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**STATEMENT BY THE CHAIRPERSON,
HIS EXCELLENCY MATTHEW WYATT,
CLOSING THE TWENTY-NINTH SESSION OF THE GOVERNING COUNCIL**

Mr President,
Distinguished Governors and Delegates,
Ladies and Gentlemen,

We have come to the end of the Twenty-ninth Session of the Governing Council.

The Council began by expressing its deep sense of sorrow at the loss of our General Counsel and dear friend, Mr Christian Codrai, who passed away on 2 February. In conveying our condolences to Christian's family and friends, the Council observed a minute's silence in his memory.

We had the honour to be addressed by His Excellency Lyonpo Sangay Ngedup, Prime Minister and Minister for Agriculture of the Kingdom of Bhutan. His words transported us from this conference room to the reality that is life for those whom we serve – the rural poor. Recognizing the need for a holistic approach to development and having experienced first-hand IFAD's valuable contribution to rural poverty reduction, he reiterated his country's commitment to the Fund as a catalyst for positive change.

His Excellency Kofi Annan, the Secretary-General of the United Nations, sent a message of support and encouragement to the Council. He, too, underlined that all aspects of development must be addressed in order that the Millennium Development Goals be reached. His statement reiterated the importance of rural and agricultural development, and the key role of IFAD in achieving these goals.

Our Fund's activities are facilitated by the consistent and long-standing support we receive from our host country which, was reconfirmed in the statement of the Government of the Italian Republic, delivered by the Honourable Michele Vietti, Undersecretary of State of the Ministry of Economy and Finance. This partnership, established at IFAD's inception, has thrived thanks not only to Italy's continued generous financial support, but also because Italy shares IFAD's objective of promoting sustainable development for the poorest.

Partnership is indeed fundamental if we are to eradicate poverty and food insecurity; and the commitment of IFAD, and its sister agencies in Rome, to working together was underlined, with examples of partnership in action, in the messages of Dr Jacques Diouf, Director-General of the Food and Agriculture Organization of the United Nations and Mr James Morris, Executive Director of the World Food Programme.

President Båge's statement to the Council this year once again recognized the need for us all to work together to intensify our response to the development challenges the world faces. In reviewing the progress of the Strategic Change Programme, other initiatives and the implementation of the Action Plan, he stressed that IFAD needs to raise the impact and scale of its programme of work. The Council welcomed the President's vision of a dynamic, catalytic and innovative IFAD which, by 2009, will play an important role in contributing to the achievement of the Millennium Development Goals and eradicating poverty and hunger.

Distinguished Governors,

The overarching vision of a world that enjoys security, development and the respect of human rights brings together the United Nations family. In this context, the Fund's Governors delivered statements of support for IFAD's mandate, appreciation of its efforts to respond to an ever-changing development context in innovative ways, and approval of the sharing of knowledge so that new solutions may be replicated and scaled up for the benefit of all the world's citizens. Many Governors stressed their countries' support for IFAD's Action Plan.

Our panel discussion focused on innovation. Speakers recognized that poor people continue to innovate in order to provide sustainable livelihoods for themselves and their families. But they also recognized that the pace of change in today's world is accelerating. In our discussions there was a shared view that IFAD has a special role to play in helping poor rural people to respond to the challenges and opportunities that they face in a fast-changing world.

The business of our session began on a positive note with the approval of the membership application of Niue, which will become the Fund's one hundred and sixty-fifth Member State. We welcome them, and in doing so, are happy in the knowledge that IFAD's mandate is recognized and championed the world over.

The Council received an encouraging report on the status of contributions to the Fund's Sixth Replenishment showing aggregate pledges now representing 91% of the target amount of USD 560 million. Instruments of contribution and payments not supported by instruments of contribution now amount to the equivalent of USD 451.7 million or 89% of total pledges. With the Sixth Replenishment period ending on 31 December 2006, I would join management in urging Member States to make every effort to bring the total amount of pledges as close as possible to the agreed replenishment level and, naturally, to deposit their instruments of contribution and complete their payments.

The Council welcomed the timely completion of the negotiations on the Seventh Replenishment of IFAD's Resources. I must once again thank and congratulate our colleagues on the Consultation for the conscientious and expeditious effort that went into negotiating, in little less than one year, a replenishment level second only to that of the Fund's First Replenishment. It was agreed that, while maintaining the target level of USD 800 million for the Seventh Replenishment, the structural gap may not exceed 15% of the target level. The Governing Council authorized and delegated to the President of IFAD the authority to adjust the target level at the end of the six-month period for the creation of new votes, so that the total amount of the pledges received as at that date represents 85% of the adjusted target. If such an adjustment is necessary, the President will communicate the new target level to the Governors and the replenishment resolution will be amended accordingly.

The Council approved an administrative budget of IFAD for 2006 in the amount of USD 61.1 million plus USD 400 000 to cover one-time costs. The records of this session will note the negative vote of the United States of America on the Fund's administrative budget. The Council also approved an administrative budget for the Office of Evaluation of USD 4.79 million.

This session of the Council appointed 18 members and 18 alternate members to the Executive Board for a three-year term of office. I take this opportunity once again to congratulate the new Board membership and to wish it every success in the work ahead.

The Council considered the report and recommendation of the Executive Board on supervision and, recognizing the benefits of IFAD's increased involvement in the supervision of its projects and programmes, the Council adopted a resolution enabling the Fund to engage in the direct supervision of project implementation upon the authorization of the Board.

The Council was provided with a report on the implementation of the Performance-Based Allocation System, which became fully operational in 2005, and noted the results of the performance assessment and resource-allocation cycle. The report on the implementation of Phase I of the Fund's Strategic Change Programme (SCP) was well received, and Governors urged the organization to build on the SCP in the implementation of IFAD's Action Plan for Improving its Development Effectiveness.

The International Land Coalition provided a progress report on its efforts to improve the secure access by rural poor households to natural resources, especially land, and the Global Mechanism of the United Nations Convention to Combat Desertification (UNCCD) reported on its operational activities in 2005, outlining its consolidated strategy and enhanced approach, as endorsed by the Conference of Parties to the UNCCD.

Fellow Governors,

I would like to thank you for the collaboration you have afforded me and my colleagues on the Bureau, the Governors for Qatar and Bangladesh. You have made presiding over this session an easy and indeed enjoyable task.

All our thanks should go to the staff of IFAD, who have once again demonstrated unquestionable dedication, skill and competence in the preparation of these meetings and in responding to the demands made of them by Member States. I should also like to thank, most sincerely, the interpreters, technical staff, conference personnel and messengers who help us communicate with and understand one another.

At this point, I would like to take the opportunity to thank an IFAD staff member, Mr Siva Thampi, who is leaving the Fund. He has been the Secretary of IFAD for the last two years and Mr Thampi now returns to take up his duties in the United Nations Economic and Social Commission for Asia and the Pacific, in Bangkok. In these two years, he has become a familiar and friendly face to all of you. Consistently cooperative and committed to the vision of the Fund, he has served IFAD and its Member States with dedication. We wish him all the best for the future.

I would also like to note that an announcement is being made at 12.00 noon today in New York by the Secretary-General, Mr Kofi Annan, about the establishment of a panel on UN system-wide coherence in the fields of development, humanitarian assistance, and environment. This panel is co-chaired by the Prime Minister of Pakistan, the Prime Minister of Mozambique and the Prime Minister of Norway, and has several other high-level participants as members. I am happy to say that our President, Mr Lennart Båge, has also been named by the Secretary-General to serve on this extremely important panel. I am sure we all wish him well in this task and we look forward to the role that he and IFAD will play in helping to strengthen the coherence of the United Nations system.

Finally, before closing this session, I must congratulate you, the Governors of this Fund, for the work that has been done during this Council. Decisions have been made that affect IFAD's future, its resources, and the direction its activities and operations will take. Guidance was given on key policy issues and your commitment to our organization has been tangible and concrete. Without such commitment, IFAD would not be able to fulfil its mandate – our mandate – enabling the rural poor to overcome poverty.

On this note, I hereby close the Twenty-ninth Session of the Governing Council.