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Opening statement by  
President Gilbert F. Houngbo

Executive Board — 123<sup>rd</sup> Session  
Rome, 16-17 April 2018

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For: Information

## Opening statement

First of all, let me welcome you all to this 123<sup>rd</sup> session of IFAD's Executive Board.

Since this is our first session of the year and the first session of the recently reconstituted Executive Board, I would like to congratulate the Board representatives newly accredited. I understand that we have Finland's Ambassador Anna Gebremedhin with us here today, and Médi MOUNGUI from Cameroon has just joined us and is undoubtedly already known to many of you.

Welcome also to the representatives of other Executive Board members and alternate members, those who are attending a Board meeting for the first time and our colleagues in the salle d'écoute.

I am happy to extend a warm welcome to those observers from the World Food Programme and the Food and Agriculture Organization of the United Nations who are able to join us today. Drawing on lessons learned from our recent exchanges, including with Convenors and Friends, we appreciate the importance of inviting colleagues in an observer capacity within the framework of cooperation among the Rome-based agencies.

Allow me now to express our deepest sorrow for the national tragedy that struck Algeria in last Wednesday's air disaster. Our thoughts are with the families of the victims and with our brothers and sisters, the Algerian people.

The year 2018 will be a demanding one. This is the last year of the IFAD10 period and we are naturally making every effort to ensure that all the commitments undertaken are being met. But 2018 is also an important year for the IFAD11 replenishment and the initiative to transform the Fund.

Last year IFAD undertook an ambitious programme of transformation to enhance its impact and contribute even more effectively to achieving the Sustainable Development Goals.

We are in full implementation phase of the reform, including the decentralization programme whereby the proportion of staff working outside Rome will rise from 15 per cent to 27 per cent once the programme is complete.

We are doing everything we can to ensure that this implementation takes place in consultation with all staff members, and staff representatives in particular, taking into account educational imperatives for those colleagues with young children.

The first round of redeployment, affecting some 64 positions in the Programme Management Department (PMD), is scheduled for completion at the end of April. A second round will follow covering 46 technical, financial and operational staff members from the Sustainable Production, Markets and Institutions Division (PMI), Financial Management Services Division (FMD) and Evaluation Cooperation Group (ECG).

We are also recalibrating our operational processes, beginning with the project design process as we have discussed, to review the time it takes from project design to Executive Board approval and loan signing with the borrowing country, without however affecting our key controls – also slated for review – so as to uphold our standard of quality.

In the coming months we also need to look at the Fund's decision-making structures and committees, as well as institutional services, considered as those outside PMD and the Financial Operations Department (FOD).

This transformation of IFAD is fully aligned with the Secretary-General's desired repositioning of the United Nations development system.

This past February we successfully concluded the Consultation on the Eleventh Replenishment of IFAD's Resources. The Member States agreed on a 10 per cent increase

in the programme of loans and grants for a total of US\$3.5 billion for the period 2019-2021.

In this regard, I can tell you that pledges already received amount to US\$873 million in core contributions and additional untied contributions. We have achieved close to 70 per cent of our goal of US\$1.2 billion for IFAD11. We have also recorded US\$27 million in contributions under the Debt Sustainability Framework.

I am very grateful to all those Member States that have announced their contributions, those who have already made payments, and those who have deposited their instruments of contribution.

Need I remind you that our ambitions are high? Smallholder farmers and their families need more, especially those living in fragile conditions. Resource mobilization continues, and we are stepping up our efforts to solicit additional untied contributions in areas such as gender equality, nutrition, youth, climate change and the environment.

We are systematically engaged in our efforts to mobilize such resources – and in revising our financial model as needed to meet our commitments under IFAD11.

In 2018 our Executive Board will have to address several issues that could be seen as somewhat complex. I refer to the Transition Framework and the comprehensive financial review including the financial architecture, financial and operational risk assessment, and the feasibility study on access to financial markets, the results of which will be presented for review during IFAD12.

As you know, the evaluation of our financial architecture done by the Independent Office of Evaluation of IFAD will be placed before the Executive Board in September.

All of these studies, even before they are presented in the context of IFAD12, should enable the Board and the Management team to make the necessary decisions on strategy and policy orientation to deepen and broaden our core resources.

Moreover, we remain extremely vigilant concerning the 14 commitments undertaken within the framework of IFAD11, and our colleagues have already set up a rigorous monitoring system that includes measurable indicators.

I have been focusing on IFAD11 just now. But let's not forget that we have not yet completed IFAD10. We are on track to achieve our goal of a programme of loans and grants amounting to US\$3.2 billion. The value of programmes and projects approved to date is US\$2.2 billion.

Over the next two days you will be asked to approve eight programme or project proposals totalling US\$485 million. This includes proposals under the lapse-of-time procedure. Most of them have already been discussed in depth with our members.

Concerning the palm oil production project in Uganda, I would like to thank you all, on behalf of my team and in my own name, for the guidance and advice you have provided. Our many exchanges have enabled us to fine-tune our product and arrive at a finished product that responds to the legitimate aspirations we all have – to implement a highly promising project to combat poverty and promote youth employment at the same time as guaranteeing respect for the fundamental principles of environmental and social sustainability. I find this project very much in tune with Sustainable Development Goal 8.

In recent months we have observed with alarm the media revelations about sexual harassment, exploitation and abuse in the development world.

We need to be clear and unequivocal: IFAD will not tolerate such vile and reprehensible behaviour, either internally or externally in the countries and communities we serve.

The Fund already has a solid system in place in this regard. To further underpin that system we have just adopted a new policy that can be accessed on the Member States platform.

I hereby reaffirm our fundamental values and our determination to defend them, and we will have an opportunity to discuss this further.

Last December we followed up on complaints of harassment. Even before adopting the new policy we had updated our internal practices. In other words, IFAD was paying very close attention to this issue well before the recent shocking revelations, and continues to do so.

We will also be discussing the United Nations resolution on raising the mandatory separation age to 65 for staff hired prior to 1 January 2014. That discussion is scheduled for early afternoon tomorrow, but I would be happy to do it at the end of the day today if our progress on the agenda permits, and I would suggest that this item be discussed in closed session.

We have set 1 January 2020 as the effective date for this measure, based on pragmatic considerations such as the promise we made publicly to staff, and reiterated to the Executive Board, that we would avoid making any terminations as part of the reform. This will also give us a minimum of flexibility in renewing the leadership team as a whole. I would also reiterate my willingness to consider possible exemptions based on IFAD's interests, staff member performance and other factors.

In closing these remarks, let me recall my commitment to the constructive spirit of cooperation that exists between the Board and the Management team. I believe that this spirit of cooperation has become an integral part of our governance DNA.

With your permission, I am pleased to declare this 123<sup>rd</sup> session of the Executive Board now open.