

**CONTRIBUTIONS BY THE COMMON FUND FOR COMMODITIES FOR THE ANNUAL  
MINISTTERAIL MEETING OF LANDLOCKED DEVELOPING COUNTRIES' FOREIGN MINISTER.  
VIRTUAL MEETING, 23 SEPTEMBER 2020**

*Madam Chair,*

*Honble Foreign Ministers,*

*Ladies and Gentlemen,*

Allow me first to congratulate and thank UN-OHRLLS for their hard work to arrange this virtual meeting of Foreign Ministers of Landlocked Developing Countries (LLDCs). This meeting surely provides us an opportunity not only to discuss the UN Roadmap for Accelerated Implementation of the Vienna Programme of Action in its remaining years, but also to begin the dialogue for a new normalcy we expect once the pandemic is over. We would like to register our deep appreciation for the Kazakhstan leadership in bringing us together here. H.E. Mr. Mukhtar Tileuberdi, Foreign Minister of Kazakhstan and Global Chair of the Group of LLDCs, deserve our total support in his endeavour to bring us together to chart a new future for ourselves.

The coronavirus crisis is a shocking lesson where the impact of the coronavirus hit the weakest in the food system hardest. The citizen of LLDCs form the most vulnerable. Therefore, it is our hope that this Ministerial meeting will offer concrete ways in which the cooperation and collaboration between landlocked developing countries, transit countries, regional and international organisations could be strengthened. It will surely help us to weigh the distance and modalities of our journey along the Vienna Programme of Action and achieving sustainable development in LLDCs.

The ongoing pandemic made it abundantly clear that landlockedness is a major contributor to the relatively high incidence of extreme poverty and structural constraints faced by the Landlocked Developing Countries. Long distance from big markets, lack of territorial access to the sea, high transport and transit costs, and sometimes political or security barriers in transit countries hinders competitiveness of the countries, resulting in weak economic development.

Even before the pandemic, data analysis showed a steady decline in added value with the agriculture and manufacturing sectors in LLDCs. It has become urgent to reverse this trend, and to promote LLDCs' participation in regional and global value chains.

The private sector, in general, and small and medium enterprises (SMEs) in particular, have an important role to play, especially in employment creation, poverty alleviation and structural transformation. A competitive private sector generates efficiency, higher productivity, foreign exchange earnings and incomes.

But SMEs remain regrettably weak in most LLDCs. They have poor access to markets, lack adequate finance and are also found wanting in other areas including technology, a skilled labour force, and critical infrastructure and utilities.

Since LLDCs typically suffer from a general lack of resources and underfunded social sectors due to structural barriers, official development assistance (ODA) strategies should recognise the large infrastructure needs of low-income landlocked countries and the need for an increase in direct assistance to support large-scale investments in roads and railways.

ODA must be complemented by investment in and development of trade capacity, which also contributes to promoting the domestic resource base. A significant part of the Vienna Programme of Action rightly identified these lapses and now it is time to implement programs to close the gaps in a sustainable way. We should remind ourselves that sustainable development of our global community

cannot be achieved without taking into account the concerns and aspirations of vulnerable economies.

Furthermore, many landlocked developing countries rely on low-value agricultural products for their exports earnings, from a very limited number of commodities. With low productive capacities and several structural weakness, they cannot add meaningful value to their products. Giving their constraints in reaching more diversified markets, their economies become especially vulnerable to commodity price and demand volatility.

To overcome these challenges, the LLDCs have to encourage investments in their productive sectors, taking advantage of their commodity endowment and supporting the emergence of a diversified economic system by strategically re-investing commodity derived incomes. The CFC believes that the private sector can be a valuable partner in achieving this goal. By investing in small and medium-sized enterprises, the Fund expects to empower primary producers, giving them the tools and resources to scale up on the value chain. The CFC focus in initiatives that can generate a high impact, reducing smallholder producer's dependency on the commodities market.

During the period 2014 to 2020, CFC's Executive Board has approved 19 projects operating in LLDCs to receive financial support from the Fund. The total value of these projects is USD 49.2 million of which about USD 15.3 million is committed by the CFC.

For the next five years, according to CFC's operational plan for 2021-2025, we expect to commit USD 60 million for projects, of which approximately USD 16 million will be committed to development of innovative enterprise in commodity sector in LLDCs.

*Madam Chair,*

*Honble Ministers*

The CFC is closely monitoring the impacts of the COVID-19 pandemic in its member countries and is sentient to the particular vulnerabilities of the smallholders of the agricultural value chains in which it operates.

While the pandemic will have deep effects on CFC's Member Countries, the role of the Fund in the support of the sustainable development of commodity producers becomes even more relevant. The CFC is aware of the obligation that follows from the accumulated experience of its decade-long support for smallholder livelihoods and is increasing its efforts to provide the much-needed finance for the continued operation of agricultural value chains.

In this regard, the CFC already implemented an emergency liquidity facility of about Two Million USD as mitigation support to our projects that have been impacted by the pandemic. One positive consequence of the coronavirus, I think, is the new awareness among the general public. People are taking a fresh interest in where their food and nutrition is coming from. This is why CFC is urging all member states to provide us necessary resources so that we can make our projects with elements of nutrition security as well as aspects of digitalisations, where applicable and possible, so that developing world are not only better prepared to withstand the stress of any exigencies like this ongoing pandemic, also afford to stand together with both health and economic immunity. War torn, Afghanistan, for example, deserves our immediate attention as peace is slowly but surely coming back and we hope the humanity will be kind enough to provide necessary resources for making their business, mostly SMEs, to return to their business with innovations and creativity. CFC stands ready to discuss further singly country projects for countries like Afghanistan.

On the whole, one fundamental lesson of the COVID-19 is the realization that unless poverty is addressed globally, with a renewed sense of urgency, the spread of killing viruses like COVID-19 could always run the risk of wreaking havoc in both developing and developed world. This is why we have to start preparing now and encourage ourselves to herald a return to new normalcy. There will,

however, be no normalcy if we forsake the idea of humanity and turn our backs on those forgotten people, near and far.

Therefore, the CFC would remain on the lookout for being a part of a good ecosystem of business support actors, with shared objectives and complementary strengths, with priority for the more vulnerable at the margin in Africa and beyond, to deploy solutions for resilience and recovery. We put ourselves, Madame Chair, at your disposal for all kind of cooperation ranging from value chain upgradation to providing more income to the rural small holder farmers and SMEs through innovative works of the CFC. We have proven record of last 31 years where we touched over half a billion lives globally. And now we are ready to do it more to scale up of our good work.

I thank you for your kind attention.

*Statement delivered by Ambassador Sheikh Mohammed Belal, Managing Director of the Common Fund for Commodities (CFC).*