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Opening Statement by President Gilbert F. Houngbo

Executive Board — 132nd Session
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For: **Information**

Distinguished Representatives,

Let me extend a special welcome to the representatives for Austria, Costa Rica, Côte d'Ivoire, Ireland, Luxembourg and Pakistan, who represent the new and alternate members of the Board.

I would also like to warmly welcome and congratulate the newly accredited representatives:

- For Austria: Ms Veronika BAUMGARTNER-PUTZ
- For Costa Rica: Ambassador Federico Zamora CORDERO
- For Côte d'Ivoire: Ambassador Seydou CISSÉ
- For Ireland: Ms Michelle WINTHROP
- For Kuwait: Mr Khaled ALKHALED

Let me take this opportunity to thank the outgoing Members of the Board – the representatives of the Dominican Republic, Finland, Greece, Kenya, Republic of Korea and Switzerland for their valuable support and engagement – especially during the last year, when COVID added an extra burden on all of us.

There have also been changes in the List convenorships. Ms Gloria Wiseman of Canada takes on the role of List A Convenor and Ms Bjørg Skotnes of Norway is the new List A Co-Convenor, while Mr Medi MOUNGUI of Cameroon assumes the role of sub-List C1 Convenor.

A special thanks to our former Convenors of Lists A and sub-List C1: Ms Elizabeth Nasskau of the United Kingdom and Mr Carlos Amaral of Angola, for their guidance.

Welcome also to our silent observers from the Rome-based agencies, the European Union and all other delegates and those observing from the *salle d'écoute*.

It is my pleasure to introduce the new Director of the Independent Office of Evaluation of IFAD, Mr Indran Naidoo, a national of South Africa, who joined us on 1 March 2021.

Mr Naidoo joins us from the Independent Evaluation Office of UNDP where he led the evaluation function to become one of the largest and most expansive evaluation programmes in the UN system. Welcome, Indran.

I am also pleased to announce that two staff members have been recently appointed to our management team:

- Ms Dina Saleh, a national of Yemen and Kenya, has become IFAD's Director of the Near East, North Africa and Europe Division (NEN).
- Ms Nadine Gbossa, a national of Benin and Belgium, is the new Director of IFAD's West and Central Africa Division (WCA).

I am sure you join with me in wishing them every success in their new roles.

Excellencies, Ladies and Gentlemen,

At the start of my second term, the first thing I would like to do is to thank you once again for the trust you have shown by re-appointing me for a second term as IFAD's President.

Needless to reiterate that I am determined and dedicated to finishing what I began in my first term – and to deliver on my commitment to make IFAD stronger and more effective – with broader reach and greater impact on the ground.

Let me update you on actions since we last met in relation to the three key areas that we have been talking about since the election, starting with the consolidation of initiatives of the last years.

The first category of consolidation I would like to brief you on is decentralization. The plan for this year is to move IFAD's West and Central Africa Division to Abidjan, Côte d'Ivoire. The East and Southern Africa Division will also move – most likely, although I have not yet signed off on it – to Nairobi. Colleagues are actively working on that.

Next year, the plan is to move the Asia and the Pacific Division (APR) and the Latin America and the Caribbean Division (LAC) to the field. We are far from determining what will be the location for APR and LAC. We will draw lessons from the ongoing exercise in West and Central Africa and East and Southern Africa. For the Near East, North Africa and Europe Division, I am not expecting a decision before the second half of next year after we draw lessons from the Africa, Asia and the Pacific, Latin America and the Caribbean divisions.

In addition to ongoing actions in response to the Work Place Culture and the last Global Staff Survey, we have also been taking key initiatives and others are in the making.

We are ensuring greater empowerment through increased delegation of authority. A much bolder delegation of authority table and accountability framework – as the two go together – were published last week.

As I shared with Convenors in our last meeting, we have embarked on revamping our working arrangements with the objective of making bold changes to IFAD's teleworking arrangements in consultation with staff. Staff have been consulted extensively on this. We want to draw lessons from the experience we have had with COVID, and also to see what other multilateral agencies are doing. Clearly we expect to take bold action that gives staff the maximum flexibility, with decisions to be made by their respective directors.

In addition to that, to recognize the contribution and commitment of staff over the past several years to achieving the Fund's mandate and to further motivate them, I have decided to grant a within-grade salary/step increase to all staff on indefinite and fixed-term contracts who meet set criteria starting 1 May, 2021, while remaining within our overall budgetary boundaries.

There is another dimension that we are looking at in relation to the ongoing decentralization. It goes without saying that by moving regional bureaux to the field, the work being done by several General Service (GS) staff in those regional divisions at headquarters risks becoming redundant, and that a certain number of GS staff are at risk of losing their jobs. For me this is part and parcel of a situation that does not help to improve the overall staff morale. Therefore, it is quite urgent and critical for me, and for Management, to look at ways to keep pressing for the delivery of Decentralization 2.0. At the same time, while posts might become redundant or be cut in Rome, we want to ensure that staff do not lose their jobs. I am confident that in the coming weeks and months, we will have a game plan that will allow us to ensure staff do not lose their jobs while maintaining the course of action with regard to decentralization.

The second area I would like to update you on is where we stand with consolidating the financial reforms and innovations to enable us to maximize the leveraging of core contributions, knowing that countries will face economic impact and disruption due to COVID-19.

In fact, the G20 has announced a debt moratorium for low-income countries until the end of 2021, and the IMF and World Bank have added their voices¹ on debt relief – but so far, only 49 countries will be eligible.

I am aware that some Member States are currently struggling to make payments to IFAD on time. And there is the very real risk of more countries falling into arrears a serious concern that we are monitoring closely.

To complicate matters, I am reminded of the latest Ceres2030 report calling for additional annual ODA of US\$14 billion together with US\$19 billion from partner countries' domestic budget if we were to end poverty, double the incomes of 545 million small-scale farmers by 2030, and limit agricultural emissions in line with the Paris Climate Agreement.

In response, we have started operationalizing the Integrated Borrowing Framework approved by the Executive Board last year. Our game plan is to have an inaugural private placement at the end of this year or early next year. This will be issued under a medium-term note (MTN) programme, which is common practice among with peer IFIs.

The third area for update is our progress with private sector partnerships and climate-related initiatives. These will complement our core replenishment funds and channel additional financing to address adapting to the climate crisis as well as creating entrepreneurial opportunities for youth.

We have made good progress, although I must admit that the road has been bumpy. I am confident with progress made on building a Green Climate Fund with a serious and significant portfolio with 15 GCF projects that would bring in almost US\$1.1billion. For us to build that portfolio, we would need to invest US\$6 million. So the proportion to be invested is not even a big amount – about 0.6 per cent on our side. Yet, for IFAD, US\$6 million is a significant amount. Given the programmatic and strategic nature of this investment, we will submit a proposal to the September Board to fund this investment from the remaining IFAD11 regular grants.

We are also stepping up our resource mobilization efforts for the private sector window. I would like to thank those of you who have pledged or indicated their intention to do so. On the delivery side, our proposed second investment deal will be submitted very soon to the Board for approval.

Ladies and Gentlemen,

One year on, COVID-19 continues to disrupt our work. The Fund's response to the pandemic continues to be focused on staff wellness and safety, business continuity and field operations.

A priority for 2021, is the vaccination programme for staff and dependents both in HQ and the field offices which is being coordinated by the UN Security Management Team in Italy and in the field.

On the IFAD12 replenishment, we are continuing to receive pledges, and as of last week, total pledges received amount to US\$1.15 billion in contributions.

¹ <https://www.reuters.com/article/us-imf-worldbank-idUSKBN2BW1ZQ>.

This is encouraging, particularly in comparison to IFAD11 and IFAD10, but we still have some way to go to reach the Scenario D target.

While there may seem to be time, we must admit that the clock is ticking. And as you know, when we next meet at the September Board, we will need to finalize the IFAD12 programme of loans and grants – which will be based on the actual pledges received.

Ladies and Gentlemen,

Our April Board meetings are always unique, with a number of key substantive documents to discuss.

In the coming days we will have a chance to deliberate on issues critical to human resources, financing and operations.

The agenda on diversity at IFAD is a very important one.

More than ever, we are committed to continue working on respecting and promoting diversity in our staff and workplace, while ensuring that we continue to select the best-qualified candidates to join our workforce.

The paper looks at some of the trends of the past five years and gives an overview of what policies and processes IFAD currently has in place to foster diversity and inclusion.

While the numbers and trends are important to look at, I would like to draw your attention beyond those numbers, to the challenges we face on other aspects of diversity such as hate speech, sexual harassment, unconscious bias, ensuring inclusiveness and combating racism. And this list is certainly not complete. Addressing these is firmly embedded in our efforts to improve the workplace environment.

We will shortly begin our strategic discussion, which is the next agenda item. But before we start, I hope we can all take a moment to recognize the daunting challenge to mobilize all the resources required annually to achieve SDGs 1 and 2. We need to be realists: we know that sole reliance on ODA and public investment will not be sufficient. How we utilize ODA to catalyse the mobilization of sizeable resources in private investments will therefore be essential.

You have challenged us to do more, and we are ready to do so. That is why my question to you is: "In what other ways do you, Member States, envision IFAD leveraging its credit rating and potential to tap non-ODA resources so as to still benefit the low-income and fragile countries that we are focusing on, while – obviously – adhering to the principle of universality?"

Our expectation is that we will tackle this in the true spirit of a discussion. I will call on members to please avoid a narrow discussion focused on market borrowing, and rather, focus on how we can capitalize on our assets to mobilize non-ODA funding – including what role callable and paid-in capital can play in enabling us to better serve the low-income countries, uphold the universality of IFAD and double our impact by 2030.

Thank you.