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**STATEMENT BY THE VICE-CHAIRPERSON,
MR JÖRG FRIEDEN,
CLOSING THE THIRTIETH ANNIVERSARY SESSION OF THE GOVERNING COUNCIL**

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

We now come to the end of this thirtieth anniversary session of the Governing Council of IFAD. This session, which was attended also by the Fund's three former Presidents, marked the completion of the third decade of IFAD's existence but, more importantly, underscored the need for IFAD to continue and indeed redouble its efforts in pursuing its mandate of enabling poor rural people to overcome poverty.

We have been privileged by the presence of distinguished guests, who inspired this Council by presenting their own particular perspectives on the challenges facing agricultural and rural development, and yet they spoke as one. The message was clear: with three quarters of the world's poor living in rural areas and with IFAD's specific focus on poor rural people and the agricultural sector, each and every one of us has a duty to enable our institution to improve and to better carry out its work.

The Council was honoured by the presence of His Excellency Alhaji Aliu Mahama, Vice-President of the Republic of Ghana, who delivered an inaugural message on behalf of His Excellency John Agyekum Kufuor, President of the Republic of Ghana. The challenges the world faces today know no boundaries and affect the developed and developing world alike. As such, and notwithstanding the devastating effects of climate change, among other emerging issues, these challenges provide an opportunity for us to come together for a common good that concerns us all.

Listening to the words of His Excellency Massimo D'Alema, Vice-President of the Council of Ministers and Minister for Foreign Affairs of the Italian Republic, the Governing Council was once again reassured of the trust that Italy - as host country to IFAD and one of the staunchest advocates of international aid for sustainable development - places in our organization, and of its continued generosity and support. We took pride also in the appreciation of the central role that IFAD plays in the achievement of the Millennium Development Goals and its pioneering reform to render it more effective in carrying out its mandate.

An inaugural statement to the Council from His Excellency Paul Biya, President of the Republic of Cameroon, was delivered on his behalf by His Excellency Jean Nkueté, Deputy Prime Minister and Minister for Agriculture and Rural Development of the Republic of Cameroon. Recognizing that a new century had brought new challenges to the plight of the rural poor, IFAD was called upon to forge strengthened partnerships and to reinforce its engagement in the global effort to reduce poverty.

His Excellency Dr Fahad Bin Abdulrahman Balghunaim, Minister for Agriculture of the Kingdom of Saudi Arabia, brought to the Council an inaugural address from King Abdullah Bin Abdulaziz Al-Saud, Custodian of The Two Holy Mosques, which reiterated the close and special partnership that exists between Saudi Arabia and our Fund. This partnership is built not only on financial support, but above all on the common goal of enabling those in need to lead decent and dignified lives.

This goal is common to the United Nations family as a whole and was reiterated in the message from His Excellency Ban Ki-moon, Secretary-General of the United Nations. In his message, the Secretary-General emphasized the need for better support

for agriculture to address emerging challenges that could jeopardize the achievement of the Millennium Development Goals.

President Bâge's statement to the Council was compelling. IFAD's role and mandate are more relevant than ever before to the realities we face today. The President urged us to translate new challenges into opportunities for the rural poor in order to harness their potential for a better future. I am sure I speak on behalf of all those present when I join with President Bâge in urging the international community to provide IFAD with the financial support it needs to help smallholder farmers and rural poor people to rise out of poverty.

Such a mammoth task cannot be undertaken alone, and the Council was pleased to hear the voices of two of IFAD's most important international partners, Mr Donald Kaberuka, President of the African Development Bank, and Dr Ngozi Okonjo-Iweala, Managing Director of the World Bank. Strong in their convictions and backed by thorough research and study, they too underlined the importance and effectiveness of agriculture in promoting economic growth and bettering the lives of the world's poor.

The Council also welcomed the messages from Ms Josette Sheeran, Executive Director of the World Food Programme, and Dr Jacques Diouf, Director-General of the Food and Agriculture Organization of the United Nations, IFAD's sister agencies in Rome. Their messages served to highlight the benefits of working in harmony towards a common aim.

In the statements delivered by the Fund's Governors, the course that IFAD has charted, not least through the implementation of the Action Plan, was strongly supported. The common thread running through these statements was a call to action and an acknowledgement that the Fund's Member States have a moral obligation to invest in IFAD. This thread was also picked up by the participants of the Farmers' Forum, which presented a synthesis of its deliberations to the Council. Underscoring the Fund's efforts and the resulting progress made in engaging farmers' organizations at the country and regional levels, the call for increased investment in IFAD was echoed.

Turning to the business of the session, the Council unanimously approved the application for non-original membership of the Republic of the Bahamas. I am sure I speak on behalf of all Governors in welcoming the Bahamas into our midst.

The Council then considered the report on the Seventh Replenishment of IFAD's Resources. At our last session, the Council received the good news of the replenishment's effectiveness. At this session, we were pleased to note that, thanks to a further increase in initial pledges by some Member States, these now total US\$642 million, or 89 per cent of the target of US\$720 million, and instruments of contribution received represent 88 per cent of the total pledges. While this is encouraging, I join with management in calling upon fellow Member States who have yet to deposit their instruments of contribution to take prompt action. Our total and collective commitment is required.

Perhaps the single most important decision taken by the Council was to establish the Consultation on the Eighth Replenishment of IFAD's Resources. We have entrusted part of the membership with reviewing the adequacy of our Fund's resources, with a view to strengthening its capacity to respond to the needs of rural poor people. It is an onerous task and I wish the Consultation members every success.

At the recommendation of the Executive Board, the Council approved IFAD's audited financial statements for 2006 and the administrative and capital budgets of IFAD for 2008 in the amounts of US\$72.3 million and US\$2 million, respectively. The records of this session will note the abstention 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 US\$5.47 million.

In accordance with the resolution adopted in 2005, a report on the special expenditure for IFAD's new headquarters was submitted to the Council. Governors noted the progress made and, bearing in mind the unforeseen delays which had hindered the completion of work on the new headquarters, adopted a resolution to extend the authorization for usage of the funds remaining until 31 December 2008. We look forward to the final report to be presented to next year's Governing Council session, and also to seeing IFAD's staff housed securely in a single building.

The Council was presented with a comprehensive report on the implementation of the performance-based allocation system (PBAS), together with the 2007 country scores and allocations for 2008 and the 2007 rural sector performance assessments. A number of Member State representatives expressed the need for continued analysis of the system. In this respect, it was noted that the informal panel of the Executive Board would continue its task with the aim of developing a broader understanding of the evolving issues in PBAS implementation.

The International Land Coalition provided a progress report on its efforts to put a pro-poor land agenda into practice by helping to broaden national and regional policy dialogue and by involving citizen-based organizations in the development and implementation of agrarian reform policies and practices. The Global Mechanism of the United Nations Convention to Combat Desertification also reported to the Council on its operational activities in 2007, focusing particularly on the complementarities between its own mandate to upscale finance for sustainable land management and that of IFAD. Governors welcomed the increased collaboration, which worked to the benefit of rural poor people the world over.

In light of the appointment of the President of IFAD, to be considered at the Council's next session in February 2009, the Council adopted the resolution establishing the Emoluments Committee, which was entrusted with reviewing the overall emoluments and conditions of employment of IFAD's President. Under other business, the Council deliberated on the process leading up to the election of the President. No consensus could be reached on a possible role for the Governing Council Bureau in this regard. The vice-chairperson will consult with the chairperson and the other vice-chairperson on this matter.

Distinguished delegates,

My thanks go to all of you, and to my colleagues on the Bureau. I am sure I speak also on their behalf when I express deep appreciation for the collaboration you have afforded us in presiding over this session. Our gratitude also goes to the staff of IFAD who, each year, organize and run a truly professional conference. Special mention must go to the interpreters, who facilitate our communication, and to the technical staff, conference personnel and messengers who make it all seem so effortless. And of course, our thanks to President Bâge, whose leadership inspires commitment to IFAD's vision.

Ladies and gentlemen,

We have made important decisions during this session that will have long-lasting effects on our Fund. We have come together, not least in the round-table discussions where we focused on the challenges and opportunities for smallholder farmers in the context of climate change and new demands on agriculture. At the heart of each deliberation and each decision was the plight of poor rural people and the hope that we can make a difference.

President Bâge called upon the international community to invest in smallholder farmers: "Their lives – and our common future – depend on it." Let us take these words with us on our return trips and let them be our mantra for the year to come.

On this note, I hereby close the thirtieth anniversary session of the Governing Council.