Opening Statement by
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Excellencies, ladies and gentlemen,

Welcome to this 130th session of IFAD’s Executive Board.

Let me start by extending a special welcome to our new representatives:

For Italy: Mr Gian Paolo Ruggiero, Director of International Financial Relations at the Ministry of Economy and Finance of the Italian Republic. We also welcome him as the Chairperson of the Audit Committee.

For Sweden: Mr Petter Nilsson, Counsellor and Deputy Permanent Representative of Sweden to IFAD.

I am also pleased to introduce the new members of IFAD’s Senior Management, who complete the Management team.

Mr Dominik Ziller joined IFAD as Vice-President in August, from International Development Cooperation at the German Federal Ministry for Economic Cooperation and Development (BMZ), where he was the Director-General. Dominik also acted as the Governor of IFAD for Germany from June 2017 until July 2020.

Ms Meike van Ginneken has been appointed as the Associate Vice-President for the Strategy and Knowledge Department. She will come on board in October. Ms van Ginneken joins us from her position as Chief Executive Officer of the SNV Netherlands Development Organisation. Prior to this role, she held various leadership positions at the World Bank in Washington, D.C. and in field offices.

Mr Charles Tellier – our new Director and Chief of Staff – joined IFAD yesterday, from the Agence Française de Développement in Paris where he worked as Head of the Fragility, Crisis and Conflict Department.

I am also pleased to announce the appointment of Mr Alberto Cogliati, who joins IFAD as Chief Risk Officer and Director of the Office of Enterprise Risk Management. He also started yesterday. Mr Cogliati served as Senior Advisor at the International Relations Directorate of the Department of the Treasury, Ministry of Economy and Finance of Italy. He was also the representative of Italy on IFAD’s Executive Board and the Chairperson of the Audit Committee from February 2017 until September 2019.

Ms Hélène Papper joined IFAD in July as Director of the Communications Division. Before IFAD, Hélène worked for the United Nations Department of Global Communications where she was Director of the United Nations Information Centre for Colombia, Ecuador and the Bolivarian Republic of Venezuela, based in Bogotá. She is a conflict and post-conflict strategist and leader with extensive experience in the field of diplomacy, advocacy and communications.

Excellencies,

The video we have just seen (https://youtu.be/7jAlqigblwU) reminds us of why we are here and of the rural women, children and men we serve.

The need to build the resilience, incomes, food security and social capital of the world’s 3.4 billion rural people is greater today than ever, to respond not only to the pandemic but also to climate change, inadequate food systems, conflict and fragility.

Since we last met, IFAD’s COVID response has gone from being ad hoc to systematic. Staff adapted quickly to the new normal of the Zoom workplace and operations have continued as smoothly as possible, with limited interruptions.

On a corporate level, the health and safety of our staff and colleagues remains our foremost concern.
Operationally, we have moved quickly. Within two months, we approved about US$24 million for 30 projects that respond directly to the COVID emergency.

In addition, we have conducted around 30 studies on the impact of COVID to help inform policy responses.

To date, we have approved US$106 million of repurposed funding in 30 countries. Much of this is for procuring and distributing seeds and fertilizer to subsistence farmers.

We had an extensive discussion during the April session of the Board about how the COVID situation could require special action from both Management and the Executive Board. We now have a concrete case: an emergency COVID response programme in Ghana, to be funded through the country allocation under the PBAS. This requires swift approval by the Executive Board within a limited timeframe. We will provide more details when we discuss the agenda item related to COVID-19.

Project supervision is one area of concern – whether we are really able to have the same degree of effectiveness in terms of project supervision as in pre-COVID times. However, we had started investing in remote supervision missions before COVID, which has enabled us to conduct 13 remote designs and 59 remote supervision and support missions since the start of the pandemic.

COVID has shown the importance of expansion and further investment in this area. But it is also a lesson on why we need to invest during normal times, so that we can have a stronger response when crisis strikes.

Precision agriculture is another area demanding more investment. Digital technology allows access to customized, actionable agricultural information in real time, particularly in times when extension officers cannot reach farmers. It allows small-scale producers to make more effective and efficient use of their natural, human and financial resources.

Precision agriculture is consistent with IFAD’s own ambition to be more effective and efficient, and to deliver stronger results. It can also generate important data that can help guide policy formulation and targeted investments in agriculture.

In a few minutes, we will have a chance to discuss this topic in depth. We are keen to hear from you, to get your views and guidance on how you see IFAD moving forward in terms of precision agriculture.

Excellencies,

As usual during the September Board session, we will discuss our budget, which includes a targeted 10 per cent carry-forward. Let me explain why.

In 2021, we expect a number of one-time non-recurring expenses to meet plans already approved either by Management or by the Board. In particular, there are specific one-time costs related to the job reassignment and mobility exercise under way, which for obvious reasons has started with several months’ delay given the COVID situation. Enhanced expenditures that we expected to be incurred in 2020 for the reassignment will now happen in 2021. It is the same situation for several activities in the Strategy and Knowledge Department: activities such as the impact assessment that could not be carried out at the expected speed given the COVID situation will naturally spill over into 2021.

As I mentioned earlier, after spending the last two years strengthening our overall enterprise risk management – not only financial risk but overall enterprise risk management – we are now starting to operationalize the results of this work with the set-up of the new Office of Enterprise Risk Management and the implementation of related requirements for early 2021.

Another important topic, which we will return to on Thursday, is our ongoing credit rating, the results of which will certainly be ready before the end of the year. As with any credit rating activity, there are certain minimum standards to uphold in terms of
governance and to ensure financial sustainability and so forth. This includes being humble, because, at the end of a credit rating exercise, the credit rating agencies may make recommendations to Management for implementation. All of these activities are part of the one-time expenditures to be covered through the target 10 per cent carry-forward. I use the word “target” because we are not taking the approval for granted.

We will also be discussing the Integrated Borrowing Framework. It is worth recalling that while replenishment will always be central to IFAD financing and operations, there is a clear and compelling need for us to do more, for IFAD to do more.

Our plan is to complement our current sovereign borrowing from Member States or Member State-supported institutions with borrowing from private institutional investors who are aligned with our mission, priorities and values.

Let me be clear: we have no intention of embarking on market borrowing tomorrow, but we do need to signal to potential lenders, including existing ones like Agence Française de Développement and KfW Development Bank, that IFAD is on a sound financial footing and has an official credit rating.

We will also discuss the latest ARRI, RIDE and PRISMA reports: they reveal some positive findings, including that IFAD-supported projects reached nearly 132 million rural poor people in 2019, and ratings for projects at design were very strong. Overall, projects are performing well, particularly in the area of climate change adaptation.

On the other hand, I am also very conscious that the reports indicate that more efforts are still needed in areas such as sustainability and efficiency, and in government performance.

IOE and IFAD Management have committed to learning from and responding to this finding and to ensure, going forward, that the reports follow best practice.

We will also be reporting back to you on our standing agenda item on the IFAD approach to preventing sexual harassment, exploitation and abuse.

Here let me state clearly that no abuse, racism or discrimination will be tolerated at IFAD; not on the basis of gender, age, race, religion, disability or any other form; not with the people we work with; and not within the organization that I have the privilege to lead.

We have put in place an anti-hate speech action plan. In the coming months, we will develop an IFAD-wide survey that includes specific questions on racism. We will report back to the Executive Board on the results of this survey.

Dear colleagues,

Although this year has been overwhelmed by COVID-19, for the world’s rural people, there are even bigger threats.

Chief among them is climate change. Last week, the journal Nature reported that more than half the world’s oceans may already have been affected by climate change. Another report shows that water availability is declining because of human action, and dry seasons are becoming more extreme. And there are indications that the great climate migration has already begun. Scientists have also reported that temperatures could rise more over the next 50 years than they have over the past 6,000.

This is the context in which we are launching the Rural Resilience Programme. The programme will equip small-scale producers, the landless poor and their communities with the resources to become more resilient in the face of climate change.

We are all vulnerable to new diseases. We have realized that with COVID. But, in addition to the health dimension, if our food systems fail, we will all be vulnerable to inadequate nutrition.
Very clearly, in all of that, IFAD has a clear and an important role to play – not in the humanitarian response because we are not a humanitarian agency – but to sow the seeds of resilience to prevent future emergencies.

I am looking forward to productive discussions throughout this Board session. Thank you.