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Opening statement by  
President Gilbert F. Houngbo

Executive Board — 122<sup>nd</sup> Session  
Rome, 11-12 December 2017

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For: Information

## Opening Statement

As always, it is a pleasure for me to welcome you to this final session of the Executive Board for 2017.

And as always, let me begin by congratulating the newly accredited representatives to our Executive Board. Welcome, then, to Mr Eduardo Rolim of Brazil and Mr Anurag Agarwal of India.

Welcome also to all other delegates and observers attending the Executive Board for the first time, and to all those colleagues who are joining us in the *salle d'écoute*.

Before we tackle our agenda, I would ask you to observe a minute of silence in memory of the soldiers from the United Nations Mission in the Democratic Republic of the Congo, and other United Nations staff members, who tragically lost their lives during the attack on North Kivu a few days ago. The United Nations flag is flying at half-mast in their honour.

There is no need to remind you that this week is crucial for IFAD. Critical items on the agenda include the operating budget for 2018, a number of loan and grant proposals, the transparency issue, and many others.

Last September the Board examined previews of the 2018 budgets of IFAD and the Independent Office of Evaluation.

At that session and during the ensuing weeks you made a number of very useful comments, which have been included and taken into account in the final draft budgets placed before you today.

I would like to sincerely thank the Audit Committee and the entire Executive Board for the sound guidance provided. We have adjusted and refined our initial budget proposals accordingly, in a spirit of containing costs but also to enable us to implement the reforms needed to make IFAD's operations more effective overall.

Let me remind you of the commitment I have undertaken towards you, to pay more attention to performance indicators in implementing these reforms in accordance with the Results Management Framework.

Let us also recall, although it may seem obvious, that the one-time budget should under no circumstances be considered part of the baseline in preparing budgets for the coming years. Future budgets should revert to normal values. In other words, the proposed increase for 2018 remains an exception to the rule.

Today you will also be invited to approve just under twenty investment loans and grants.

Considering loans and grants approved by the lapse-of-time procedure, together with approvals since the beginning of the year, we will have achieved an amount of around US\$1.3 billion in 2017 – the highest ever recorded for the second year of a cycle. This amount does not include loans and grants carried over to next year.

We are working on strengthening communications with borrowers to limit delays resulting from national approval procedures, but also to meet the imperative of an unequivocal consensus on sensitive operations that could have an impact on the environment or respect for human rights.

In a nutshell, we are not only focusing on the number of projects approved. We remain uncompromising in upholding the highest standards of quality for our portfolio. Therefore, when the interests of our common cause so require, we need to be able to wait until all are satisfied before submitting projects to the Board for approval.

Some of you have just come back from Bangladesh. You have seen the Bangladeshi people in action, you have seen IFAD in action, you have seen the problems faced by the communities we help, but also the strong sense of belonging and commitment to a partnership that, over forty years, has enabled us to achieve very important results in the field. Like many other countries, Bangladesh has made impressive progress on combating poverty and hunger by making substantial investments in a number of sectors, including agriculture and rural development. Having said that, IFAD will need to find even more innovative solutions to continue to improve rural incomes and build resilience to climate challenges and the fragility that comes of extreme poverty.

For these reasons and many others, IFAD must make its services more responsive to the needs of its Member States.

The approval of the Transition Framework, like the other changes we are making, is intended to bring IFAD closer to the unique realities of each country, to contribute in the most visible possible way to national development programmes and, finally, to enhance the impact of its work in the field.

Within the framework of our policies and our operating model, we wish to offer our borrowers a comprehensive range of support measures together with financial and operational policies.

Part of the Transition Framework, specifically the changes to the Policies and Criteria for IFAD Financing, is being placed before you today for approval. We would like to progress quickly in this regard, in order to have these changes approved by the Governing Council in February 2018 for application to the IFAD11 cycle as of 1 January 2019.

For the rest of the Framework, we propose to set up a working group and hold a series of informal seminars to ensure that collaboration and participation are as broad-based as possible.

Transparency is a key component of IFAD's strategy to instil a results culture within its governing bodies, Management, operations and support for governments. I look forward to the approval of our new policy on transparency, which I hope is imminent.

In conclusion, let me say that we will not be resting on our laurels during the coming year. As 2018 is the last year of IFAD10, we must do everything we can to fulfil the commitments we have undertaken for the period. I am determined to build upon the reforms begun in recent months in order to make IFAD an even more innovative, effective and efficient institution.

IFAD cannot opt for the status quo if we wish to play a more important role in working together with our partners on combating poverty, hunger and inequality.

Against this backdrop, and with your permission, I declare the 122<sup>nd</sup> session of the Executive Board officially open.