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## **Opening statement by President Alvaro Lario**

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Excellencies,

Colleagues,

Ladies and gentlemen,

Welcome to the 140<sup>th</sup> session of IFAD's Executive Board.

We meet as the world eagerly awaits the final outcome of the COP28 negotiations and a clear path to fully implementing the Paris Agreement.

To come even close to meeting the 1.5°C climate target, an estimated US\$5 trillion in low-carbon investments is needed every year until 2030. Clearly, this is more than all the world's governments and multilateral banks together can provide. The huge presence of financial institutions and businesses at COP spoke to the understanding that now, more than ever, we need business experience, technical expertise, and stronger collaboration with the private sector.

In all of this, it is absolutely critical that new financing reaches small-scale farmers and the millions of other rural people whose work means we can all eat. This is important whether we are talking about climate change response or new financing for food systems transformation.

The imminent and unfair risks that small-scale farmers face from climate change could not be more clear. Their carbon footprint is small, and they are already being hit hard by weather extremes.

Yet they receive not even 1 per cent of global climate finance.

Recently I had the honour to meet the daughter of IFAD's first President, Mr Abdelmuhsin M. Al-Sudeary. And just last week, I had the opportunity to meet with IFAD's third President, Fawzi Al-Sultan.

These meetings made me reflect about the parallels between the global situation today, and when IFAD was founded.

It struck me how IFAD's early Members came together so strongly to support the institution at a time of global crisis to increase investments in rural people.

Building on these strong foundations, IFAD has come a long way. But once again, the world finds itself in a cycle of recurring crises, with a pressing need for even more finance directed to the poorest areas, to address hunger and poverty.

I am humbled by the strong support I am seeing again from IFAD's Members, and confident we can continue working together for a food-secure future.

Ladies and gentlemen,

IFAD's work with small-scale farmers and other rural people is essential to getting on back on track and achieving the Sustainable Development Goals (SDGs). I look forward to hearing your suggestions on how IFAD can leverage existing and new partnerships to have more impact on operations and financing, and how IFAD can exert a greater influence on the global agenda.

As most of you will know, IFAD helps make precious official development assistance (ODA) dollars go further by bringing together partners and assembling multiple sources of financing for development. Through the mobilization of additional cofinancing, IFAD turns every dollar our Member States provide into six dollars of investment on the ground.

We have already taken on board your feedback on IFAD's 2024 results-based programme of work, as well as our budgets for 2024, and indicative plans for 2025 and 2026.

We are taking steps to ensure a stable path after three years of budget increases, while being cognizant that the 2024 budget not only is essential for fulfilling IFAD12 commitments, but also lays the foundation for what IFAD can deliver in IFAD13.

The budget will also reflect resources we are channelling into decentralization. Following our last meeting in September, we committed to providing an oral update on the steps taken to improve the effectiveness of our decentralization process, plus an annual progress report during each December session of the Executive Board.

Being ever closer to the rural people we serve is central to IFAD being able to deliver strong and lasting results on the ground. It goes to our credibility as an institution. Another factor critical for the credibility and reputation is an independent ethics function. Oversight by a governing body can help strengthen this independence.

During the 168<sup>th</sup> meeting of the Audit Committee, we discussed best practices and supported, in principle, having the ethics function report to the Board through the Audit Committee.

The IFAD Ethics Charter, which is being presented for confirmation by the Executive Board, was created by the Ethics Office in consultation with the Audit Committee Chair. It is being presented to the Board and reflects the additional responsibilities given to the Audit Committee.

Ladies and gentlemen,

At COP28 last week, I heard world leaders agree on the need for more financing for climate adaptation.

The world is beginning to truly understand the need to invest in the most vulnerable people so that they are resilient in the face of climate change and other shocks.

IFAD is your institution, and your conduit to accelerating progress on the SDGs. I am honoured by the support we receive from you, and the way that Member States come together from across the lists in support of IFAD and the rural people we serve. It is a particular pleasure to see IFAD expanding its membership base, and in this session we see the new membership applications from Lithuania and Serbia.

With your support, we are already doing more in this area and have made significant strides in recent discussions on priorities for IFAD13.

We know that agriculture and related services can be profitable. That they can provide decent jobs for young people, women, indigenous peoples, and those who are so often left behind. And we know that it is possible – and essential – to produce food in way that nourish people and the planet.

Investing in rural communities starts a virtuous upward development spiral.

I look forward to a very fruitful discussions on this, and on all agenda items, including those not touched on in these preliminary remarks.

Thank you.