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COMMON FUND FOR COMMODITIES

PRESS RELEASE

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

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The Common Fund to Finance Four New Projects for Smallholder Farmers in Africa

The USD 6.7 million Package Targets the Rubber, Fisheries, Cotton and Dairy Sectors

AMSTERDAM- -The Executive Board of the Common Fund for Commodities, an intergovernmental financial institution established by the United Nations, approved several important projects at the 41st meeting held recently in Amsterdam.

Ambassador Ali Mchumo, the managing director said, “We are continuing our financial and programme support for these commodities, because we believe that in the long run, the target beneficiaries will be able to be fully integrated into their specific industries with more competitive advantages in the marketplace.”

The projects valued at USD 6.7 million are part of sustained development measures that will go a long way in increasing the productive capacity of smallholder commodity farmers in Africa within the cotton, rubber, fisheries and dairy sectors. Additionally, selected “fast-track” projects valued at totally USD 159, 000 related to infrastructure development for galvanised rebar and a feasibility study for reduced pesticide use in major banana producing countries, had recently been approved by the managing director under his special powers to approve such smaller-scale projects.

Below is a brief description of each project:

Enhancing Incomes of Rubber Smallholders in West and Central Africa

A project designed to enhance the incomes of rubber smallholders in Africa through transfer of technology and best practices was approved in the form of a grant of USD 1,936,701. The project will enhance the skills and earning prospects of rubber smallholders in the region and will also assist in building up the capacity of community based organisations and extension services in the producing countries and generally improve the standards in the industry. Overall it is expected that the earnings from the rubber sector should be boosted providing increased earnings to the farmers and increased foreign exchange benefits to the countries.

Improving Marketing Efficiency of the Small-Scale Fisheries Sector in Mozambique and Angola

This project has a grant of US\$ 694,705 to support a small-scale fisheries project in Mozambique and Angola. The project was submitted by the SADC Regional Office of the Intergovernmental Organisation for Marketing Information and Co-operation Services for Fishery Products in Africa (INFOSA) through the FAO Sub-Committee on Fish Trade. The project is designed to assist small-scale fisheries communities in market relevant areas: quality control, improvement of fish handling and processing, packaging, improvement of fish market information and logistics.

Commercial Standardisation of Instrument Testing of Cotton in Cotton Producing Developing Countries in Africa.

This project is to provide support to the development of a global system of cotton quality assessment based on standardized instrument testing. The proposal was submitted by the International Cotton Advisory Committee, the Fund's designated International Commodity Body (ICB) for cotton. The first objective of the project is to support the development of a globally accepted system of quality assessment of cotton, which is based on instrument testing, including the setting of testing rules, certification criteria, and instrument calibration standards.

A second focus of the project is to develop a programme of initial support for the establishment of two regional centres in Africa that will be capable of providing all required services to national quality control institutions (in particular in the field of laboratory certification, instrument calibration, equipment and facility maintenance, etc) to enable African cotton producing countries to fully participate in the global system of cotton trade on the basis of instrument-tested quality parameters. The Common Fund's contribution to the project is around US\$ 2 million. Consultations are ongoing with the European Commission for a co-financing contribution to the project. The project will be implemented under the management and technical responsibility of the Fibre Institute in Bremen, Germany.

Strengthening the Productivity and Competitiveness of the Smallholder Dairy Sector in Lesotho and Zambia

The dairy project has an estimated total cost of USD 3.336 million, of which the Common Fund is contributing USD 1.999 million as grant and counterpart contributions valued at a total of USD 1.337 million. The project will be implemented by the Golden Valley Agricultural Research Trust (GART), and aims to improve the productivity and marketing position of smallholder dairy co-operatives in Lesotho and Zambia by promoting improved and innovative livestock feeding technologies, improved milk quality and hygiene, milk processing and marketing.

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