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Investing in rural people

## Opening Statement by President Gilbert F. Houngbo

Executive Board — 127<sup>th</sup> Session  
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For: Information

## Opening Statement

Excellencies, ladies and gentlemen,

Welcome to this 127<sup>th</sup> session of IFAD's Executive Board. I hope you have all had an excellent summer and have returned feeling refreshed and energized.

Let me extend a warm welcome to the newest members of the Executive Board:

For Canada, Ms Gloria Wiseman; and

For Norway, Ambassador Aslak Brun, who will be joining us later.

I welcome also those delegates and observers attending the Executive Board for the first time, as well as all our colleagues following proceedings from the *salle d'écoute*.

And of course we are happy to have among us our colleagues from FAO, WFP and the European Union.

We have a full agenda before us. Our days of reflection last May enabled us to take stock of our current situation and to discuss the challenges we face, together with the opportunities.

Based on the comments and recommendations we have received from all of you, our staff are now engaged in refining the proposals around the IFAD 2.0 vision. We would like to suggest that we meet again on 25 October for a day of exchange, to continue to discuss and perhaps finalize the guidelines or directions we wish to take in the future.

Let me recall once more the State of Food Security and Nutrition in the World or SOFI report for 2019, which speaks of rising food insecurity for the fourth year in a row. Conflicts, instability, extreme climate conditions and economic stagnation are among the main reasons cited.

Given the magnitude of the issues at stake, the international architecture of food security needs to evolve. By all accounts, it is crucial to transform global, national and local food systems to make them more effective, more sustainable and more inclusive. To this end, we are pleased that Secretary General António Guterres has agreed to endorse the proposal put forward by the Rome-based agencies (RBAs) to hold an international summit on food systems in New York in 2021.

The crux of the matter is simple and straightforward:

IFAD, despite the difficulties we face, is contributing decisively to achieving several of the Sustainable Development Goals. I believe we can say the same of WFP, FAO and other United Nations agencies, as well as the World Bank and international financial institutions. The same is true of your bilateral development programmes and the work being done in the academic world by agricultural research institutes and others; And of course nongovernmental agencies, charitable foundations and the private sector. In spite of all these efforts, the facts remain: the situation is getting worse.

The question arises, then, whether we choose to remain simply spectators of this resurgence of food insecurity and malnutrition. Can we run the risk of passively looking on at a deteriorating situation that could become a humanitarian crisis if nothing is done?

Obviously our response must be to say no, categorically. We must do better with what we have, we must do more, and that is the true challenge of IFAD 2.0.

In any case, our determination remains unwavering. But we are also well aware of the obstacles to be overcome – above all, unprecedented pressures on official development assistance – and the need to continuously improve the quality and impact of our action in the field.

The needs are clear, whether they come from the most remote regions of Africa – which is home to 31 of the 50 countries most affected by food insecurity according to the SOFI report, or from Asia and the Pacific, Latin America and the Caribbean, indigenous communities... I could go on. But if the needs are clear, so is our responsibility.

In these circumstances, as you can imagine, our budgetary strategy for 2020 is one that I would call unique. In short, we are proposing zero real growth for our current operations while requesting that you agree to a one-time special allocation – once the human resources review currently being done by McKinsey is complete – to implement the resulting recommendations and suggestions.

It is vital that we optimize staff capabilities in terms of both number and quality. The aim is to address the challenges of today and anticipate those of tomorrow in areas as essential as private sector engagement, finance and risk management.

In terms of the quality and performance of IFAD, we are satisfied with the findings of the Multilateral Organisation Performance Assessment (MOPAN), but we know we cannot rest on our laurels.

The effective implementation of the commitments undertaken within the framework of the Eleventh Replenishment of IFAD's Resources (IFAD11), and strengthened management of the financial, operational and reputational risks facing our institution, continue to be paramount.

Dear colleagues,

As you undoubtedly noticed during the visit to Cameroon in July, access to technology, innovation, markets, basic rural infrastructure and financial services lies at the heart of solutions to transform rural areas into places of prosperity. I will be following your report on the field visit closely. I am sure that it has given you reasons for hope, as have each of my own visits to the field.

In this regard, allow me to give you a very simple example of what investing in rural transformation can accomplish, even in a context as complex as the Sahel – the region we will be looking at this Friday during the informal meeting of the three RBA executive boards.

During my recent visit to Mali in July, I met a young agripreneur, Nouhoum Sidibé. Like many other Malians – and indeed many other Africans – Nouhoum had been saving to emigrate to Europe.

That is when he heard about a project on the radio, an IFAD project named FIER. The objective of the FIER project is the empowerment of rural young people, women in particular but also men, through access to employment and markets in the agriculture sector.

Using a loan from FIER, Nouhoum was able to increase his production significantly. He had started out two or three years earlier with 10 chickens. Today he is producing 3,500 chicks, five or six times a year, thanks to the FIER project. He has at least four permanent employees and estimates his net monthly income at around 700 euros. I was particularly struck by the expression on his face when he said to me with pride: "700 euros may not seem like much to you, but for us it is significant". Especially because with those 700 euros he is earning more than his friends who left for Europe. Nouhoum's success story is a reflection of our fundamental aspiration, notably through the private sector.

In this regard, I continue to be optimistic about approval of the private sector strategy. The strategy will be essential in order to come up with instruments and tools adapted to the needs of micro, small and medium-sized enterprises and scale up the impact of our interventions for and with the private sector. Let me be clear. Once the private sector strategy has been approved, our first responsibility will be to prepare the primary financial instruments to be used in this context. These financial instruments will then be

submitted to the Executive Board for approval. It is therefore urgent that we approve the strategy at this session.

I would also like to extend a heartfelt thank you for all of your efforts together with us as Management to find a long-term solution to the Debt Sustainability Framework (DSF). I am convinced that we are on the verge of reaching a consensus on the best way to preserve the long-term viability of the Fund as we continue to pursue our contribution to a better development of the rural world.

As I said at the outset, a full agenda awaits us. I am convinced that with your determined support and your constructive counsel we can move towards an ever greater, more proactive and above all wiser IFAD.

Thank you. Now let me give the floor to our Secretary, Atsuko.