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Opening Statement by President, Gilbert F. Houngbo

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For: Information

Statement by
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International Fund for Agricultural Development (IFAD)

Inaugural session
Forty-fourth session of the
Governing Council

Rome, Italy
17 February 2021

Mr President of the Republic,
Excellencies,
Governors,
Ladies and Gentlemen,

Allow me officially to welcome you to this forty-fourth session of the Governing Council.

At the time of the last session of the Governing Council, held in February 2020, no one would have imagined that virtual meetings would become the norm.

The COVID-19 pandemic has affected us all in one way or another. I would like first and foremost to pay a solemn tribute to all those women and men whom we have lost, and to commend the unprecedented efforts that have been made everywhere in the world to overcome this pandemic and its socio-economic consequences.

Dear Governors,

This Governing Council session marks the end of my first term. It seems fitting, therefore, to share with you some thoughts on the past four years – without however giving into the temptation of presenting an exhaustive report.

My conviction today remains unchanged, and if anything is stronger than ever: we can achieve a more equitable world, a world without abject poverty, a world without hunger. IFAD is already making an important contribution, but we can do even more towards achieving the Sustainable Development Goals and the Paris Agreement. And if we are to do so, as I said to you four years ago, IFAD needs to grow.

In accepting the presidency of this fine institution, my aim was to make it stronger and more agile, and to enhance its impact on the ground. That, I believed, was the prerequisite to support a paradigm shift towards building greater resilience and greater prosperity in rural areas, and towards shaping truly sustainable, inclusive and, of course, equitable food systems.

In short, we needed to transform IFAD in order to better transform our rural areas.

The reforms in the financial architecture and the operating model, and the advances on the institutional front, were the building blocks of a single structure: sound governance, a more effective and more transparent organization, one with zero tolerance for discrimination and featuring gender parity and enhanced social dialogue.

Those reforms have already borne fruit. The decentralization has enabled us to double our presence in the field. Today one third of our staff work in close proximity to the people we serve.

IFAD is more relevant and more visible as an interlocutor and as an actor fully dedicated to development.

Bearing witness to IFAD's transformation is the AA+ credit rating issued by Standard and Poor's and Fitch. The institution now enjoys greater financial maturity – with a reform of the Debt Sustainability Framework, an Integrated Borrowing Framework and a more rigorous and systematic approach to equity and liquidity safeguards – which, together with sharper financial and operational risk management, allow us to make the most of it.

Streamlining internal processes also led to more effective implementation of IFAD operations. By way of illustration, the time between project design and Executive Board approval dropped from 17 months to less than one year. In 2019, we provided US\$1.67 billion in project financing, the highest amount ever seen in a single year.

More importantly, the reforms enabled us to help millions more people – because ultimately, what matters most is our impact on the ground. The number of people

benefiting from our programmes rose from 97 million at the beginning of the Tenth Replenishment of IFAD's Resources period to 132 million by the end of 2019. Each year IFAD helps at least 20 million of the world's poorest people increase their annual incomes by at least 20 per cent.

The reforms also allow us to significantly strengthen our cooperation with the private sector. Accordingly, working together with institutional and private partners, we created the Agribusiness Capital (ABC) Fund. Today this fund, which operates independently of IFAD under Luxemburg law, channels funding towards young entrepreneurs and small and medium-sized rural businesses.

In addition, the Executive Board's approval last December of our first non-sovereign operation, in the form of a direct investment in the Nigerian private sector, marked a major milestone and the beginning of greater investments directly into the private sector.

Although it is true that we have accomplished much, I recognize that we still have a long way to go. As you know, the ancient city of Rome was not built in a day.

The COVID-19 pandemic, as I mentioned earlier, has posed a formidable challenge to the lives of both our staff and our beneficiaries.

Within the institution, the health, well-being and safety of our staff and their families have been our top priority. We have taken the necessary steps to protect them while ensuring continuity in fulfilling our mandate towards the rural people we serve.

At the request of several of our Member States, we have reallocated funds towards vital activities such as the supply of seed and fertilizer, as well as access to markets, financial services and agricultural advisory services.

In addition to these measures for rehabilitation and recovery, we have created the Rural Poor Stimulus Facility in support of rural poor people. Today that Facility is providing close to US\$50 million to some 1.6 million women and men living in 68 different countries.

With the brunt of the pandemic and the effects of climate change falling upon the most vulnerable, we are obliged to undertake an in-depth rethink about the way we produce and feed ourselves. I would underscore how much we can benefit from the traditional knowledge passed on by indigenous peoples, who see ecosystems, the earth and human beings as part of an integral whole. We absolutely must take this into account in coming up with any sustainable solution.

Today we have the privilege of welcoming some of their representatives, who will be sharing with us the conclusions of the fifth global meeting of the Indigenous Peoples Forum.

This year's theme for the Governing Council is Rural development: a prerequisite for global resilience.

IFAD is determined to put forward this issue at the Food Systems Summit to be held next September at the initiative of the Secretary-General of the United Nations, António Guterres. It is essential that all those working within the world's food systems receive a decent income that meets their basic needs and those of their families living in rural areas.

Finally, I would like to say that heading IFAD and overseeing its evolution is an honour, a very great honour. Let me conclude simply by thanking you once more for your vote of confidence.