

ALADI/SEC/di 1866
5 de octubre de 2004

OFRECIMIENTO A LA ALADI PARA SER MIEMBRO DEL
COMMON FUND FOR COMMODITIES

24 September 2004.

Dear Ambassador Rojas Penso,

I have the pleasure of informing you that I have taken up my duties as the Managing Director of the Common Fund for Commodities from 1 September 2004, having been elected by the Extraordinary Meeting of the Governing Council in June 2004.

As you may be aware, the Common Fund for Commodities (CFC) is an international financial institution established in 1989 in the framework of the United Nations to support commodity-dependent developing countries in their efforts to improve production and diversify their commodity trade, and so to increase their export earnings as well as sustain their real incomes.

The Common Fund for Commodities has a membership of 106 states and three regional intergovernmental organizations. The intergovernmental organizations which are members of the Fund are the Common Market for Eastern and Southern Africa (COMESA); the European Community, and the African Union. While member states are admitted with a membership Assessed Contribution to the Capital Subscription of the Fund, regional organizations are exempted from such contributions. Correspondingly, they do not have voting rights in the Organization. Other than the voting right, regional organizations have all the rights of membership including initiation of project proposals in the context of the priorities and development strategies of their member states. In fact, regional organizations such as COMESA have already been benefiting from the CFC funding as a result of their membership. You will undoubtedly note that your regional organization can be a member of CFC in its own right even if (and on top of) individual member countries of your organization are also members of CFC.

Ambassador Juan Francisco Rojas Penso
President of ALADI
Latin American Integration Association (ALADI)
Cebollatí 1461, CP 11200
Montevideo – Uruguay

The mandate of the Common Fund for Commodities is operationalized by a commodity-focus approach preferably in a multi-country scope, that is, our starting point is looking at the problems of particular commodities and looking at solutions that can be applied beyond a single country. We believe the best way to be effective in a multi-country framework is to have close collaboration with viable regional organizations since such institutions can play an important role in identifying and developing and monitoring commodity development projects for submission to the Common Fund for Commodities for financing. Consequently, I would like to develop close working relationships with regional economic entities and give emphasis for closer collaboration with them.

It is in this context that I am addressing this letter to you in the hope that your organization may want to take de appropriate decision to become a member of the Fund and take advantage of the opportunities offered by the Common Fund for Commodities to develop the commodities sector in the member states of your regional grouping.

For ease of reference and by way of example, I am herewith enclosing a copy of the letter of application for membership by COMESA; a copy of the terms and conditions established by the Governing Council of CFC for COMESA; a copy of the letter of Accession by COMESA; and a list of COMESA projects that CFC is funding.

I look forward to co-operating with you in the fulfillment of the development aspirations of our member states.

Yours sincerely, (Fdo. :) Ali Mehumo.
