

**CONTRIBUTION BY AMBASSADOR SHEIKH MOHAMMED BELAL, MANAGING DIRECTOR OF  
COMMON FUND FOR COMMODITIES DURING THE INAUGURAL MEETING OF THE LLDCS  
NATIONAL FOCAL POINT NETWORK, 16 JUNE 2022**

**THEME: TOWARDS ACCELERATED IMPLEMENTATION OF THE VPOA AND BUILDING  
COHERENCE WITH THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT: THE ROLE OF  
NATIONAL FOCAL POINTS**

**SESSION 4: THE ROLE OF PARTNERSHIPS AND OPPORTUNITIES FOR TECHNICAL  
ASSISTANCE AND CAPACITY BUILDING IN IMPLEMENTATION OF THE VPOA**

*Madam Chair,*

*Distinguished Panellists,*

*Ladies and Gentlemen,*

We thank you wholeheartedly for organising this very timely event. As we are currently experiencing, sadly, the effects of the COVID-19 pandemic and the war in Ukraine, the role of partnerships and opportunities for technical assistance and capacity building in implementation of the VPOA becomes even more relevant.

As you all might be aware, the Common Fund for Commodities works with Small and Medium Enterprises (SMEs) in the commodity sector, who works mostly with the smallholders and who add value into their products, allowing developing countries to retain a bigger share of the value created in commodity value chains. The LLDCs have been recognized as a special priority group on CFC operations and since the implantation of the VPOA, 26 projects were approved by CFC's Executive Board to receive financial support from the Fund. The total value of these projects is USD 80.6 million of which about USD 26.5 million is committed by the CFC. The CFC works with several partners to mobilize additional capital for the commodity producers in developing countries, including LLDCs.

After working, initially, only as an impact investment fund, CFC came to realise the necessity of technical assistance. It is not only for the sake of giving proverbial fish that may make a hungry person to feed only for a day, but also make the commodity value chains resilient and sustainable with due partnership form the core stakeholders. In our case, smallholders and SMEs are both our vision and mission. We wish to bring productivity using innovations and improvisations so that they can lift themselves up from the pit of poverty. So, finally, we assembled a team of experts comprising a formidable team of technical assistance facility in the CFC to give our beneficiaries fishing rods and teach them to fish correctly.

The CFC now manages the technical assistance facility of other like-minded impact investment funds. Currently, the CFC 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).

The TA facility of the AATIF is an integral part of AATIF per se. It is designed to enhance AATIF's financing activities with technical assistance support for AATIF's investees to maximize their development potential and to achieve compliance with the Fund's Social and Environmental Policy. Additionally, the TA Facility commissions rapid appraisals of all AATIF investments and initiates research and development activities to promote agri-finance in Africa. 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 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.

ATAF is a grant-based mechanism parallel to the investment of the Moringa Fund, managed by the Common Fund for Commodities' TA Facility team. By providing farmers with access to training, supporting innovative research and development programs and by assisting commercial initiatives, ATAF works to create an enabling environment to increase the resilience of farmers and landscapes in Latin America and Sub-Saharan Africa. Moringa is a partnership between Edmond de Rothschild Private equity and ONF International.

Technical Assistance measures implemented in these two facilities consist of hands-on and customized services to the investee companies. Consistent with CFC's mission for alleviation of poverty by strengthening the income-generating capacity of commodity producers and mitigating vulnerability to their economic wellbeing, we always strive to provide them with knowledges and technologies so that they can make the value chain more resilient and sustainable.

The TA projects spread over several countries across Africa and Latin America, including seven LLDCs (Botswana, Malawi, Mali, Rwanda, Uganda, Zambia, and Zimbabwe), helping these countries to have access to qualified technical support. In this regard, please allow me to provide one example from our current portfolio.

In Zambia, CFC's TA team helped one AATIF investee in improving its smallholder out grower scheme. More specifically, the TA Facility financed an expert consultant to assess the company's existing cotton out grower scheme and to establish ways in which the current sourcing structure could be efficiently improved and scaled-up. The expert sought to find means to help smallholder farmers overcome challenges that limit their productivity and the production of seed cotton, as well as to identify an optimal relationship between the company and the farmers that would mitigate side selling to other commodity traders. As a result, the company's commercial viability of upscaling the scheme was confirmed and tangible benefits such as improved access to training, inputs, and mechanization for participating farmers were identified. The TA Facility intends to continue its support to the company with enhancing and upscaling the cotton out grower scheme.

As illustrated in this example, by leveraging years of expertise on working with commodities, CFC's TA 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. Examples include expert support for out grower 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 is also responsible for ensuring that impact assessment studies are carried out in relation to each investment.

*Madam Chair,*

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## CHECK AGAINST DELIVERY

*Ladies and Gentlemen,*

One realisation we wish to reiterate. The sustainability is a mission impossible if you wish to do it alone. No matter how big you are. In the CFC, our singular realisation, if you ask, is our striving to do more with our partners and all relevant stakeholders. The analogue way of imposing our decision to the periphery is no longer feasible, if at all. Our culture of keeping the process truly bottom up has been an outstanding success. Now the challenge for us is to do more every time we share one or two of our impact stories. During our last call for proposals, that we conduct every six months, we experienced a 289 per cent increase over the immediate past one. We came here to share this news so that we can have your support and assistance to do more together. This is where help through technical assistance become so central to our shared journey of sustainability and alleviation of poverty.

I thank you for your kind attention.