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Investing in rural people

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

Executive Board — 131st Session
Rome, 7-9 December 2020

For: **Information**

Closing Statement

Distinguished delegates and colleagues,

As we come to the end of this 131st session of the Executive Board, let me take this opportunity to thank you all for your usual active engagement and frank, yet constructive discussions over the last three days. I have always acknowledged that the strength of this Board is its ability to find the solutions when it matters most and I am very grateful that you provide that guidance.

I would like to express appreciation for your strong recognition of IFAD's track record and contribution to the resilience of small-scale producers. Your strategic advice on IFAD's role in the global momentum for climate action will pave the way for our engagement as we go forward. Management will make sure to follow up with Member States to maximize partnership opportunities and continue operationalizing an ambitious climate finance agenda in 2021 and beyond.

Let me also recall the Executive Board's selection of the new Director of the Independent Office of Evaluation of IFAD, Ms Véronique Salze-Lozac'h, who is expected to take up her position during the first part of 2021.

On the Social, Environmental and Climate Assessment Procedures, the review of the proposed update is welcomed. Management will take into account the recommendations made to further improve the document, and take steps to respond to your call for adequate capacity for its implementation.

Your approval of the new Liquidity Policy and the Integrated Borrowing Framework provides Management with the space to mobilize additional resources as well as ensure a prudent financial management regime. As recommended in the policy, Management will report regularly to the Board as required.

Thank you for approving the amendments to the General Conditions for Agricultural Development Financing. I am also grateful for your review and endorsement of the draft resolutions for the amendments to the Agreement Establishing IFAD, the Policies and Criteria for IFAD Financing and the Financial Regulations, and the draft resolution on market borrowing authority, each as amended via the corrigendum and orally during the session. Considering the changes IFAD has undergone, and continues to go through, these amendments will ensure that adequate safeguards are in place for Management to undertake existing practices as well as in implementing the strategic objectives of IFAD12.

Reflecting on the issues raised during the discussion, I want to reiterate how much we value your trust, and reassure you that we do not take it for granted.

We appreciate your guidance on IFAD's 2021 results-based programme of work and regular and capital budgets, and the IOE results-based work programme and budget. I also welcome your caution on the utilization of the 10 per cent carry forward and request for more details on the areas of expenditure. Management commits to providing details at the April or September 2021 Board session and assures the Board that we will revert to the prescribed 3 per cent.

As we indicated, in view of the challenges of maintaining a zero real growth budget due to ongoing institutional changes, it will be beneficial to undertake a broad discussion on IFAD's budget process during the Executive Board retreat in 2021.

On the People, Processes and Technology Plan, we appreciate your constant engagement and support in its implementation. Approving the additional drawdown in 2021 of US\$4.165 million will enable us to intensify the process of consolidating corporate reforms. Your guidance will remain key as we build a workforce that is diverse and fit-for-purpose for IFAD's operations, especially as we implement the next phase of the

decentralization process in 2021. Management will make sure to update Member States on the progress throughout the year.

IFAD's process for obtaining a credit rating has been undertaken in consultation with you, and Management is pleased to have shared with you the successful ratings provided by Fitch Ratings and Standard & Poor's.

Thank you for the approval of the resources available for commitment (RAC) of up to US\$934 million. As noted, with the approval of the Integrated Borrowing Framework (IBF), we anticipate significant improvement in subsequent RAC levels and resources for operations.

The Board's approval of IFAD's first-ever non-sovereign operation is also noteworthy. It will allow us to leverage the private sector to provide further opportunities and create jobs for rural people. As we continue developing our capacity and pipeline under the remainder of IFAD11 and into IFAD12, we expect this transformative model to significantly deepen our impact on reducing extreme poverty and hunger.

We also appreciate the Board's approval of various investment proposals. Our ability to engage in countries with fragile situations, like Yemen, and channel development finance to challenging regions, like the Sahel, demonstrates IFAD's capacity to support the most vulnerable communities and the rural poor who need us most. We will update members on further strategic and implementation considerations as we continue learning from these particular experiences.

Tomorrow, many of us will meet again for the Consultation on the Twelfth Replenishment of IFAD's Resources (IFAD12). It is my sincere hope that by the end of this week we will have a firm understanding of the financing scenario for IFAD12 so that we can start 2021 on a solid and united footing. I also look forward to expressions of strong support for your organization through your pledges.

At this juncture, I would like to take a moment to thank Ms Margarita Astralaga, who retires at the end of December after actively serving IFAD for five and a half years. She joined as Director of the Environment, Climate, Gender and Social Inclusion Division, and has been at the forefront of IFAD's efforts to integrate the mainstreaming themes into its operations. She has certainly contributed to further developing IFAD's climate agenda. We appreciate her contribution and wish her every success in her future endeavours.

I would also like to thank IFAD staff for their hard work and dedication. They have demonstrated the strong resilience of our organization during these very trying times imposed by the COVID-19 pandemic by ensuring that we continue to deliver.

For those who are not joining us over the next two days for the IFAD12 Consultation, I take this opportunity to wish you a joyous year-end celebration. Let us remember to remain safe at all times and I look forward to seeing you in the New Year.

Stay well and stay healthy.

Thank you.