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## **Opening Statement by President Gilbert F. Houngbo**

Executive Board — 131<sup>st</sup> Session  
Rome, 23 November 2020

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For: **Information**

## Opening Statement by President Gilbert F. Houngbo

Excellencies, ladies and gentlemen,

Welcome to this 131<sup>st</sup> session of IFAD's Executive Board.

I would like to thank all of you for your flexibility and quick response to our proposal to hold this additional Board meeting today, particularly in consideration of the heavy December schedule, which includes the Consultation on the Twelfth Replenishment of IFAD's Resources (IFAD12).

Let me extend a special welcome to our new Executive Board representative for the Kingdom of Norway: Mr Morten Von Hanno Aasland, Ambassador and Permanent Representative of Norway.

Let me also extend a warm welcome to those attending the Executive Board for the first time as well as those following our proceedings as observers.

I am also pleased to introduce a new member of IFAD Management, the new Director of the Environment, Climate, Gender and Social Inclusion Division, Ms Jyotsna Puri, who joins us from the Green Climate Fund where she was Head of the Independent Evaluation Unit. Prior to this, she was Deputy Executive Director of the International Initiative for Impact Evaluation (3ie) in New Delhi.

Excellencies, ladies and gentlemen,

In preparing for this session, I was reminded that it is the last before the end of my current term. Regardless of what the future holds, I feel compelled for good governance sake to "hand in my report card" to the Board.

It has been a remarkable journey, and I have benefitted from working with a great institutional team, and from your strong support and guidance. I can look back and say with humility that we have moved our institution forward in the right direction.

During this session, I would like to pause, reflect and recall the commitment I made to you when we began our journey together on 10 April 2017. And I quote: "I see IFAD increasing its investment in rural areas and playing an even stronger role in helping the world's poorest citizens escape from the poverty trap. And I see IFAD continuing to be a principal champion of the bottom billion – a champion that matches its advocacy with finance, and measures its success in results."

I believe we are now within touching distance of these goals. But in our constantly changing world, this is just a starting point. We will have to do even more.

The first question is have we increased our investment in rural areas and are we playing a stronger role in helping the world's poorest citizens escape the poverty trap?

Yes, we have, and yes, we are. And we continue to make significant strides. For IFAD11, the target for the programme of loans and grants was set at US\$3.5 billion. Of this, US\$1.67 billion was delivered in 2019 alone – a record delivery. By the time of the midterm review of IFAD11, the Fund had already delivered on 75 per cent of its 50 commitments.

Those numbers tell one story. But even more important is that IFAD increased its outreach from 97 million rural people at the beginning of IFAD10, to 132 million by the end of 2019. We have not just done more – we have reached 36 per cent more poor and vulnerable people.

Second, have we been able to match our advocacy with the requisite finance?

During this period we have made good progress in strategically positioning IFAD in the international development arena while at the same time systematically revamping our financial architecture. Core contributions remain the bedrock of our funding. But IFAD's relevance and financial credentials have been recognized and the opportunity to mobilize

more resources enhanced by the very strong credit rating obtained recently from both Fitch and Standard and Poor's.

Strategically positioning IFAD has helped us step up our cofinancing. We have doubled the cofinancing percentage of IFAD10.

Moreover, the DSF reform, which we approved together a year ago, is moving IFAD to a more sustainable financial model and ensures that the Fund can continue leveraging Members' contributions for greater impact.

With the adoption of the Integrated Borrowing Framework and other components of a new financial architecture during this session, IFAD will have a wider range of products to support all categories of borrowers in delivering on their own 2030 Agenda commitments, especially goals 1 and 2.

Ladies and gentlemen,

I also committed to revisit the business processes and operations of IFAD and to improve management, transparency, value for money, gender balance at senior levels, and social dialogue with staff.

We have strengthened operations to optimize results. Key operational policy reforms have accelerated the time needed from concept to Board approval from 17 months in IFAD10 to about 10 months at present.

A robust decentralization process has brought us closer to the people we serve as well as building stronger partnerships, including with the Rome-based agencies and other bodies. We have so far doubled the field presence from 16 per cent in IFAD10 to 32 per cent currently. This has made us more efficient in lending and non-lending operations including policy engagement.

My commitment to partnerships included a stronger engagement with the private sector. The amendment of IFAD's basic legal texts in 2019 enabled the Fund to directly finance private sector entities. This led to the launch of the Agribusiness Capital Fund to support small and medium-sized rural businesses that are key to developing thriving rural communities with attractive livelihoods for rural youth.

With the approval by the Board in this session of the Babban Gona agricultural project in Nigeria, IFAD will be making its first ever direct investment in a private sector entity.

As a result of reform and a push for higher visibility, IFAD is now better recognized on the international stage as an effective partner investing in rural people and addressing issues of social and financial exclusion.

These commitments come with a high degree of risk. We have to recognize this. The revamping of the whole Enterprise Risk Management and the creation of the Risk Management Unit has therefore been key to ensure adequate risk management mechanisms and requisite safeguards.

IFAD's human resource base continues to be key in the delivery effort. In this regard, I have focused on tackling the different building blocks to inspire a professional, results-oriented and constructive team, and fostered the unparalleled commitment of Senior Management and staff at headquarters and in the field to produce results.

I am humbled and pleased that IFAD's achievements have been recognized by the Multilateral Organisation Performance Assessment Network (MOPAN) and others. But there is always room for improvement. The latest Annual Report on Results and Impact of IFAD Operations (ARRI) and our own Report on IFAD's Development Effectiveness (RIDE) show where to focus our efforts to do better, such as project-level efficiency, sustainability and government performance.

I remain also mindful that regarding the latest added mainstreaming area, i.e. youth, as well as higher targets in other mainstreaming areas, we are committing ourselves to do more in the context of IFAD12.

The operational effectiveness shall also continue to be best fit for purpose, particularly in the context of the ongoing work on the People, Processes and Technology Plan (PPTP).

Knowing the low points provides strong motivation to continue pushing the boundaries for us to continue improving.

Reforms must always be in the context of IFAD's *raison d'être*. Our core mandate is – and remains – to deliver results for the world's poorest people – particularly small-scale producers.

COVID-19 has exposed weaknesses in the food system and is threatening to roll back years of progress in the fight against hunger and poverty. Other challenges, such as climate change, continue to devastate the lives of those most in need.

One thing stands out – rural communities are disproportionately affected by shocks. This is why I am calling for a strong agenda to build long-term resilience. The women and men IFAD serves need to be better prepared to overcome all forms of shock – for today, and for tomorrow.

Ladies and gentlemen,

The changes in our business model, particularly after their consolidation, will help us do just that – expand and deepen results on the ground and direct more resources to build the resilience of the poorest and most marginalized people.

In IFAD12, we aim to raise the incomes of 40 million rural women and men annually with the objective to double our impact by 2030.

This institution will continue to count on your support and guidance.

Thank you.