



## **Industrial Development Board**

### **Fiftieth session**

Vienna, 25–27 November 2024

Item 17 of the provisional agenda

**Matters related to intergovernmental,  
non-governmental, governmental and other  
organizations**

## **Information on an intergovernmental organization**

### **Note by the Director General**

The present document provides information on the Common Fund for Commodities (CFC), which has expressed the wish to enter into an appropriate relationship agreement with UNIDO.

1. Pursuant to paragraph 8 of the Guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organization, issued by the General Conference in its decision GC.1/Dec.41, the present document provides in an annex, information on the Common Fund for Commodities (CFC), which has expressed the wish to enter into an appropriate relationship agreement with UNIDO.

#### **Action required from the Board**

2. In accordance with decision GC.1/Dec.41, annex, paragraph 9, the Board may wish to authorize the Director General to conclude an appropriate relationship agreement with CFC, based on the information contained in the annex to the present document.

3. Accordingly, the Board may wish to consider the adoption of the following draft decision:

“The Industrial Development Board:

(a) Takes note of the information contained in document IDB.52/29;

(b) Authorizes the Director General, in accordance with Article 19.1 (a) of the Constitution and the Guidelines for the relationship of UNIDO with intergovernmental, governmental, non-governmental and other organizations (General Conference decision GC.1/Dec.41, annex, paragraph 9), and on the basis of the information contained in the annex to document IDB.52/29, to conclude an appropriate relationship agreement with the following intergovernmental organization:

Common Fund for Commodities (CFC).”

For reasons of sustainability, this document has not been printed. Delegates are kindly requested to refer to electronic versions of all documents.



## Annex

### Common Fund for Commodities (CFC)

#### Historical background

The Common Fund for Commodities (CFC) is an autonomous intergovernmental financial institution established in 1989 within the framework of the United Nations. The Agreement establishing CFC was negotiated in the United Nations Conference on Trade and Development (UNCTAD) from 1964 to 1980 and entered into force in 1989. The first commodity development project was approved in 1991. CFC maintains observer status at the United Nations General Assembly and other United Nations organizations, including UNCTAD and the Food and Agriculture Organization of the United Nations. CFC regularly invites members of United Nations organizations to its supreme policymaking organ, the Governing Council.

#### Purpose

The mandate of CFC is to enhance the socioeconomic development of commodity producers and contribute to the development of society as a whole. In line with its market-oriented approach, it concentrates on commodity development projects financed from its resources. These resources consist of voluntary contributions, capital subscriptions by Member States transferred to the Second Account and interest earned. In partnership with other development institutions, the private sector and civil society, CFC endeavours to achieve overall efficiency in and impact on commodity development.

The objectives of the interventions that are supported by CFC are to create employment, particularly for youth and women, increase household income, reduce poverty and enhance food security. CFC will support measures and actions targeted at improving the competitiveness of commodities and building effective and cost-efficient collaboration between producers, industry, governments, civil society organizations and other stakeholders for commodity-based development.

#### Membership

CFC forms a partnership of 101 Member States and 9 Institutional Members. Membership of the Fund is open to all Member States of the United Nations or any of its specialized agencies, or of the International Atomic Energy Agency, and intergovernmental organizations of regional economic integration which exercise competence in the fields of activity of the Fund.

#### Organizational structure

The governing bodies of CFC are the Governing Council and 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 projects submitted to the Fund. The Governing Council meets once a year, and the Executive Board and Consultative Committee biannually.

Each Member State is represented in the Governing Council by a governor, an alternate governor and any other designated advisers.

#### Financing

CFC is funded through contributions from its Member States and income generated from its financial operations. According to Article 16 of the CFC Agreement, the CFC shall establish and maintain its resources in two separate accounts: a First Account to contribute to financing commodity stocking and a Second Account to finance measures in the field of commodities other than stocking. The separation of Accounts shall be reflected in the financial statements of the Fund. CFC maintains its

accounting records on the accruals basis for revenue and expenses. The excess or deficit of revenue over expenses is transferred to an accumulated surplus account. CFC has the audited financial statements in 2023.

### **Cooperation with UNIDO**

CFC and UNIDO signed a Memorandum of Understanding in 1998. There were several project agreements which have been concluded between CFC and UNIDO from 1996 to 2009. CFC participated in the General Conference of UNIDO in 2017 and 2021, and provided inputs to the annual Industrial Development Decade for Africa reports.

### **Relationship with other intergovernmental and governmental organizations**

CFC has a close relationship with UNCTAD since its inception. It has 9 Institutional Members, including the African Union, the Andean Community, the Caribbean Community, the Common Market for Eastern and Southern Africa, the East African Community, the European Union, the Economic Community of West African States, the Southern African Development Community and the West African Economic and Monetary Union. It also cooperates with other intergovernmental and governmental organizations. The Fund is working with 23 International Commodity Bodies as encapsulated in its establishing agreement. It has also signed a Memorandum of Understanding with the Council on Smallholder Agricultural Finance.

### **Address of headquarters**

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