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AGRICULTURAL
DEVELOPMENT

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**STATEMENT BY THE CHAIRMAN
HIS EXCELLENCY BUNGARAN SARAGIH
CLOSING THE TWENTY-FIFTH ANNIVERSARY SESSION OF THE GOVERNING COUNCIL**

Mr President,

Distinguished Governors and Delegates,

Ladies and Gentlemen,

The time has come to draw the Twenty-Fifth Anniversary Session of the Governing Council to a close. This Session has been an important one, not only as it marks a special anniversary of the Fund, but also thanks to the presence of such distinguished guests.

We have had the honour of listening to the Inaugural Address of the President of the Italian Republic, His Excellency Carlo Azeglio Ciampi, who reiterated the continued need for institutions such as IFAD to fulfil their specialized roles in the efforts to bring about a world free of poverty and deprivation. May I say that Italy's contribution to IFAD and to international cooperation for development is admirable and should be a lesson for us all.

His Excellency Kofi Annan, the Secretary-General of the United Nations, graced us with an Inaugural Address that highlighted the importance of the underlying factors that allow vulnerability to persist and famines to recur even as we deal with the urgent demands of peace and security.

Let me stress here that the UN family is a global partnership that unites rich and poor, urban and rural, women and men. It is only through the sharing of experiences and lessons learned that progress can be made – for the path of development is a two-way street of which we are all ultimately beneficiaries.

His Eminence Cardinal Angelo Sodano brought to us the message of His Holiness Pope John Paul II, which reconfirmed the Holy See's support of the work of the Fund in its efforts to improve the plight of the rural poor by helping them help themselves.

This common thread, which ran through each of these eloquent addresses, was ably picked up by the Director-General of the Food and Agriculture Organization of the United Nations, Mr Jacques Diouf, and the Executive Director of the World Food Programme, Mr James T. Morris. Although it was recognized that the progress being made is slow – and at times the task before us may seem daunting – positive and determined attitudes prevailed. The commitment of these two specialized agencies and their spirit of collaboration in joining together with IFAD in the struggle against food insecurity is uplifting.

President Båge's statement to the Council this year was both a forceful and hopeful declaration of just how the Fund envisions its future path, based on the lessons it has learned from decades of experience and practice – lessons it is sharing with its partners the world over.

He stressed the global priority now being given to fighting poverty and that rural development is being recognized as a key to achieving the Millennium commitments. The Council was able to partake actively in a panel discussion that addressed this priority. We have also had the opportunity to review more specific issues in the four round-table discussions that were held at this Session. In this respect, I would congratulate the Fund and its Secretariat for having organized these events as they provide us with the means to truly exchange and share our individual views, expertise and experience.

These views were further emphasized by my distinguished fellow Governors in their statements as they highlighted the significance of the work of our Fund to the lives of the rural poor. Allow me to reiterate here my own first-hand testimony in having visited IFAD projects in Viet Nam. There, I met with beneficiaries and was heartened and filled with pride upon hearing accounts of improved lives and, above all, hope – hope for a better and brighter future.

Distinguished Governors,

It is fitting that an Anniversary Session of the Governing Council welcome to its midst another Member State. By approving the membership application of the Republic of Timor-Leste, we have, at this Session, brought our membership to 163 – over double the number of Member States that took part in the First Session of this Council.

At our last session, we entrusted part of our membership with the very important task of negotiating the Sixth Replenishment of IFAD's Resources. These negotiations were not only concluded in record time, less than one year, but more importantly agreed on a replenishment of 560 million United States dollars, the highest negotiated target since the Fund's first replenishment exercise. It is indeed gratifying to see that as the Fund concludes its first twenty-five years of operations, it commands even greater support and esteem of its membership.

Our sincere congratulations should go to our colleagues on the Consultation for the Sixth Replenishment of IFAD's Resources for their exemplary work, not only with respect to the resources they have been able to generate, but for the depth of the review undertaken of the Fund's current policies and operations and the scrutiny with which they provided guidance for its future. The report of the Consultation clearly identified and provided direction on specific policy issues for the replenishment period from 2004 to 2006.

The Governing Council approved the administrative budget of IFAD for 2003 at a level of USD 45.2 million. In approving this budget, it also authorized the Executive Board to approve any funding that may still be required after the receipt of voluntary contributions for the external independent evaluation of IFAD – one of the recommendations submitted to us by the Consultation.

The Council also established the IFAD Trust Fund for the After-Service Medical Coverage Scheme for the purpose of covering IFAD's liability to current and former employees.

A new Executive Board membership was elected for a three-year term of office. All of us are well aware of the importance of the work of the Executive Board as it ultimately facilitates our deliberations with its recommendations. May I, on your behalf, express our best wishes to our colleagues on the Board and again thank the outgoing members for their diligent work.

We have witnessed the way IFAD is striving to improve the internal structures of the organization through its Strategic Change Programme. This is an important and praiseworthy initiative. We have also witnessed how the Fund, in implementing the IFAD V: Plan of Action, has responded effectively to the recommendations made to it by the Consultation that negotiated the Fifth Replenishment of IFAD's Resources. In

doing so, it has demonstrated the reciprocal respect that the organization enjoys with its Member States.

The Council was presented with an annual progress report on the Popular Coalition to Eradicate Hunger and Poverty, which this year proudly announced its rebirth as the International Land Coalition, a name embracing the true nature of this entity whose primary aim is to increase secure access of the rural poor to natural resources.

Over the years, we have also closely followed the progress of the Global Mechanism of the United Nations Convention to Combat Desertification, and this year's report again confirmed the importance of the Fund's collaboration with its various partners – partnerships that are mandatory if rural poverty is indeed to be overcome.

Fellow Governors,

May I say that fulfilling my role as Chairman of the Governing Council has proven to be a positive experience, which I shall look back upon with pride and joy. Having been unable to be here last year, I must thank my colleague Mr Jannes Hutagalung who so ably replaced me. My sincere thanks must also go to the vice-chairmen of the Council, whose assistance was indeed appreciated, and to all of my distinguished colleagues for the support and collaboration you have shown me.

It has ensured that presiding over this Session has been, for me, both a privilege and a pleasure.

I am sure that I may speak on behalf of you when I express our deep appreciation to the President and staff of IFAD without whom none of this could have taken place. The smooth running of our meetings is the result of tireless work on the part of those behind the scenes, not the least of which the interpreters, technical staff and conference messengers. The efficiency, thorough organization, and professionalism demonstrated by all has ensured the success of this session.

Ladies and Gentlemen,

We come to the end of a Governing Council Session that marks twenty-five years of operations for our organization. During these years, IFAD has achieved a great deal in its efforts to bring much-needed assistance to the rural poor. Our work, however, is far from complete and our commitment to move forward, to learn from our experience and to make our goals a reality is stronger than ever.

More than anything else, this Session has shown that although we are one, we are not alone. Our partners here in Rome and from the very corners of the world have joined us at this Session not to look to the past but to find ways to present a united front in our future battles against hunger, poverty and human suffering.

I have also had the honour to have been received by His Holiness Pope John Paul II in my capacity as Chairman of the Governing Council of IFAD. The Holy Father's hope, as so eloquently stated in his message to the Council, remains that each of us assumes responsibility for our fellow human beings, particularly those in need of their daily bread.

On this note of hope, I hereby close the Twenty-Fifth Anniversary Session of the Governing Council.

Thank you.

