayah	Mr. S. Letchumanan Shanmugam
Maldives	H.E. Mr. Ibrahim Ameer	H.E. Mr. Ahmed Khaleel
Mali	H.E. Mr. Mamadou Mandjou Berthe	Ms. Aissata Traore Gaye
Mauritania	c/o H.E. Mr. Abdellahi Kebd	Mr. Mohamed Moctar Alaoui
Mexico	Mr. Rogelio Ramirez de la O	Mr. Marcelo Ebrard Casaubón
Morocco	H.E. Mr. Abdelouahab Bellouki	Mr. Mohamed Abdennasser Achachi
Mozambique	Mr. Claire Mateus Zimba	Ms. Joaquina Gumeta
Myanmar	Dr. Pwint San	Mr. Minn Minn
Nepal	H.E. Mr. Gahendra Rajbhandari	Mr. Suresh Adhikari
Netherlands	Mr. Robert-Jan Sieben	Ms. Noor Koolen
Nicaragua	Mr. Orlando Solórzano Delgadillo	H.E. Mr. Carlos J. Argüello Gómez
Niger	c/o H.E. Mr. Alhassane Ide	-
Nigeria	Dr. Evelyn N. Ngige	H.E. Dr. Eniola Olaitan Ajayi
Norway	Ms. Elisabeth Walaas	Mr. Inge Hausken Thygesen
Pakistan	H.E. Mr. Suljuk Mustansaar Tarar	Mr. Rao Rizwan-ul-Haq
Papua New Guinea	Mr. William Dihm	c/o H.E. Mr. Joshua Kalinoe
Peru	H.E. Ms. Marisol F. Agüero Colunga	Ms. Francis Natalie Chávez Aco
Philippines	H.E. Mr. J. Eduardo Malaya	Ms. Janet D. Garcia
Portugal	Mr. João Leão	Mr. José Carlos Azevedo Pereira
Republic of Korea	Mr. Namki Hong	Mr. Juyeol Lee
Russian Federation	Mr. Anton Tsvetov	Ms. Anastasiia Kalenova
Rwanda	Mr. Michael M. Sebera	Mr. Antoine Kajangwe
Samoa	c/o Deputy Prime Minister	-
Sao Tome and Principe	c/o H.E. Ms. Maria d'Assunçao de Barros Amaral Aguiar	-
Saudi Arabia	Mr. Ahmad S. Alteraifi	Mr. Saeid M. Alkahtani
Senegal	H.E. Mr. Momar Gueye	Mr. Joseph A.D. Bentaux

Photo: Lychee fruits,Thailand. Adobe stock

Country	Governor	Alternate Governor
Sierra Leone	Mr. James Vibbi	Mr. Charles Mereweather-Thompson
Singapore	H.E. Mr. Hung Seng Tan	-
Somalia	c/o H.E. Ms. Ebyan Mahamad Salah	-
Spain	Mr. Daniel Cascales	Mr. Oscar Vía Ozalla
Sri Lanka	Mr. Ananda Dharmapriya	H.E. Ms. Aruni Ranaraja
Sudan	Ambassador	Ms. Rasha Beshir Ahmed Yousif
Sweden	Ms. Anna Tofftén	-
Syrian Arab Republic	Deputy Minister of Economy and Trade	-
Thailand	Mr. Rapibhat Chandarasrivongs	Mr. Chantanon Wannakejohn
Togo	Mr. Kommabou Fandjinou	Mr. Kondi Tchaye
Trinidad & Tobago	Senator the Honourable Clarence Rambharat	Ms. Susan Shurland
Tunisia	H.E. Mr. Slim Ghariani	Ms. Haifa Ben Alaya
Uganda	Mr. Emmanuel Mutahunga	H.E. Ms. Mirjam Blaak Sow
United Arab Emirates	H.E. Ms. Hissa Abdulla Ahmed Alotaiba	-
United Kingdom of Great Britain and Northern Ireland	Ms. Liz Fajber	-
United Republic of Tanzania	Prof. Riziki S. Shemdoe	H.E. Ms. Irene F.M. Kasyanju
Venezuela	Mr. Rubén Darío Molina	H.E. Ms. Gladys María Gutiérrez Alvarado
Yemen	H.E. Ms. Sahar Ghanem	Mr. Mohammed Fakher
Zambia	Ambassador	Ms. Lina Mutandwa Chambwe
Zimbabwe	Amb. James Manzou	H.E. Mr. Ammon Mutembwa
Andean Community (CAN)	c/o Dr. Jorge Hernando Pedraza	-
African Union (AU)	Directorate of Rural Economy and Agriculture	Directorate for Trade and Industry
Caribbean Community (CARICOM)	Dr. Carla Natalie Barnett	Ms. Desiree Field-Ridley
Common Market for Eastern and Southern Africa (COMESA)	Ms. Chileshe Kapwepwe	Mr. E.A. Mohammed
East African Community (EAC)	Hon. Dr. Peter Mutuku Mathuki	Director for Trade
Economic Community of West African States (ECOWAS)	c/o Mr. Jean-Claude Kassi Brou	-
European Union (EU)	Mr. Regis Meritan	Mr. Michel de Knoop
Southern African Development Community (SADC)	c/o H.E. Elias Mpedi Magosi	-
West African Economic and Monetary Union (WAEMU/UEMOA)	c/o Mr. Abdoulaye Diop	-

Photo: Adobe stock

Photo: Chelekot village, Tigray region, Ethiopia, © FAO/Michael Tewelde

ANNEX II

Member States, Institutional Members and Votes as of 31 December 2021

Country	Region	No. of votes	LDC
Afghanistan	Asia	357	X
Algeria	Africa	395	
Angola	Africa	391	X
Argentina	LAC	496	
Bangladesh	Asia	426	X
Benin	Africa	347	X
Bhutan	Asia	343	X
Botswana	Africa	347	
Brazil	LAC	1,024	
Bulgaria	Europe	417	
Burkina Faso	Africa	347	X
Burundi	Africa	343	X
Cameroon	Africa	389	
Cabo Verde	Africa	343	
Central African Republic	Africa	349	X
Chad	Africa	351	X
China	Asia	3,000	
Colombia	LAC	490	
Comoros	Africa	343	X
Congo	Africa	351	
Costa Rica	LAC	393	
Côte d'Ivoire	Africa	476	
Cuba	LAC	584	
Democratic People's Republic of Korea	Asia	355	
Democratic Republic of the Congo	Africa	476	X
Denmark	Europe	643	
Djibouti	Africa	343	X
Ecuador	LAC	391	
Egypt	Africa	476	
Equatorial Guinea	Africa	347	
Eswatini	Africa	355	
Ethiopia	Africa	366	X
Finland	Europe	535	
Gabon	Africa	368	
Gambia	Africa	349	X
Germany	Europe	4,362	
Ghana	Africa	426	
Greece	Europe	309	
Guatemala	LAC	401	

Country	Region	No. of votes	LDC
Guinea	Africa	357	X
Guinea-Bissau	Africa	343	X
Haiti	LAC	353	X
Honduras	LAC	372	
India	Asia	621	
Indonesia	Asia	575	
Iraq	Asia	376	
Ireland	Europe	309	
Italy	Europe	2,065	
Jamaica	LAC	380	
Kenya	Africa	387	
Kuwait	Asia	351	
Lao People's Dem. Republic	Asia	345	X
Lesotho	Africa	343	X
Madagascar	Africa	360	X
Malawi	Africa	351	X
Malaysia	Asia	768	
Maldives	Asia	343	
Mali	Africa	351	X
Mauritania	Africa	366	X
Mexico	LAC	469	
Morocco	Africa	449	
Mozambique	Africa	360	X
Myanmar	Asia	355	X
Nepal	Asia	345	X
Netherlands	Europe	1,086	
Nicaragua	LAC	382	
Niger	Africa	347	X
Nigeria	Africa	440	
Norway	Europe	549	
Pakistan	Asia	407	
Papua New Guinea	Asia	389	
Peru	LAC	445	
Philippines	Asia	580	
Portugal	Europe	309	
Republic of Korea	Asia	490	
Russian Federation	Europe	4,257	
Rwanda	Africa	351	X
Samoa	Asia	343	
Sao Tome and Principe	Africa	345	X
Saudi Arabia	Asia	357	

Country	Region	No. of votes	LDC
Senegal	Africa	382	X
Sierra Leone	Africa	351	X
Singapore	Asia	441	
Somalia	Africa	347	X
Spain	Europe	1,126	
Sri Lanka	Asia	413	
Sudan	Africa	413	X
Sweden	Europe	929	
Syria	Asia	382	
Thailand	Asia	449	
Togo	Africa	358	X
Trinidad and Tobago	LAC	353	
Tunisia	Africa	380	
Uganda	Africa	395	X
United Republic of Tanzania	Africa	380	X
United Arab Emirates	Asia	347	
United Kingdom of Great Britain and Northern Ireland	Europe	2,550	
Venezuela	LAC	401	
Yemen	Asia	544	X
Zambia	Africa	505	X
Zimbabwe	Africa	343	
EC	Europe	0	
AU	Africa	0	
COMESA	Africa	0	
EAC	Africa	0	
CAN	LAC	0	
CARICOM	LAC	0	
SADC	Africa	0	
ECOWAS	Africa	0	
WAEMU/UEMOA	Africa	0	
TOTAL		**57,364**	

LDC: Least Developed Country
LAC: Latin America and the Caribbean Countries

Institutional Members of the Common Fund for Commodities

African Union (AU) - Addis Ababa, Ethiopia
Andean Community (CAN) - Lima, Peru
Caribbean Community (CARICOM) - Greater Georgetown, Guyana
Common Market for Eastern & Southern Africa (COMESA) - Lusaka, Zambia
East African Community (EAC) - Arusha, Tanzania
Economic Community of West African States (ECOWAS) - Abuja, Nigeria
European Union (EU) - Brussels, Belgium
South African Development Community (SADC) - Gaborone, Botswana
West African Economic & Monetary Union (WAEMU/UEMOA) - Ouagadougou, Burkina Faso

Designated International Commodity Bodies (ICBs)

1. International Cocoa Organization (ICCO)
2. International Coffee Organization (ICO)
3. International Copper Study Group (ICSG)
4. International Cotton Advisory Committee (ICAC)
5. International Grains Council (IGC)
6. International Lead and Zinc Study Group (ILZSG)
7. International Bamboo and Rattan Organisation (INBAR)
8. International Nickel Study Group (INSG)
9. International Olive Council (IOC)
10. International Rubber Study Group (IRSG)
11. International Sugar Organization (ISO)
12. International Tropical Timber Organization (ITTO)
13. FAO - Intergovernmental Sub-Group on Bananas
14. FAO - Intergovernmental Group on Citrus Fruit
15. FAO - Intergovernmental Sub-Committee on Fish Trade
16. FAO - Intergovernmental Group on Grains
17. FAO - Intergovernmental Group on Hard Fibres
18. FAO - Intergovernmental Sub-Group on Hides and Skins
19. FAO - Intergovernmental Group on Meat and Dairy Products
20. FAO - Intergovernmental Group on Oils, Oilseeds and Fats
21. FAO - Intergovernmental Group on Rice
22. FAO - Intergovernmental Group on Tea
23. FAO - Intergovernmental Sub-Group on Tropical Fruits

Institutions with Memoranda of Understanding

The Common Fund for Commodities has concluded Memoranda of Understanding with the following institutions:

1. African Development Bank (AfDB)/African Development Fund
2. African Export-Import Bank (AFEXIM)
3. Arab Organization for Agricultural Development (AOAD)
4. Authority for Integrated Development of the Liptako-Gourma Region (ALG)/L'Autorité de Developpement Integré de la Region du Liptako-Gourma
5. Food and Agriculture Organization of the United Nations (FAO)
6. Grupo de Paises Latino Americanos y del Caribe Exportadores de Azúcar (GEPLACEA)
7. Inter-American Institute for Cooperation on Agriculture (IICA)
8. International Atomic Energy Agency (IAEA)
9. Islamic Centre for Development of Trade (ICDT)
10. OXFAM
11. Sistema Económico Latino Americano (SELA)
12. United Nations Conference on Trade and Development (UNCTAD)
13. United Nations Convention to Combat Desertification (UNCCD)
14. United Nations Economic and Social Commission for Asia and the Pacific (ESCAP)
15. United Nations Economic and Social Commission for Latin America and the Caribbean (ECLAC)
16. United Nations Human Settlements Programme (UN-HABITAT)
17. United Nations Industrial Development Organization (UNIDO)
18. United States Agency for International Development (USAID)
19. West African Economic and Monetary Union (WAEMU)/Union Economique et Monétaire Ouest Africaine (UEMOA)
20. Dutch-Bangla Chamber of Commerce and Industries (DBCCI)
21. Council on Smallholder Agricultural Finance (CSAF)

Abbreviations

AAF-SME	Africa Agriculture SME Fund
AATIF	Africa Agriculture Trade and Investment Fund
ABP	Anchor Borrowers Program
ACE	Agricultural Commodity Exchange
ACP	African, Caribbean and Pacific
AECID	Spanish Agency for International Development Cooperation
AFC	Agronomika Finance Corporation
AFD	Agence Française de Développement
AfDB	African Development Bank
AFSF	Africa Food Security Fund
AGSMEIS	Agri-Business Small and Medium Enterprises Investment Scheme
ATAF	Moringa Agroforestry Technical Assistance Fund
AU	African Union
BDS	Business Development Services
BMZ	German Ministry for Development Cooperation and Economic Development
CAF	Latin American Development Bank
CARDI	Caribbean Agricultural Research and Development Institute
CDDCs	Commodity Dependent Developing Countries
CFC	Common Fund for Commodities
CFGBV	Community Forest Group BV
CIIF	Commodity Impact Investment Facility
COMIFAC	Central African Forests Commission
COVID	Coronavirus Disease
CSAF	Council on Smallholder Agricultural Finance
CRIG	Cocoa Research Institute of Ghana
DIB	Development Impact Bond
DPoA	Doha Programme of Action
DRC	Democratic Republic of Congo
DTF	Dutch Trust Fund
EAFCA	African Fine Coffee Association
EB	Executive Board
EC	European Commission
EcoE II	EcoEnterprises Partners II L.P.
ECOSOC	United Nations Economic and Social Council
ECOWAS	Economic Community of West African States
EDB	Sri Lanka Export Development Board
EFTA	Equity For Tanzania Ltd.
EIB	European Investment Bank
ELF	Emergency Liquidity Facility
ESG	Environmental, Social and Governance
EU	European Union
EUCORD	European Development Co-operative
FACTS	Financial Access Commerce and Trade Services
FANEI	First Account Net Earnings Initiative
FAO	Food and Agriculture Organization of the United Nations
FDI	Foreign Direct Investment
FMO	The Netherlands Entrepreneurial Development Bank
FSC	Forest Stewardship Council
FSP	Financial Service Provider
FTESA	Food Trade East and Southern Africa
GAIN	Global Alliance for Improved Nutrition
GCF	Green Climate Fund
GI	Geographical Indication
GIIN	Global Impact Investing Network
GIZ	Deutsche Gesellschaft Für Internationale Zusammenarbeit
Ha	Hectares
IADB	Interamerican Development Bank
IAG	Inter-Agency Working Group
ICAC	International Cotton Advisory Committee
ICBR	International Centre for Bamboo and Rattan
ICBs	International Commodity Bodies
ICCO	International Cocoa Organization
ICO	International Coffee Organization
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFDC	International Fertilizer Development Center
IJSG	International Jute Study Group
ILO	International Labour Organisation
INBAR	International Bamboo and Rattan Organization
INFOFISH	Centre for Marketing Information and Advisory Services for Fishery Products in Asia and Pacific
IOOC	International Olive Oil Council
IPoA	Istanbul Program of Action
ISO	International Sugar Organization
ITC	International Trade Centre
ITTO	International Tropical Timber Organization
IZA	International Zinc Association
KIT	Royal Tropical Institute
LA	Loan Agreement
LDC	Least Developed Country
LLDC's	Land Locked Developing Countries
MD	Managing Director
MDG	Millennium Development Goal
MEDF	Malawi Enterprise Development Fund
MMA	MatchMaker Associates
NEI	Natural Extracts Industries Limited
NGO	Non-Governmental Organization
NMB	National Microfinance Bank
OFID	OPEC Fund for International Development
PPP	Public Private Partnership
RED	Renewable Energy Directive
REDD+	Reducing Emissions from Deforestation and forest Degradation, plus the sustainable management of forests, and the conservation and enhancement of forest carbon stocks
SDG	Sustainable Development Goal
SEMS	Social and Environmental Management System
SIDS	Small Island Developing States
SIF	SME Impact Fund
SMEs	Small and medium sized enterprises
SSA	Sub Saharan Africa
SFF	Schmidt Family Foundation
TA	Technical Assistance
TAF	Technical Assistance Facility
TAHA	Tanzania Horticultural Association
UCO	Used Cooking Oil
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	UN Economic Commission for Africa
UNIDO	United Nations Industrial Development Organization
UN-OHRLLS	United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
VECO	Vredeseilanden Country Office
VPoA	Vienna Programme of Action
WEF	World Economic Forum
WHO	World Health Organization
WTO	World Trade Organization
WUR	Wageningen University and Research

Map Disclaimer
Maps are presented for illustration purposes only. The designations employed and the presentation of the material on maps in this report do not imply the expression of any opinion whatsoever on the part of the Common Fund for Commodities concerning the legal status of any country, territory, or concerning the delimitation of its frontiers or boundaries.

Visiting Address
Rietlandpark 301
1019 DW Amsterdam
The Netherlands

Postal Address
P.O. Box 74656, 1070 BR Amsterdam
The Netherlands
t +31 (0)20 575 4949
f +31 (0)20 676 0231
e managing.director@common-fund.org
i www.common-fund.org

Editor
Royal Tropical Institute, Amsterdam

Graphic Design
Anita Simons, symsign, Amersfoort

Printing
VdR druk & print, Nijkerk