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Closing statement by  
President Gilbert F. Houngbo

Executive Board — 122<sup>nd</sup> Session  
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For: Information

## Closing Statement

Distinguished members of the Executive Board, allow me to highlight some of the key elements of our deliberations over the last two days. This is not intended to be an exhaustive summary as you will receive the official minutes in due course.

I will start by thanking our colleagues Mr Des Alwi from Indonesia and Mr Alberto Cogliati from Italy for their very comprehensive reports on behalf of the Evaluation and Audit Committees, respectively. We welcomed members' support of a position paper on how to strengthen the role of the Audit Committee to better serve the needs of the Board in the context of IFAD's evolving *modus operandi*.

I believe it is important to highlight at this stage that, at the next session in April 2018, Management will share with the Executive Board a timeline outlining the steps that will be taken to enable IFAD to have access to market borrowing, including a corporate risk assessment and a comprehensive risk dashboard.

I am also grateful to Ambassador Bárcena Coqui of Mexico for presenting on behalf of the whole team an informative report on the very successful visit to Bangladesh. Your positive feedback provides strong encouragement for us to pursue our work in the field with increased determination to improve the livelihoods of poor rural men, women and girls. I am also grateful for the feedback that you and your team gave us in terms of moving forward, not only in Bangladesh but in the rest of the countries we are serving.

The budget. Yesterday we began by considering the 2018 results-based programmes of work and budgets of both IFAD and IOE. In approving the submission of the two budgets to the Governing Council you expressed a number of important considerations, and we are confident that the adopted package will enable us to build our capacity to operate and meet demand more efficiently and effectively.

Let me once again emphasize the one-time, non-recurrent nature of this budget. We are looking at it as an exception, not the rule. I am really grateful for your support of this investment and we commit to closely monitoring it to ensure that the recommendations you made are duly implemented and that agreed key performance indicators – as reflected in the RMF – are met, plus the few additional metrics indicated by Saheed Adegbite yesterday.

I am also grateful for your approval of the programme of work at the levels indicated for planning purposes, which as usual will be adjusted as needed during 2018 based on available resources, and for IOE's willingness to include an evaluation of IFAD's visibility in its programme of work of 2019.

As regards transparency: in our perspective, at least, a major highlight of this Board session was your readiness to support the action plan related to our efforts to increase transparency for greater accountability and approve related actions concerning disclosure of documents. Going forward, enhanced transparency will be a key element of our results culture and I am confident that this will bring about strengthened accountability within IFAD and in IFAD's relations with its external stakeholders.

Project and grant proposals. You acknowledged the very diverse nature of the country operations. We are gratified by your warm reception of the update on the country status in Myanmar and of the 16 project proposals that were tabled for your approval. We very much look forward to the cooperation that national and local authorities will provide to promote swift implementation of these investments and will bear in mind your recommendations on strengthening the capacity of poor rural people for inclusive productive models, and on social development.

Members' and beneficiaries' co-funding of several of these project proposals is most welcome and we will strive to pursue opportunities for closer coordination with other relevant stakeholders.

I am also grateful for the overall endorsement of the proposed grant to the private sector entity, SunDanzer International, which will pave the way for enhanced post-harvest loss facilities, and the proposed grant to Bioversity International.

We noted that due to its legislative and policy mandate, the United States opposed the Integrated Agriculture and Marketing Development Project for the Sudan as well as the grant financing to Bioversity International.

Your approval of these projects and those under the lapse-of-time procedure will enable us to secure delivery of the programme of loans and grants. Yesterday I talked about US\$1.4 billion: the number has now been revised to US\$1.3 billion. So, for the record, 2017 is still the highest-ever level for the second year of a PBAS cycle. Before I move to the Smallholder and Small and Medium-Sized Enterprise Investment Finance Fund (SIF), for me it is also important to highlight what came out yesterday in approving those projects. It was what I consider the dimension of respect – of finding the right balance between serving the smallholders and the poorest people and respecting international conventions related to climate change and labour and other rights.

SIF. One of the highlights of yesterday's discussion was the approval of the SIF which was submitted to you following a comprehensive consultative process. Through this instrument IFAD will be able to invest directly in small and medium-sized enterprises in agricultural value chains and pave the way for closer collaboration with the private sector as we catalyse private investment in smallholder agriculture.

Looking ahead, we will maintain the strategic focus of the SIF. We will report back to the Board and seek its guidance on a regular basis as we progress with the fund's establishment and implementation of its activities.

Financial matters. We appreciate the suggestions regarding the management of the Fund's resources and we will follow carefully the provisions of IFAD's Investment Policy Statement and the Investment Policy Statement for the After-Service Medical Coverage Scheme.

We are also grateful for your approval of the resources available for commitment and for your constructive feedback on the Approach to the Transition Framework, devised to accompany borrowers in their specific development challenges and evolving needs. As we heard, the Framework is intended to be a living document that relies on a package of predictable and sustainable measures which will be central for IFAD's future operations.

With this in mind, Management looks forward to engaging closely with the working group of the Executive Board soon to be established. This will create other opportunities to openly exchange views with members, including at informal seminars, on how to modernize our policies and introduce new tools in line with best practices, with the aim of finalizing the Approach to the Transition Framework by the end of 2018.

I also am gratified by your authorization to transmit two documents to the Governing Council, namely the amendments to the Policies and Criteria for IFAD Financing, and the proposed changes to the Agreement Establishing IFAD. The latter will allow the grant element of concessional partner loans (CPLs) to qualify as "additional contributions", thereby ensuring that lending Member States will be entitled to contribution votes in relation to such grant elements.

The Board also endorsed the Conceptual Framework for Financial Reporting and Auditing of IFAD-Financed Projects and engaged in a fruitful discussion on the

workplan for IFAD's Office of Audit and Oversight for 2018, which was duly confirmed.

We also took the opportunity to brief you on the work carried out by the Governing Council Bureau on the established practice for the process leading to the appointment of the President of IFAD. The Board expressed its appreciation for the proposals made in order to enhance such practice for future appointments, and recommended the submission of the report to the Governing Council for adoption, noting that it may be revised from time to time.

Other business. We resumed the session this afternoon by approving the dates for the 2019 sessions of the Executive Board before engaging in an interesting debate on the outcome of the twenty-third session of the United Nations Climate Change Conference of the Parties (COP23) in Bonn last month, and on the important role that IFAD plays by mainstreaming climate in its investments through ambitious adaptation and mitigation measures.

The Board further took note of the Negotiation of the Accreditation Master Agreement with the Green Climate Fund.

I would like to reassure you that Management will bear your useful guidance in mind as we enhance our South-South and Triangular Cooperation activities in line with our commitments, and that every effort will be made to pursue closer collaboration with our Rome-based sister agencies as we join forces to deliver on the 2030 Agenda commitments, in the context of a reformed United Nations system.

Finally, we touched upon the status of implementation of the United Nations' resolution on mandatory age of separation. In this regard, Management commits to looking at the underlying issues pragmatically and to revert back to the April 2018 session of the Executive Board to outline the effective date on which the United Nations' General Assembly Resolution 70/244 will be implemented, while noting that the decision to implement it was taken back in 2016.

Closing remarks. Let me thank you all again for another very fruitful and productive Executive Board session over the last two days. As usual, I really appreciate the guidance that this Board, in its current composition, has provided to the institution, which is a clear sign of continued support.

I would like to seize this opportunity to bid farewell to Mr Des Alwi, who will be returning to Indonesia before the April Board session. Mr Alwi served as Convenor for List B from April 2015 to January 2017 and ably served as a member of the Evaluation Committee as well. He also acted as Vice-Chair of the Working Group on Governance Issues for a period. I really want to convey our sincere appreciation to Mr Des Alwi for his contribution to IFAD.

I also wish to express my gratitude and appreciation to the members of senior Management who will not be with us at the next session. I refer to the Associate Vice-President for the Programme Management Department, Périn Saint-Ange; the Associate Vice-President of the Corporate Services Department, Lakshmi Menon; the Associate Vice-President, Chief Finance Officer and Chief Controller, Mikio Kashiwagi; and the Interim General Counsel, Emmanuel Maurice. I would like to acknowledge their hard work and genuine dedication to this institution and commend them for their achievements. I am confident that they will continue to be strong advocates for IFAD going forward; I have no doubt about that.

Dear colleagues, you leave some big shoes to fill but we look forward to working closely with your successors going forward and I do reserve the right to still call on you for unpaid advice.

Obviously, my thanks also go to the IFAD staff who prepared the various papers tabled at this meeting; staff and colleagues from the Secretary's office;

messengers; IT colleagues; interpreters; security staff; staff in the key departments, including PRM and others; and the caterers. I hope I am not forgetting any division here. I really want to use this opportunity – and I believe that I did not do this enough last time – to really thank the staff, particularly as this week is not only for the Executive Board and we have two important days on Thursday and Friday as well.