common fund for commodities

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Photo: Mercon

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The journey of coffee: **CFC support to Mercon's innovative LIFT sustainability platform**

From the fast hands of the barista at your favourite local café, to the knowledgeable farmer who grew and harvested the coffee beans, the journey of coffee is a long and fascinating one. It is a journey of people and places, of nourishment and growth.

Since its beginnings in Nicaragua in 1952, Mercon Coffee Group, a global green coffee supplier, has built valuable relationships with coffee farmers, helping them manage their farms more effectively to become better producers.

As early as 2005, Mercon had services in place for farmers to benefit from, such as micro-financial services, technical assistance, certification support, and even an educational program to support schools in rural farming areas. The more the Group grew, the more it became clear that a structured platform was needed – not only to continue to provide farmers with services, but also to expand Mercon's potential impact.

Thus, LIFT was established; a turning point for Mercon. LIFT is an innovative, sustainable production platform that provides tools, training and services to coffee farmers and communities to raise their quality of life by helping them improve their productivity in a socially and environmentally conscious way.

"We are evolving as an organization, and as the world faces new challenges, we continue to add opportunities," says Giacomo Celi, Mercon's Sustainability Director. *"The focus was always the wellbeing of farmers, but now we know that the support we can give goes way beyond that."*

What is particularly innovative about LIFT is that it is making impact measurable and, therefore, can assign accountability. The programme has 18 practices which were developed based on three pillars: productivity, environment, and social development. Each farmer has their work measured against those 18 common practices and is eventually assigned a score. Three of the practices are mandatory: no child labour, no discrimination, and fair and equitable payment. Other practices are evaluated with different weights. Through the training and educational services offered by LIFT, Mercon aims for farmers to reach at least 80% in the LIFT Index within the first three years of program participation. There are currently more than 3,000 farmers in LIFT from five different countries (Nicaragua, Honduras, Guatemala, Brazil, and Vietnam) and Mercon expects to reach nearly 6,000 participants by 2023.

Mercon is also the first green coffee supplier to have a sustainability-linked revolving credit facility. The innovative aspect of this loan is that it links the impact performance of LIFT with the interest rate of the facility. This means that if Mercon continues to train farmers though the LIFT program and achieves its key performances indicators (KPIs), an interest margin reduction is applied on the loan interest rate. If, on the other hand, no KPI ▶

is achieved, an interest margin addition is applied to its loans. Mercon's KPIs are verified by an external auditing company, making the process even more transparent.

At the beginning of 2021, the Common Fund for Commodities (CFC) joined Mercon's credit facility, both because of the innovative nature of this system and because of the desire to support a model that will (hopefully) be adopted by more companies and suppliers in the sector. The CFC's loan of USD 5 million, currently the biggest project for the organization, will add to Mercon's ability to fund short-term advances to growers.

"The coffee sector is fragmented," explains Celi. *"There are initiatives, but it has been challenging to create an organised movement that can really push the sector forward in terms of social and environmental sustainability. Innovation is led by a few companies, and we wish Mercon to lead the way, but it's only through mutual collaboration that we can achieve real change on a global scale."*

"At a time when the CFC is encouraging people to pause and think why our farmers are so poorly paid, we are encouraged by Mercon's innovative programs, designed to increase revenue for the farmers. We wish to continue this shared journey to make the value chain simplistic, minimal, and intuitive so farmers get what is rightfully theirs, and consumers are happy with what they get as well," says Ambassador Sheikh Mohammed Belal, the CFC's Managing Director.

The CFC hopes to be part of that journey by inspiring other companies to follow Mercon's example. With our long experience with impact investing, the CFC proves that values and profit need no longer be in competition. This type of investing signals commitment as a responsible investor without sacrificing returns. Coffee farmers deserve to be treated with dignity; we thank Mercon for their sincere efforts to make these positive, long-term changes. ■

Photo: Mercon

Concerted effort of the **CFC Consultative Committee to address development challenges**

Ms. Jie Chen is currently serving as Chairperson of the Consultative Committee (CC) for the CFC. She works with the Chinese Academy of Forestry and has vast experience in forest product trade, sustainable supply chain of timber and certification/verification. Based on her research and practical work, she has been actively providing support to policy decision makings and offering technical support to timber companies for legal and sustainable forest products trade.

What is your experience working with commodities?

Together with my colleagues, I have been working on the commodity of timber, especially timber value chain and forest certification/verification. The experience in the timber supply chain between China, Africa and the Association of Southeast Asian Nations allowed me to gain good understandings of tropical timber production and trade. To ensure a legal and transparent timber supply chain, I helped to develop a due diligence verification system that adapts to the timber supply chain in China as well as the legal timber procurement guidelines. I also work with timber companies and associations in China to promote the use of these tools for better supply chain management and ensure that companies have the capacity to meet the national and international legislative requirements on timber legality. I think my experience in the green and legal timber supply chain is significant, especially in encouraging timber companies to pay more attention to local livelihood and environment conservation in the host countries during timber trading.

How does this experience relate to the CFC?

The CFC emphasises development impacts, especially in the least developed regions. Although the CFC currently receives few projects on forestry and timber, my experience in timber supply chains enables me to understand problems in the supply chain for agriculture and other products, and understand what the smallholders in Asia, Africa and Latin America need for achieving better practices and moving toward sustainable, environmentally friendly and responsible commodity production. Moreover, my experience could give the CC a different angle to review projects through, and my connections with timber and agroforestry companies make me well placed to share the call for such projects with a wider field of potential applicants. I believe that many more people and projects could get to know the CFC and benefit from this source of funding.

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

What is the importance of the CC for the CFC's operations?

The CFC is a development fund for commodities, with a special emphasis on small producers and their economic benefits from supply chain. How to make sure that the CFC's funding reaches the right projects, the right people and the right countries is the main responsibility of the CC. It evaluates the submitted projects based on their economic viability, managerial capacity, and social, environmental, and innovative impact. To achieve fair and equitable project assessments and recommend the right projects to the Executive Board (EB), the CC is composed of representatives with different backgrounds from 9 countries, providing good insights and rich, diversified experiences on commodities. Every year, the CC members have two meetings to review the projects submitted, using their knowledge, expertise and experience to ensure that the CFC's current financial resources can be responsibly used to achieve the CFC's aim of developing commodities for the benefit of everyone in the supply chain. The CC's review of projects helps the CFC to avoid social, environment and economic risks and brings new concepts and ideas to future project screening. All in all, the CC's work is important, providing essential support to the EB's decision making.

How has the CC been operating and assessing projects during the COVID-19?

COVID-19 was an unexpected interruption to everyone's life, but the CC continued operating normally under the support of the Secretariat. The CC's work did not stop because of the pandemic; in fact, it has become even more crucial, as emergency funding needs to be allocated for economic recovery, especially in developing countries, which are the CFC's main concern. In this context, the CC held virtual meetings to assess projects, following our usual procedures. The CC also uses the intersessional mechanism to assess and approve emergency projects via email. So far, all the members are pleased with our contribution and support to the CFC's quick efforts to aid post-pandemic recovery.

What is your experience with virtual meetings?

Overall, my experiences with virtual meetings have been good. They give us many conveniences: there is no need for visas, long travel times, jet lag, etc. It is time-saving for members who are busy with office work. Of course, working virtually also brings some inconveniences. It is sometimes hard for the CC members to be 100% focused on the discussions while still dealing with their office work. For members from Asia and Latin America, virtual meetings mean a much longer workday – I have worked 16 hours on meeting days! Virtual meetings often don't allow for CC members to have in-depth communications, and there are four new members who we haven't met in person until now. I think virtual meetings can be used in the future to complement in-person meetings (which I still prefer) to ensure good discussion and communication.

Could you comment on the fact that you are the first woman to be the CFC's CC Chair after CFC reforms, and are part of the first CC with the majority of members being women?

I feel very honoured and proud to be the first woman Chairperson of the CC in the reformed CFC. I am grateful to the CFC and my colleagues in the CC for their support. However, it's even more exciting to see this CC with a female majority; it is good for me to hear 'ladies and gentlemen' instead of only 'gentlemen' in the CC meeting. As the only woman on the last CC, I was often neglected and included in 'gentlemen'. In the last two CC meetings, our women members offered inspiring thoughts and suggestions on our project assessments and the CFC's work. In China, we often say that women can hold up half of the sky, and women regularly prove their capability in professional spaces. I believe this CC will contribute even more to the CFC's work with the help of these creative women members, and I hope that the CFC will continue to offer more opportunities to women. ■

What is the **potential of blockchain in the agri-sector?**[1]

Blockchain technology has gained considerable attention in commodity value chains. Given its potential to make the whole value chain transparent through digital recording of each transaction, blockchain offers hope for greater transparency in the value chain, benefitting smallholders and small and medium-sized enterprises (SMEs). While its most enthusiastic adopters claim this technology may result in great economic and developmental benefits, blockchain is still far from being accepted at face value — at least, in agri-food value chains.

Organisations like United Nations Conference on Trade and Development (UNCTAD), Food and Agricultural Organization (FAO), and more, have been engaged in a number of pilot programs, but final judgement is still pending.

Blockchain: how it works

With the increasing speed of technological developments, blockchain has gained importance in multiple sectors. Although it is mostly known as the underlying technology behind cryptocurrencies, many sectors have now launched blockchain trials. Its intrinsic advantages as a foundational technology may have transformative effects across any sectors requiring some form of trusted information sharing.

Blockchain uses mathematics to distribute information across digital wallets held by each participant in a network. Information stored in this 'distributed ledger' is trustworthy because any change requires confirmation by majority of participants. Traditionally, trusted transactions had to be verified by a central authority. Blockchain changes that and allows parties of the transaction to perform verification by majority confirmation and without the need for a central authority. This confirmation process is such that a user simply sees a record of transactions that is secure and cannot be changed by anyone. This can be of great help when establishing a product's provenance within a supply chain and can even provide conscious consumers the information they need to make informed choices. If applied well, this technology may deliver significant benefits, including reduction of transaction costs, and increased transparency, accuracy, and confidence in the information shared.

Uses of blockchain in agri-food

The agri-food sector often faces certain specific challenges: lack of trust between value chain players, complex and paper-heavy processes, lack of transparency, and the many problems that most smallholders face (such as lack of credit histories and poor access to markets) are the most common ones. Blockchain promises to address most – if not all – of these issues.

For this reason, several pilots and experiments were implemented by front-running companies, public institutions, non-profits, and public-private partnerships to identify and test blockchain use cases, and to create proofs of concepts in the agri-food sector. These early adopters claim using blockchain may offer the sector several benefits, including:

- improved transparency and traceability in supply chains;
- increased trust between value chain players;
- improved information exchange;
- cost efficiencies related to faster and cheaper transactions and faster product recalls;
- a fairer value distribution.

Moreover, positive impact may be achieved through blockchain's distributed nature. It can help create better social and environmental conditions for smallholder farmers, communities, and societies, by facilitating higher prices, improved financial services, new income streams, and more efficient technical assistance.

Factors to consider during implementation

When deciding on new projects incorporating blockchain, investors and companies must assess whether it is feasible and beneficial for all parties involved. They must also confirm if this is the most cost-efficient solution available or if there are other, more efficient,

[1] This text is based on the article *'Harnessing blockchain technology for commodity chains'* published in CFC's 2019 Annual Report and prepared by the KIT Royal Tropical Institute. The article is available at: https://www.common-fund.org/sites/default/files/Publications/CFC_AR_19-Harnessing_blockchain_technology_for_commodity_chains.pdf

options. Some questions to be considered when deciding to adopt this new technology are:

1 Is there a business case for blockchain? And does this apply for all parties involved?

An important factor when assessing a business case for any investment is the Return on the Investment (ROI). The added value needs to be assessed for all different participants, users, and beneficiaries. As blockchain is a new technology, there is limited proof of ROI from existing pilots. Additionally, depending on the use case, ROI may not be encouraging in the short term. Initial investments are relatively high, as projects require substantial learning, human resources, and time to set up terms and processes. Those embarking on a blockchain project must be able to accommodate changes in their own processes, software use, partnership forms, and possibly culture.

2 Does blockchain provide social and/or environmental benefits? And to whom?

Despite the challenges in conducting credible impact assessments, blockchain implementers need to make efforts to properly quantify the related social and environmental impacts. They may also need to consider that the complexity of blockchain may lead to a new digital divide, based on levels of digital skills and access to (and control over) technologies needed to access it.

3 How can blockchain technology drive value in a business? Is it strictly necessary?

Implementors should ask critical questions about the added value of blockchain in solving their challenges, in comparison with existing solutions. Due to the innovative and disruptive nature of the technology, any blockchain investment carries a high degree of risk and uncertainty. Deep understanding of existing business processes and systems is necessary. Other cheaper, more established, and easier to implement solutions might well be preferable depending on the specifics of the case.

4 Are there any ongoing projects and existing digital solutions, which could be replaced, enhanced, or initiated with blockchain technology?

Organisations with already robust systems in place may benefit from specific features of blockchain without needing to adjust their entire internal process. In these cases, a software development partner could offer blockchain technology as a straightforward add-on, to store some data in a distributed database, without focusing on blockchain's many other features.

5 How willing are partners in the investment to collaborate?

An 'ecosystem' must be established for any blockchain use case, such as a supply chain partnership, a public-private partnership, or another form of cooperation arrangement. To assess the feasibility of using blockchain, implementers must consider the willingness of the collaborating parties to share data, create transaction rules, and make investments. Aligning strategic incentives of the partners involved is critical for a successful blockchain project.

Conclusions

Blockchain is revolutionising different sectors of the economy with efficient, reliable, and cost-effective solutions. Its applications may also have a transformative impact on the agriculture sector, particularly on smallholder farmers and SMEs. However, given the limited number of companies using this solution in the agri-sector, evidence of its real impact is still scarce. This does not necessarily mean that benefits are not possible, just that the sector's use of blockchain is still immature. Only through trial and error can investors in blockchain technology accelerate the scaling up of use cases, succeed in maximising supply chain and smallholder benefits, and define long-term business cases.

The ability of blockchain to track, in real-time, the changing ownerships of good across borders can offer perishable agri-commodities in the developing world a new lease of life. The end-to-end visibility of live transaction data increases transparency of the entire value chain and improves access to information for the private sector and government authorities alike. This traceability and immediate data access should improve predictability for the actors involved and boost efficiency across the supply chain. Its adoption by border-regulatory agencies in particular can remove the need for lengthy paper-based formalities and documentation requirements, as e-certificates and e-permits are immediately shared by all authorised parties.

Photos: Adobe

CFC's involvement in blockchain

Recognising the potential and complexities of blockchain in commodity value chains, the CFC is constantly monitoring the evolution of the technology and is closely watching its applicability for smallholder farmers. In this regard, the CFC is currently exploring involvement in a new project using the technology, promoted by a specialty coffee exporter in a member state of the CFC. The project aims to use blockchain to allow for full traceability of coffee beans in its supply chain, from farm to cup. By increasing the transparency in the entire value chain, the project intends to reveal the 'true' coffee price, and, as a result, ensure that a fair price is paid to the smallholder farmers. If successfully implemented, this project may help to transform the sector, with farmers receiving what they deserve and improving the quality of life for their families. The CFC will continue to pilot such ideas so that smallholders, farmers, and workers can significantly increase their income and climb from the pit of poverty to the life they deserve.

The CFC welcomes comments and suggestions to Managing.Director@common-fund.org as to how commodity value chains could be made transparent using technologies like blockchain. ■

Striving to grow: **the impact fund helping SMEs in Tanzania**

Imagine you have a small business, and you need a loan to grow. Now imagine you are too small to be even considered by your local bank, yet too large for micro-financing. Often, when we think about small and medium enterprises (SMEs), we tend to consider them as a unified category, similar in size and needs. But the reality on the ground is much more diverse, and for a lot of entrepreneurs, access to financial support is more complicated than it appears on paper.

This is particularly true in a lot of African countries, where agriculture is a crucial sector. Small- and medium-sized agribusinesses provide livelihoods for many people, and fuel economic development.

Though not often discussed in global dialogues on the smallholder farmer financing gap, the challenge of managing foreign currency risk is a critical issue facing finance managers who work on the frontlines. The unpredictability and variability of farmer cash flows, along with the variability of loan tenors required, make it difficult for lenders to predict repayment cycles, aggregate repayments, and reliably hedge their exposure if a loan is in foreign currency.

In 2013, to fill this financing gap, the SME Impact Fund (SIF) was launched in Tanzania to offer local currency loans to processors and traders who found themselves unable to access traditional financial opportunities. *"We have already offered loans to over 70 SMEs in Tanzania, particularly in the food commodity sector,"* says Allert Mentink, CEO at SIF. *"Most of our entrepreneurs process maize and rice or produce sunflower oil. We support them through relatively small loans and technical assistance to strengthen their capacity and help them grow."*

Many end-beneficiaries are smallholder farmers who live in rural areas of East Africa and access to financing and new markets can make a real difference. Better farming practices lead to more productivity and therefore more income, while also leading to more environmentally friendly production and increased climate resilience. What is innovative about SIF, however, is not only that they are helping a lot of small and medium enterprises to grow, but also that their approach is focused on achieving a real and measurable impact. This vision, is the reason why the CFC invested in SIF since the beginning, even holding a seat on their Advisory Board. SIF measures and monitors its social impact based on an impact assessment tool developed by the Finance Alliance for Sustainable Trade. Impact is measured against social, economic, and environmental indicators and, in consultation with the SMEs, benchmarks are set and monitored throughout the loan.

"Impact measurement is very important for us," continues Mentink. *"We want to make sure that what we are doing works, but we also need to understand where we can improve."*

In-depth impact surveys are occasionally undertaken, and so far the results are promising. Nonetheless, Mentink is also aware of the shortcomings of the system. *"We want our impact to be measured not only through numbers, which is why we decided to interview our suppliers directly through a third-party company to hear what they had to say,"* he explains. *"The preliminary results are very encouraging and while this is a great starting point, we are aware that the results may not be completely accurate because farmers tend to speak mostly positive when they are talking to someone they don't know. So, we are working on building their confidence to be able to open up about what is not working as well. That's how we can improve."*

Photos: SIF

SIF plans to expand to other countries in the future. They are also looking at supporting more women entrepreneurs going forward: *"usually when it comes to family businesses, women are the backbone of the company,"* says Allert Mentink. *"They also tend to be better at paying back loans and are more conservative when it comes to taking up loans, so they rarely over-ask, and they usually already have some of the money put aside to start paying back."* Anyone who has a small business can empathise with the difficulties of having enough funds to be able to survive and invest in growth. For the almost 20,000 smallholder farmers who have benefitted from SIF's small loans, they are expected to create even broader impacts in many ways.

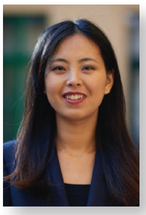
"At the CFC, we invest in innovative, impactful ideas, like SIF. We're not simply investing to make money; we're investing to make a difference. With this partnership, the CFC is also keeping its promise to 'walk back' along the value chain to see that smallholders receive what is fair and commensurate to their toil and labour. It complements our goal to make the value chain transparent and traceable, while remaining gender sensitive," says Andrey Kuleshov, Strategy and Development Advisor of the CFC.

What is truly inspiring about SIF is their persistent desire to do more and do better using finance and innovation together. This has the potential to be game changing for so many SMEs all around Africa, and to inspire for the rest of the world. In order to realize these ambitions, SIF plans to expand to other countries in East Africa, such as Uganda and Kenya, by 2023. ■

CFC staff trainings and certifications

The CFC encourages all staff members to gain new insights and skill sets to make greater impacts for people and the planet through innovation and creativity. Here is an overview of the trainings recently received by our staff members.

Nicolaus Cromme, Project Manager, took a course on **Agricultural Finance**, offered by the **Frankfurt School of Finance**, which examined specific considerations for issuing loans to agricultural SMEs. It provided tools and insights on how to conduct a thorough assessment of an agricultural business, a complex undertaking.



Liz He, Junior Project Manager, has joined the Certified Expert in **SME Finance** course offered by the **Frankfurt School of Finance and Management**. The six-month course focuses on credit risk analysis, the lending decision process, appropriate risk-taking intermediation, and customer relationship management. The insights and methodology acquired can strengthen the CFC's support to SMEs in the commodity sector.

Gustavo Katz Braga, Impact Strategy Officer, has attended the **Oxford Impact Measurement Programme** to keep up to date on the last trends and best practices regarding impact measurement and management. The programme focused on the core concepts and emerging issues in impact measurement. Gustavo is also pursuing the Chartered Financial Analyst (CFA) designation, one of the highest distinctions in investment management.

Renee Molenaar, Assistant Accountant, completed a **Customer Due Diligence and Anti-Money Laundering training with NCI (Dutch Compliance Institute)** and a CAMS training.

Peter Andreas Nielsen, Project Manager, took a six-month course on **Climate and Renewable Energy Finance**, given by the **Frankfurt School of Finance and Management** in collaboration with the **UN Environmental Programme**. The course provided tools to analyse business cases for investing in renewable energy, technological complexity, and institutional settings. These skills will help to strengthen the climate impact of the CFC portfolio.

Michele Schwarz, Head of Accounting and Administration, is studying to become a **Certified Anti-Money Laundering Specialist (CAMS)**. CAMS is an established global qualification that outlines the key signs of money laundering and how to prevent it. The certifying organisation is ACAMS, the largest international membership organisation for anti-financial crime professionals. ■

Outreach initiatives of the CFC from April to September 2021

During these past six months, the CFC engaged in a variety of activities to encourage support for cheaper finance for commodity-dependent developing countries (CDDCs). The Managing Director of the CFC, Ambassador Sheikh Mohammed Belal, and other high-level officials have concentrated efforts to keep member states updated on the CFC's latest activities and earn support for new initiatives the CFC is considering. New opportunities for partnerships and memberships were explored. Discussions focused on the CFC's efforts to incorporate innovations in value chain transparency to bring more income to smallholders and SMEs.

Amb. Belal also visited the United Nations, in New York, to consult with experts on avenues for cheaper finance for CDDCs, specifically in the Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs). explore more partnerships aimed at increasing resources and innovations to urgently alleviate poverty.

As COVID-19 has led to a shift towards the virtual environment for most meetings, the CFC could increase its presence in international fora such as those organised by UNCTAD, UN-OHRLLS, BRICS, and the African Union. This enabled the CFC to have its voice heard on a larger scale, to foster collaboration and to strengthen the role of impact investing in commodity value chains. ■

Overview of meetings between the MD and representatives of countries and organisations from April to September 2021 (in alphabetical order)

Country / Company / Institution
Ambassador of Bangladesh
Ambassador of Costa Rica and Trade Consultant of ProComer (Costa Rica)
Ambassador of India
Ambassador of Kenya
Ambassador of Nigeria
Ambassador of Sri Lanka
Ambassador of the Philippines
Ambassador of the United Arab Emirates
Ambassador of Uganda from Brussels
CEO of Olivado (a business conglomerate in Kenya)
CEO of the Netherlands-African Business Council
Chief Economist of the UN Department of Economic and Social Affairs
Co-Chair of LDC 5 and Permanent Representative of Bangladesh
Dean of Diplomatic Corps in the Netherlands and Ambassador of Nicaragua
Deputy Ambassador of Kenya
Director General of the OPCW
Governor of the Netherlands to the CFC
Permanent Representative of Venezuela
Under-Secretary-General of Office of the Special Adviser on Africa
Under-Secretary-General of UN-OHRLLS

68th Meeting of the **Consultative Committee**

The Consultative Committee of the Common Fund for Commodities held its 68th meeting virtually from 28 June to 1 July 2021. The Committee reviewed five regular projects, analysing technical feasibility and practical potential for lasting developmental impact. The Committee recommended all five projects for further consideration and approval by the Executive Board of the CFC.

Comafruits - Mali - CFC-2021-18-0006

Comafruits SAS (Comafruits) is a mango-processing company from Mali. The company sources mangoes from 2,500 smallholder farmers, processing them into mango puree and concentrate for export to Canada and Europe. In 2021, Comafruits is launching production of frozen mango cubes with Individually Quick Frozen (IQF) cubes, an innovative processing technology in West Africa. As international demand for mango and mango puree increases, Comafruits is seeking working capital to finance seasonable consumables, and to procure mangoes for processing. The project is expected to generate higher incomes for 4,350 smallholder farmers, and to provide 200 temporary jobs within seven years. The CC recommended financing the project with a loan of up to EUR 1,500,000.

Coffee Planet - United Arab Emirates - CFC-2021-18-0014

Based in the United Arab Emirates, Coffee Planet LLC is a coffee roaster providing end-to-end solutions in the coffee sector: roasted coffee beans, consumables and machines. The company sources raw green coffee from major coffee-producing regions, specifically Nicaragua and Brazil. As it operates at the highest industry standards, Coffee Planet holds various certifications such as HACCP, UTZ, BRC and an ISO certified roastery. Committed to the sustainability of the coffee industry, the company strives to source more coffee beans directly from farmer groups and cooperatives. The CFC support to Coffee Planet will create 830 additional jobs in rural areas where the coffee is sourced. The CC recommended financing the project with a loan of up to USD 2,000,000.

Traceable Arabica Coffee - Indonesia - CFC-2021-18-0017

COOP Coffee is an Indonesian coffee business that trades, processes, and exports specialty coffee based on an innovative blockchain concept. Following a farm-to-cup model, the company endeavours to improve coffee farmers' living standards by providing direct access to international markets through transparency and co-operation. With its advanced traceability concept and vertically integrated business model owned by farmers, COOP Coffee has partnered with major coffee retailers in the world. The company is now seeking financing to upscale its activities and source coffee cherries from 800 to 8,500 farmers, whose incomes would increase. The CC recommended financing the project with a loan of up to USD 380,000.

Enimiro Integrated Value Chains - Uganda - CFC-2021-18-0027

Enimiro is an organically certified exporter of vanilla, coffee, and dry fruits from Uganda. Founded in 2019, the company has built a unique model of organic certification schemes with full digital traceability and monitoring software, allowing transparency of the supply chain and data for certification in the smallholder farming sector. Enimiro now envisions providing farmers with a consistent market for their output to meet business growth requirements. With this project, Enimiro would source crops from 7,400 smallholder farmers (up from 1,100 currently), who would receive better incomes and diversification through alternative agricultural methods. The CC recommended financing the project with a loan of up to USD 800,000.

Bonde la Ufa B.V. - Kenya, Uganda, Zambia, Malawi, Rwanda and Tanzania - CFC-2021-18-0035

Bonde la Ufa B.V. ('Bonde') is an investment company that seeks to invest in agricultural companies in Africa to improve global food security, reduce waste, mitigate climate change, and create jobs. Bonde's business model aims to strategically invest in key and best-in-class companies in selected agricultural value chains in Africa, and then integrate those value chains through vertical and horizontal investments in additional businesses. This strategy could improve the complete value chain and create a higher collective value, creating income opportunities for 164,000 smallholder farmers in the targeted countries by 2026. Bonde is being set up by the Company Mbuyu – an investment management company – which is currently at the stage of collecting funds to commence Bonde's operations. The CC recommended financing the project with a loan of up to USD 2,000,000.

Total smallholders to be benefited: 185,805
Total value of projects: 45.9 Million USD
CFC contribution: 6.9 Million USD

Countries covered: Mali (LDC), Uganda (LDC), Zambia (LDC), Kenya, Malawi (LDC), Tanzania, Indonesia, UAE, Brazil and Nicaragua

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