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Closing Statement by
President Gilbert F. Houngbo

Executive Board — 126th Session
Rome, 2-3 May 2019

For: Information

Closing Statement by President Gilbert F. Houngbo

Opening Remarks

Ladies and gentlemen,

After two days of work, we are bringing our deliberations to a close.

First, I would like to thank members for their active engagement over these two days and for the open and frank discussions. It is my hope that we will take this same spirit to the retreat to enable us to map out the strategy for shaping IFAD's future together.

I express my appreciation once again to Mr George Lantu, Mr Alberto Cogliati and Ambassador Maria Boldorini for their tireless work in the subsidiary bodies and working groups of the Board.

Our work during this session has been extensive. It started on a very good note with the State of Kuwait announcing a contribution of US\$15 million and the United States of America announcing a contribution of US\$30 million to IFAD11.

We dealt with an extensive range of issues. I would like to highlight some key points, with the knowledge that the official records and formal minutes of the session will be made available to you in due course.

Corporate Issues

The approval of the Knowledge Management Strategy and Action Plan will enable us to leverage the best and most relevant knowledge available based on both evidence and practice from internal and external sources to support our work. Your strong suggestion for us to consider this Strategy as a "living document" given the rapidly changing knowledge environment is welcome.

Similarly, your approval of the revised Results Measurement Framework (RMF) of IFAD's Strategy and Action Plan on Environment and Climate Change 2019-2025 will complete the initial approval given in December 2018. With the inclusion of a more detailed set of indicators, targets and baselines, the RMF will serve as a useful tracking tool for use in IFAD's Operational Results Management System. As indicated when wrapping up discussion of the item, we will include the integrated financing of climate-related activities in our discussions at the retreat.

With the Board's approval of the missing targets related to the IFAD11 RMF indicators, specifically on decentralization and institutional efficiency, Management will be in a better position to track and report on the related IFAD11 commitments. Your valuable inputs will assist in fine-tuning this "living document".

The review of IFAD's Enterprise Risk Management Framework and the IFAD Corporate Risk Dashboard has provided us with important perspectives that will assist Management in its work on enhancing risk reporting to the governing bodies. As indicated, Management is in the process of building a comprehensive bottom-up risk system covering all aspects of risk to ensure that any emerging challenges are identified and dealt with. Management welcomes the recommendation to update the Board at each session on emerging risk challenges.

Evaluation

The review of the country strategy and programme evaluations (CSPEs) for Burkina Faso, The Gambia and Tunisia – which complemented the review of the associated country strategic opportunities programmes (COSOPs) – generated valuable comments on the findings and recommendations, which will serve to guide future programming in the countries.

I note also that the Board wishes to receive an update from the Independent Office of Evaluation of IFAD on the Peer Review at the September session rather than at the December session as originally planned.

Operational matters

The approval of the Proposals for Streamlining the Approval of IFAD-funded Projects and Programmes represents an important step towards improving the efficiency and effectiveness of the Board.

In the same spirit, the consultation on COSOPs (and related CSPEs) was introduced on a pilot basis with the objective of lightening the Board's agenda and enhancing time management in-session. The outcome of the consultation, especially the rich feedback received, enabled the review and finalization of COSOPs for seven countries in the East and Southern Africa; the Near East, North Africa and Europe; and the West and Central Africa regions. Your positive feedback on the pilot as a useful and time-saving exercise encourages us to go ahead with institutionalizing this process.

I believe that the unplanned experience-sharing on decentralization by regional and subregional directors in the field provided members with a good sense of the state of play at the country level.

The Executive Board's approval of the project proposals for Bangladesh and Rwanda is welcomed as another positive step for IFAD in supporting Member States towards achieving SDGs 1 and 2. I express my special appreciation to the Netherlands for the additional EUR 5 million in cofinancing for technical assistance for the Bangladesh project.

The review of the Special Programme for Countries with Fragile Situations elicited important input to help shape the paper into a comprehensive operational approach that combines existing and new arrangements to enable IFAD to engage more effectively in fragile situations.

Financial Matters

We began tackling critical issues and undertaking substantive discussions that will set the tone for the retreat on Monday.

I would like to express my gratitude to you for agreeing on a process towards obtaining a credit rating and the related timeline. Obtaining a credit rating is a fundamental step in preparing the institution for a more diversified funding structure and strengthening IFAD's financial sustainability.

I also thank you for approving the Eligibility for Debt Sustainability Framework (DSF) for IFAD11 to allow IFAD's operations to continue without further delay and for the substantive discussion on the Financial Sustainability of the Debt Sustainability Framework Mechanism and proposals for future approach.

Thank you for the frank discussion and for your openness to considering innovative and flexible options for the future, including leveraging additional resources through the establishment of the grant window.

As many of you noted, IFAD is currently at an important crossroads. The DSF cannot be addressed in isolation but must be part of a comprehensive strategy aimed at increasing the impact of our resources in support of SDG 2. Finding a long-term solution to the DSF issue is not just a matter of addressing serious financial sustainability risks for the institution, it is also about reaching a consensus on the type of institution we want IFAD to be in the future. I look forward to a constructive and open discussion during the retreat.

The Board further approved entry into concessional partner loan agreements with Finland, India and France to support the IFAD11 programme of loans and grants.

The Board gave its approval for the fortieth drawdown of Member State contributions in May 2019, or as may be stipulated in agreements with individual Member States to meet loan and grant disbursements for 2019, with the indication that any further funds required for disbursement needs in 2019 not covered by the drawdown of these contributions will be met using the liquid assets of the Fund.

The Board approved the resources available for commitment by IFAD and the request for the use of commitment authority for the year 2019 based on the sustainable cash flow approach to cover commitments for the 2019 programme of loans and grants.

Governance Matters

The Board agreed on the Procedures for the selection of the Chair of the Twelfth Replenishment of IFAD's Resources; the proposal on the venue for the forty-third session of the IFAD Governing Council to be in Rome; and the dates of 22 to 26 November for the 2020 country visit of the Executive Board to the Arab Republic of Egypt.

IFAD's Appeal Process: Assessment and Recommendation

The Board approved the proposal to withdraw from the jurisdiction of the Administrative Tribunal of the International Labour Organization ILOAT and to submit to the jurisdiction of the United Nations Appeals Tribunal. Management will duly communicate this decision to staff and external partners and will ensure a smooth process going forward.

Management also committed to strengthening the Joint Appeals Board and continuing to explore the way forward on this with the IFAD Staff Association.

Progress Reports

As per usual practice, members received progress reports on IFAD's Implementation of the Transparency Action Plan; Engagement with the Committee on World Food Security; Engagement in the Reform of the United Nations Development System; Approach to Address the United Nations Strategy to Prevent and Respond to Sexual Harassment, Sexual Exploitation and Abuse; Change, Delivery and Innovation; and IFAD's Decentralization.

Other Business

The Board reviewed and provided comments on the Action Plans of Mainstreaming Nutrition at IFAD and Mainstreaming of Gender Transformative Approaches at IFAD.

Conclusion

In concluding, I wish to extend my personal thanks to you all for yet another constructive Board session. As I have always said, your passionate and informed engagement on the issues tabled is a demonstration of your commitment to keep IFAD in business to continue investing in rural people. It is my belief that we will go into the retreat with the same passion and desire, so that together, we can map out the steps to take to shape the future of IFAD.

As we commence the Holy Month of Ramadan, I take the opportunity to wish all our Muslim colleagues the very best and thank you all once again for your continued support.

I hereby declare the 126th session of the Executive Board closed.

Thank you.