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Investing in rural people

Closing Statement **by President Gilbert F. Houngbo**

Executive Board — 129th Session
Rome, 20-23 April 2020

For: **Information**

Closing Statement

After four intense and productive days, our deliberations have come to an end. I want to thank you all for your active engagement and for the constructive and open discussions.

This has certainly been an exceptional Executive Board session. Not only is it the first-ever virtual session, it is also the first to put in place measures for a response to a pandemic that could potentially trigger a global food crisis.

The session has been intense, but I hope you will agree that we have spent our time profitably. However, I must admit that I missed our usual corridor conversations and chats over coffee to find workable solutions to some of the tough boardroom discussions. This has indeed been a memorable session. Permit me to note some highlights.

Update on COVID-19

We initiated this session with an update on the COVID-19 situation and its impacts on IFAD's operations and the rural poor. The discussion on this item took longer than expected; however, it was time well spent as it informed all the subsequent deliberations and decisions taken during this session.

I sincerely appreciate your cooperation in supporting Management to react swiftly and decisively to support Member States who are being badly affected by this pandemic through the Rural Poor Stimulus Facility (RPSF).

While the discussion leading to the allocation of US\$40 million from our regular grants programme was frank and sometimes tense, it brought us to a point at which the RPSF can be operationalized. We are thankful for your cooperation and flexibility and assure you of our determination to continue supporting our Member States, working closely with the Rome-based agencies, the United Nations, international financial institutions and other development partners in a coordinated way.

Equally, we are grateful for the joint efforts devoted to approving the setting aside of US\$25 million from the regular grants programme to support COVID-19 response activities related to private sector projects. These projects will focus on preserving the incomes and jobs of small-scale rural producers and alleviate the effects of the ongoing crisis on their communities, and will build rural resilience, including resistance to climate, financial and other shocks.

On corporate issues

In relation to the People, Processes and Technology Plan: Implementation of a Targeted Investment in IFAD's Capacity, we are pleased that you approved the 2020 portion of US\$5.375 million from the set-aside reserve budget.

In the context of COVID-19, this reform plan is even more essential for enhancing the capacity, capability and adaptability of staff; decentralizing further; and ensuring streamlined business processes.

We are grateful for your consistent engagement on this topic, which dates back to the Board retreat in May of last year. We are pleased that you appreciated our outreach and the incorporation of your feedback into the final document. This method of working with the Board will be intensified.

The road ahead may be bumpy, but we will continue to engage with you and, with your support, I am confident that we will realize the necessary reforms and expected efficiency and productivity gains. I would like to reiterate our commitment to providing you with updates at the Executive Board sessions in September and December and thereafter.

As always, we appreciate your support and valuable feedback on the progress report on IFAD's Approach to Address the United Nations Strategy to Prevent and Respond to Sexual Harassment, and Sexual Exploitation and Abuse, and the related Action Plan for

2020–2021. We are firmly committed to ensuring a zero-tolerance culture in the organization. As agreed, the Action Plan will also be shared with the Office of the Special Coordinator on improving the United Nations response to sexual exploitation and abuse.

On operational matters – Private Sector

We thank you for approving the Framework for IFAD’s non-Sovereign Private Sector Operations and the establishment of a dedicated Private Sector Trust Fund. This decision will allow IFAD to work with the private sector as partners and to de-risk and crowd in resources, while also working with governments.

The trust fund will provide IFAD with a dedicated vehicle that will facilitate leveraging efforts from the private sector.

During this session, the Board approved the first private sector investment in IFAD’s history, which represents a concrete application of the mechanisms foreseen in the Private Sector Framework. We are thankful to Switzerland for offering a grant to support IFAD’s first equity investment in the Agribusiness Capital Fund (ABC Fund).

We greatly appreciate not only your hard work in making this happen, but also your overall support and trust. We all should be proud for having contributed to these important milestones in our institution’s history.

We are pleased that the Board approved the proposal for IFAD’s contribution to the Food Systems Summit through a grant of US\$1,500,000 to support administrative activities in preparation for the hosting of the Summit.

We will follow up on your comments, both oral and written, and keep you informed of developments in the lead up to the Summit.

On financial matters

On the oral update on the credit rating exercise, we take note of your guidance and assure you that Management will keep you updated as agreed.

On the Capital Adequacy Report, again we express our appreciation for the valuable feedback.

Other business

Oral update on the Consultation on the Twelfth Replenishment of IFAD’s Resources

I appreciate very much the discussion we had about the Twelfth Replenishment of IFAD’s Resources and the way forward. We all recognize the importance of moving forward while also taking time to ensure the proposals included in the next papers reflect the new reality created by the COVID-19 crisis, particularly in terms of financial scenarios and the business model.

As agreed, we will discuss this within Management, with the IFAD12 External Chairperson, and with the Convenors, and a proposal will be posted on the Member States Interactive Platform for comments by Consultation Members by the end of April.

Departures

Finally, some of you may have heard that our Associate Vice-President, Strategy and Knowledge Department, Paul Winters, will be leaving IFAD at the end of the summer to take up a position as professor at the University of Notre Dame in the State of Indiana in the United States. This opportunity allows Paul to go back to academia – something he has been looking forward to – and be closer to his children and grandchildren in the United States. Paul has played a pivotal role in shaping IFAD’s strategic direction in the last five years and IFAD is a stronger organization because of his immense contribution. We will miss Paul’s analytical mind, intellectual honesty and professional integrity. We still have a few months left to benefit from his wisdom, leadership and

guidance, which we intend to utilize fully, and we hope to find ways to continue working with him in his new role. As this is his last Executive Board session, I take this opportunity to thank him for his hard work and commitment, and to wish him all the best.

We will soon be bidding farewell to another great colleague, who is retiring: Khalida Bouzar, Director, Near East, North Africa, Eastern Europe and Central Asia Division. Khalida has become a cornerstone of this organization, championing many reforms in the past decade. She managed to bring together an extremely diverse and challenging region while raising awareness and advocating for the world's most fragile states and poorest people in places like the Syrian Arab Republic and Yemen. She also championed the role of rural women; brought innovations through the Facility for Refugees, Migrants, Forced Displacement and Rural Stability (FARMS) to refugees in various countries in her region. Beyond operations, Khalida has been a role model for women in leadership, a strong advocate, a mentor and friend for many at IFAD. We wish her well.

We must also bid farewell to the representative for Italy and Audit Committee Chair, Mr Alessandro Cascino, who has advised us that he will be taking up different duties in the Italian Treasury. Please join me in thanking Mr Cascino for his contribution to our deliberations and his guidance as we progress towards more robust and diversified financial architecture.

Finally, I take this opportunity to thank you sincerely once again for the strong working relationship that we have built together. I thank my IFAD colleagues for their tireless commitment to ensuring a successful Board session in the face of the enormous challenges of a lockdown situation. I truly appreciate their work.

To those Board members and colleagues who are celebrating the holy month of Ramadan, I extend my warmest wishes.

Stay well and stay healthy.