



Governing Council Report

Forty-fifth Session
Rome, 16 February 2022

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**Governing Council Report
Forty-fifth Session
Rome, 16 February 2022**

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Chapter 1 Inauguration and proceedings

1. The forty-fifth session of the IFAD Governing Council was held virtually on 16 February 2022. The list of participants is contained in [annex IV](#).
2. The Council held one meeting, the summary record of which is contained in chapter 3.
3. The video recording of the session is available through this [link](#).

A. Opening of the session

4. Mr Luis Jiménez-McInnis, Secretary of IFAD, noting that Mr Suminto of the Republic of Indonesia and Her Excellency Marie-Therese Sarch of the United Kingdom of Great Britain and Northern Ireland had ceased to be Governors, announced that the new Governors for the two Member States concerned, namely, Mr Wempi Saputra and His Excellency Thomas Kelly would fill these vacancies as per the consultation and agreement with the List Convenors in accordance with rule 12 of the Rules of Procedure of the Governing Council.
5. Mr Wempi Saputra, Chairperson of the Governing Council and Governor for Indonesia, opened the session and made a statement.
6. Mr Gilbert F. HOUNGBO, President of IFAD, delivered his welcoming statement to Her Majesty Queen Máxima of the Netherlands, who was attending the session as an inaugural speaker in her capacity as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.
7. Her Majesty Queen Máxima of the Netherlands delivered a statement in her capacity as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.
8. The full text of the statements delivered during the opening of the session is reproduced in chapter 4.

B. Agenda and documentation

9. The Governing Council adopted the [agenda](#) and [the schedule for the session](#). The documents placed before the Council are listed in annex V. The resolutions adopted by the Governing Council appear in [annex II](#).

C. Election of the Bureau of the Governing Council

10. In accordance with rule 12 of the Rules of Procedure of the Governing Council, an election was held by the Governing Council from among its Governors for a new Bureau, for a term of office of two years, with results as follows:

Chairperson: His Excellency Oscar Miguel Graham Yamahuchi
Governor for the Republic of Peru
Minister of Economy and Finance of the Republic of Peru

Vice-Chairpersons: Mr William Roos
Governor for the French Republic
Chief of the Multilateral Affairs Service,
Directorate-General of the Treasury of the Ministry of
Economy and Finance of the French Republic

Her Excellency Haifa Aissami Madah
Governor for the Bolivarian Republic of Venezuela
Permanent Representative of the Bolivarian Republic of
Venezuela to the United Nations agencies in Rome

D. Inaugural meeting of the session

11. His Excellency Oscar Miguel Graham Yamahuchi took the Chair.

12. Mr Gilbert F. Houngbo, President of IFAD, welcomed the special guests to the inaugural meeting of the session.
13. His Excellency Iván Duque Márquez, President of the Republic of Colombia, delivered a statement by video message.
14. His Excellency Andry Nirina Rajoelina, President of the Republic of Madagascar, delivered a statement by video message.
15. His Excellency Aiyaz Sayed-Khaiyum, Acting Prime Minister of the Republic of Fiji, delivered a statement by video message.
16. His Excellency Daniele Franco, Minister for Economy and Finance of the Italian Republic, delivered a statement by video message.
17. The full text of the statements delivered during the inaugural meeting is reproduced in chapter 4.

E. Statement by the President of IFAD

18. The full text of President Houngbo's statement to the Governing Council appears in chapter 4.

F. IFAD Talk with Professor Jeffrey D. Sachs, Director of the Center for Sustainable Development, Earth Institute, Columbia University and President of the United Nations Sustainable Development Solutions Network

19. Ms Jyotsna Puri, Associate Vice-President, Strategy and Knowledge Department of IFAD, introduced Professor Jeffrey D. Sachs, Director of the Center for Sustainable Development, Earth Institute, Columbia University and President of the United Nations Sustainable Development Solutions Network.
20. Ms Joanne Levitan, Senior Communication Officer, Global Outreach, Global Communications and Advocacy Division of IFAD, moderated the IFAD talk with Professor Jeffrey D. Sachs. The discussion can be viewed through this [link](#).

G. Business items

21. The following business items were considered during the session:
 - Report on the Twelfth Replenishment of IFAD's Resources
 - Consolidated financial statements of IFAD for 2020
 - IFAD's 2022 results-based programme of work and regular and capital budgets, the IOE results-based work programme and budget for 2022 and indicative plan for 2023-2024, and the HIPC and PBAS progress reports
 - Amendments to IFAD's basic legal texts
 - Report and recommendations in relation to a special session of the Governing Council

H. General statements

22. In total, 22 statements were submitted to the Office of the Secretary for the forty-fifth session of the Governing Council by the following Members: the Republic of Angola, the Argentine Republic, the People's Republic of Bangladesh, the Kingdom of Bhutan, the Federative Republic of Brazil, the Republic of Cameroon, Canada, the People's Republic of China, the Republic of Cuba, the Republic of El Salvador, the Federal Democratic Republic of Ethiopia, the French Republic and the Federal Republic of Germany (joint statement), the Republic of The Gambia, Ireland, Japan, the Grand Duchy of Luxembourg on behalf of Benelux, the United Mexican States, the Republic of the Niger, the Russian Federation, the Syrian Arab Republic and the United States of America. The Holy See also submitted a statement as observer.

23. All recorded and written statements are available on the [web page of the session](#) under "Documents and statements".

I. Closure of the session

24. The President of IFAD presented closing remarks to the Council; these remarks are reproduced in full in chapter 4.
25. The Chairperson of the Governing Council, His Excellency Oscar Miguel Graham Yamahuchi, summarized the results of the Council's main deliberations and then closed the forty-fifth session of the Governing Council. The text of the closing statement is reproduced in full in chapter 4.

Chapter 2 Decisions of the Governing Council

A. Election of the Bureau of the Governing Council

26. The Governing Council elected the new Bureau for a term of two years (see paragraph 10).

B. Report on the Twelfth Replenishment of IFAD's Resources

The Governing Council noted the Report on the status of the Twelfth Replenishment of IFAD's Resources (IFAD12), as contained in document [GC 45/L.2](#).

C. Consolidated financial statements of IFAD for 2020

27. The Governing Council considered and approved the financial statements showing IFAD's financial position as at 31 December 2020 and the results of its operations for the year ended on that date, as contained in appendices A to M inclusive of document [GC 45/L.3](#), and noted the external auditor's report and the attestation on the effectiveness of internal controls over financial reporting of the external auditor.

D. IFAD's 2022 results-based programme of work and regular and capital budgets, the Independent Office of Evaluation of IFAD's results-based work programme and budget for 2022 and indicative plan for 2023-2024, and the Heavily Indebted Poor Countries (HIPC) Debt Initiative and performance-based allocation system (PBAS) progress reports

28. After considering the proposed administrative budget comprising IFAD's regular and capital budgets for 2022 and the budget of the Independent Office of Evaluation of IFAD for 2022, as presented in document [GC 45/L.4](#) and its [addendum](#), the Governing Council adopted resolution 225/XLV on 16 February 2022, approving:
- the regular budget of IFAD for 2022 in the amount of US\$166.93 million;
 - the capital budget of IFAD for 2022 in the amount of US\$6.50 million;
 - the budget of the Independent Office of Evaluation of IFAD for 2022 in the amount of US\$5.85 million; and
 - the carry-forward of unobligated appropriations at the close of the 2021 financial year into the 2022 financial year up to an amount not exceeding 5 per cent of the corresponding appropriations
29. The carry-forward was approved on an exceptional basis, on the understanding that it exceeds the 3 percent level stipulated in the Financial Regulations of IFAD and with the expectation that the carry-forward from 2022 to 2023 will return to below the stipulated level.
30. Consistent with their intervention at the Executive Board session held in December 2021, the United States of America registered its abstention on the Fund's administrative budget.
31. The Council also took note of the information in the progress reports on IFAD's participation in the Heavily Indebted Poor Countries Debt Initiative and the performance-based allocation system.
- ### E. Amendments to IFAD's basic legal texts
32. The Governing Council considered the proposed amendments to the Policies and Criteria for IFAD Financing as contained in document [GC 45/L.5](#), and adopted resolution 226/XLV on 16 February 2022.
- ### F. Report and recommendations in relation to a special session of the Governing Council
33. After considering the report and recommendations in relation to a special session of the Governing Council as contained in document [GC 45/L.6](#), the Governing Council

adopted resolution 227/XLV. Accordingly, in the event that a vacancy should arise in the Office of the President of IFAD as a consequence of the election of Mr Gilbert F. Houngbo as Director-General of the International Labour Organization (ILO) in March 2022, a special session would be convened on Thursday, 7 July 2022.

Chapter 3 Summary records

Summary record of the forty-fifth session held on 16 February 2022 at 1 p.m.

Outgoing Chairperson: Mr Wempi Saputra (Indonesia)

Chairperson: His Excellency Oscar Miguel Graham Yamahuchi (Peru)

Contents

Opening of the session (agenda item 1)

- Welcoming statement by the outgoing Chairperson of the Governing Council
- Welcoming statement by Mr Gilbert F. Houngbo, President of IFAD, to Her Majesty Queen Máxima of the Netherlands, the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development (UNSGSA)
- Statement by UNSGSA Queen Máxima

Adoption of the agenda (agenda item 2)

Election of the Bureau of the Governing Council (agenda item 3)

Inaugural ceremony

- Welcoming statement by the President of IFAD to keynote speakers
- Video message from His Excellency Iván Duque Márquez, President of the Republic of Colombia
- Video message from His Excellency Andry Nirina Rajoelina, President of the Republic of Madagascar
- Video message from His Excellency Aiyaz Sayed-Khaiyum, Acting Prime Minister of the Republic of Fiji
- Video message from His Excellency Daniele Franco, Minister for Economy and Finance of the Italian Republic

Statement by the President of IFAD (agenda item 4)

IFAD Talk with Professor Jeffrey D. Sachs, Director of the Center for Sustainable Development, Earth Institute, Columbia University and President of the United Nations Sustainable Development Solutions Network

Report on the Twelfth Replenishment of IFAD's Resources (agenda item 5)

Consolidated financial statements of IFAD for 2020 (agenda item 6)

IFAD's 2022 results-based programme of work and regular and capital budgets, the IOE results-based work programme and budget for 2022 and indicative plan for 2023-2024, and the HIPC and PBAS progress reports (agenda item 7)

Amendments to IFAD's basic legal texts (agenda item 8)

Report and recommendations in relation to a special session of the Governing Council (agenda item 9)

Other business (agenda item 10)

Closure of the session

Concluding remarks by the President of IFAD

Closing statement by the Chairperson

34. **The meeting was called to order at 12.55 p.m.**

REPLACEMENT OF THE CHAIRPERSON AND A VICE-CHAIRPERSON

35. **Mr Luis JIMENEZ-McINNIS** (Secretary of IFAD), noting that Mr Suminto of the Republic of Indonesia and Her Excellency Marie-Therese Sarch of the United Kingdom of Great Britain and Northern Ireland had ceased to be Governors, said that, in accordance with rule 12 of the Rules of Procedure of the Governing Council, in particular paragraph 2 thereof, and in consultation with the Convenors of Lists A, B and C, it had been agreed that the resulting vacancies on the Bureau would be filled by the new Governors for the two Member States concerned, namely, Mr Wempi Saputra and His Excellency Thomas Kelly.

36. **Mr Wempi Saputra (Indonesia) took the Chair.**

OPENING OF THE SESSION (agenda item 1)

WELCOMING STATEMENT BY THE OUTGOING CHAIRPERSON OF THE GOVERNING COUNCIL

37. **The outgoing CHAIRPERSON** declared open the forty-fifth session of the Governing Council and delivered an opening statement, the full text of which is reproduced in chapter 4.¹

WELCOMING STATEMENT BY MR GILBERT F. HOUNGBO, PRESIDENT OF IFAD

38. **Mr HOUNGBO** (President of IFAD) welcomed to the session the first inaugural speaker, Her Majesty Queen Máxima of the Netherlands, in her capacity as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.

39. The full text of the statement is reproduced in chapter 4.

STATEMENT BY HER MAJESTY QUEEN MÁXIMA OF THE NETHERLANDS IN HER CAPACITY AS THE UNITED NATIONS SECRETARY-GENERAL'S SPECIAL ADVOCATE FOR INCLUSIVE FINANCE FOR DEVELOPMENT

40. **Her Majesty QUEEN MÁXIMA OF THE NETHERLANDS** (United Nations Secretary-General's Special Advocate for Inclusive Finance for Development) delivered a statement, the full text of which is reproduced in chapter 4.

ADOPTION OF THE AGENDA (agenda item 2) (GC 45/L.1/Rev.1 and Add.1/Rev.3)

41. **The Governing Council adopted the provisional agenda (finalized as GC 45/L.1/Rev.1) and the revised schedule of work for the session (GC 45/L.1/Add.1/Rev.3).**

ELECTION OF THE BUREAU OF THE GOVERNING COUNCIL (agenda item 3)

42. **The outgoing CHAIRPERSON** said that he had been informed of the nomination of His Excellency Oscar Miguel Graham Yamahuchi, Governor for the Republic of Peru, for the office of Chairperson, and of the nominations of Mr William Roos, Governor for the French Republic, and Her Excellency Haifa Aissami Madah, Governor for the Bolivarian Republic of Venezuela, for the office of Vice-Chairperson. The delegations of Canada and the United States of America wished to have it noted for the record that they had abstained from the consensus of the Governing Council that those nominations were acceptable. Their abstention did not, however, affect the majority required for the election.

¹ This reference is to the final report, wherein chapter 4 will include statements and special addresses. The video recording of the session is available through this [link](#).

43. **His Excellency Oscar Miguel Graham Yamahuchi (Peru) was elected Chairperson of the Governing Council, and Mr William Roos (France) and Her Excellency Haifa Aissami Madah (Bolivarian Republic of Venezuela) were elected Vice-Chairpersons of the Governing Council.**
44. **The outgoing CHAIRPERSON** conveyed the gratitude of the outgoing Bureau for the collaboration and support of Member States and thanked the President and staff of IFAD for their dedication and commitment in ensuring the Council's success and facilitating the Bureau's work.
45. **His Excellency Oscar Miguel Graham Yamahuchi (Peru) took the Chair.**

INAUGURAL CEREMONY

46. **The CHAIRPERSON** thanked the outgoing Bureau members for their excellent work and the members of the Governing Council for their support.

WELCOMING STATEMENT BY THE PRESIDENT OF IFAD TO KEYNOTE SPEAKERS

47. **Mr HOUNGBO** (President of IFAD) delivered a statement, the full text of which is reproduced in chapter 4.

VIDEO MESSAGE FROM THE PRESIDENT OF THE REPUBLIC OF COLOMBIA

48. **His Excellency Iván DUQUE MÁRQUEZ** (President of the Republic of Colombia) delivered a video message, the full text of which is reproduced in chapter 4.

VIDEO MESSAGE FROM THE PRESIDENT OF THE REPUBLIC OF MADAGASCAR

49. **His Excellency Andry Nirina RAJOELINA** (President of the Republic of Madagascar) delivered a video message, the full text of which is reproduced in chapter 4.

VIDEO MESSAGE FROM THE ACTING PRIME MINISTER OF REPUBLIC OF FIJI

50. **His Excellency Aiyaz SAYED-KHAIYUM** (Acting Prime Minister of the Republic of Fiji) delivered a video message, the full text of which is reproduced in chapter 4.

VIDEO MESSAGE FROM THE MINISTER FOR ECONOMY AND FINANCE OF THE ITALIAN REPUBLIC

51. **His Excellency Daniele FRANCO** (Minister for Economy and Finance of the Italian Republic) delivered a video message, the full text of which is reproduced in chapter 4.

STATEMENT BY THE PRESIDENT OF IFAD (agenda item 4)

52. **Mr HOUNGBO** (President of IFAD) delivered a statement, the full text of which is reproduced in chapter 4.
53. **The CHAIRPERSON** expressed appreciation to Mr Hougbo for his statement and for his leadership and unwavering commitment to IFAD's mandate.

IFAD TALK WITH PROFESSOR JEFFREY D. SACHS, DIRECTOR OF THE CENTER FOR SUSTAINABLE DEVELOPMENT, EARTH INSTITUTE, COLUMBIA UNIVERSITY, PRESIDENT OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT SOLUTIONS NETWORK

54. **Ms Jyotsna PURI** (Associate Vice-President, Strategy and Knowledge Department, IFAD) introduced **Professor Jeffrey D. SACHS**, Director of the Center for Sustainable Development, Earth Institute, Columbia University, President of the United Nations Sustainable Development Solutions Network. The IFAD Talk with Professor Sachs, moderated by **Ms Joanne LEVITAN** (Senior Communication Officer, Global Outreach, Global Communications and Advocacy Division, IFAD), can be viewed through this [link](#).

REPORT ON THE TWELFTH REPLENISHMENT OF IFAD'S RESOURCES (agenda item 5)
(GC. 45/L.2)

55. **The CHAIRPERSON** drew attention to the report on the status of the Twelfth Replenishment of IFAD's Resources (IFAD12), as contained in document GC 45/L.2, which provided information on the status of IFAD's resources as at 31 December 2021.
56. **Mr Alvaro LARIO** (Associate Vice-President, Chief Financial Officer and Chief Controller, Financial Operations Department, IFAD), introducing the report, said that, as at January 2022, pledges had amounted to US\$1.2 billion, with instruments of contribution received standing at US\$963.7 million and payments at US\$206 million. On behalf of IFAD Management and staff, he thanked Member States across all Lists for having gone to such great lengths to give IFAD its highest recorded level of pledges, including by increasing their contributions to extraordinary levels.
57. Against a background of ever-worsening economic disparity, higher levels of public and private debt, and higher costs on financial markets, many of IFAD's borrowers were in need of additional funding to strengthen their economic recovery from the current health crisis. The size of the replenishment was key to IFAD's ability to provide not only grants to countries experiencing high debt distress but also highly concessional loans to many of the Fund's borrowers. Notwithstanding the significant efforts of many IFAD donors during the difficult recovery process, the Fund was still far from reaching its IFAD12 replenishment target of US\$1.55 billion.
58. In September 2021, following further negotiations with Member States, IFAD Management had submitted for the approval of the Executive Board a proposal to revise the sustainable level of IFAD12 programming downwards from the original level of US\$3.8 billion to US\$3.5 billion, reflecting a more conservative level of expected pledges of US\$1.3 billion at that date. The Executive Board had approved the revised scenario and would be requested, in the fourth quarter of 2022, to confirm the sustainable level of the programme of loans and grants once there was greater certainty concerning the foreseen level of pledges. IFAD Management would continue to work throughout 2022 with donors and with Member States that had not yet made pledges with a view to securing the highest possible level of contributions in order to maximize the impact of IFAD in low- and lower-middle income countries. IFAD would also continue to mobilize additional private resources through its borrowing programme, which supported the universal nature of IFAD by serving countries in all income categories.
59. **Her Excellency Anne Beathe Kristiansen TVINNEREIM** (Minister for International Development of Norway), in a pre-recorded video message, said that the COVID-19 pandemic had made it all the more challenging to alter the continuing trend of rising hunger around the world. With only eight years remaining to deliver on the commitments made for 2030, it was essential to focus on the right priorities. The eradication of hunger was fundamental to the achievement of all Sustainable Development Goals (SDGs). Recognizing that access to sufficient, safe and nutritious food was a prerequisite for, among other things, good health, improved education outcomes, more job opportunities and increased economic development, her country had placed food security and agricultural production at the core of its development policy.
60. The three Rome-based agencies were key partners in the intensified efforts to contribute to food security for all. While all elements in the food value chain were interlinked, small-scale farmers and fishers played a pivotal role in developing economies and constituted, furthermore, a large proportion of the world's poor. The only way, therefore, to eradicate poverty and hunger was to step up assistance to small-scale food producers. IFAD could effectively assist the rural poor in realizing their potential to create food security and prosperity for themselves and their

communities. It was vital to increase local food production and improve local markets and distribution systems.

61. Food security could be achieved only through more climate-robust value chains. Norway would therefore double its climate finance by 2026 and, within that target, at least triple its funding for climate adaptation. Support for climate-smart agriculture would be an important element of those efforts. In 2021, Norway had announced a contribution to IFAD12 that represented a 40 per cent increase over its contributions to IFAD11. Currently, it was set to announce a significant increase in its core support to IFAD and encouraged all Member States to follow suit.
62. **A delegate from CANADA** said that the theme of the current session, “Leveraging innovations and finance for a climate-resilient and inclusive recovery”, highlighted IFAD’s critical role in transforming food systems in the face of climate change as well as IFAD’s contribution to pandemic recovery. It also illustrated why IFAD was an important partner for Canada and why it needed the collective support of Member States. Moreover, it had led to reflection on IFAD’s priorities as it consolidated its reforms and laid the groundwork for the doubling of its impact by 2030. IFAD’s focus over the coming three years should be on three areas: climate; gender equality and diversity and inclusion; and innovative finance.
63. With regard to climate, his country applauded IFAD’s increased ambitions to scale up its climate-focused activities to 40 per cent and to implement its first strategy on biodiversity. Considering collective efforts key to ensuring that a higher proportion of global climate finance reached small-scale farmers, Canada had provided US\$340 million in climate finance loans to IFAD since 2020. As to diversity and inclusion, they were central to achieving impact in view of the role of women and girls as powerful agents of change. The adoption of gender-transformative approaches generated significant gains for women and for their households and communities. IFAD’s focus in that area had been strong and could be stronger still, while in the area of innovative finance, it should continue to crowd in, diversify and leverage resources. Only 6 per cent of private finance mobilized for official development assistance was invested in least developed countries, with agriculture receiving a very small proportion of that amount. Canada commended IFAD’s work with the private sector but encouraged it to examine ways of enhancing its catalytic role. Canada would continue to be a strong supporter of IFAD.
64. **A delegate from SWEDEN** said that the negotiations for the IFAD12 replenishment had taken place in unprecedented times characterized by humanitarian disasters, the climate emergency, loss of biodiversity and debt woes. Those parallel crises all called for investment in long-term preventive development solutions, particularly in rural areas, which had been susceptible to external shocks even before the pandemic. IFAD could play a key role by remaining true to its core mission and focusing on strengthening agricultural production capacity, enhancing resilience to the impacts of climate change and improving market access, above all for women and marginalized groups.
65. As IFAD12 target levels had not yet been reached, which was disconcerting, ambitious pledges to IFAD12 were the only way of ensuring that IFAD remained a key player. Having increased its own contributions and pledge by 60 per cent compared with IFAD11, Sweden greatly welcomed the announcement of increased contributions by Norway and urged other countries to announce pledges and, wherever possible, to increase contributions. Short-term humanitarian assistance would always be more expensive than long-term development assistance.
66. In addition, IFAD must focus on maximizing development impact on the ground by directing adequate resources to the poorest and most vulnerable groups, above all in low-income countries. Noting the outcome of the aggregated IFAD12 resource distribution, Sweden urged IFAD to explore ways of addressing such structural

problems to ensure maximum impact, but without necessarily opening up a discussion on formulas that generally functioned well. IFAD should seek to enhance its development impact by actively translating ambitious commitments into action, especially in the areas of gender equality and women's empowerment, climate and biodiversity, the share of support to low-income countries, and cofinancing. IFAD should also ensure higher sustainability and results in all mainstreaming areas and consolidate the ongoing reform agenda, working closely with other multilateral development banks and United Nations agencies and stepping up its engagement with the private sector.

67. IFAD must furthermore improve its results on gender equality, which was vital to rural development, as well as on women's economic empowerment. Strengthened resilience to climate change would also help to secure long-term food security. IFAD could not fulfil its core mandate without incorporating climate change aspects, including biodiversity on land and at sea, in its work. Only by ensuring that IFAD continued its important role in the areas of global food security and poverty eradication would Member States also be able to ensure that IFAD enhanced its development impact for a green post-COVID-19 recovery, the achievement of the SDGs, and fulfilment of the commitments made under the Paris Agreement.
68. **A delegate from SWITZERLAND** said that, thanks to the strong political momentum created by the United Nations Food Systems Summit in the Decade of Action for the SDGs, 2021 had been the year of food systems transformation. For IFAD, it had also been the year of IFAD12. His country's replenishment pledge of just over US\$50 million — the first instalment of which would be paid in March 2022 — would contribute to IFAD's ambitious priorities. IFAD was working in a context in which the Food Systems Summit had crystallized national priorities, such as the right to food and in matters of agroecology and nutrition. It was therefore pleasing that 60 per cent of IFAD's projects already entirely or partially applied to agroecology.
69. IFAD had also made good progress towards decentralization, improvement of country-level delivery, and optimization of the efficiency ratio. As a result of the United Nations development system reform, IFAD's response at the country level should be embedded in, and supportive of, the implementation of national food systems pathways, in particular through deeper relationships with partners, including multilateral development banks, development finance institutions and the United Nations system. IFAD's enhanced focus on the underlying causes of extreme poverty and food insecurity in fragile and conflict-affected areas underlined its important role in the triple nexus.
70. IFAD's engagement in making food systems an attractive field of work for youth was laudable. As agents of change in reorienting food systems towards the 2030 Agenda for Sustainable Development, young people should be provided with the relevant tools. To that end, in the context of the Committee on World Food Security of the Food and Agriculture Organization of the United Nations (FAO), Switzerland had accepted the role of Rapporteur of the policy convergence process on promoting youth engagement and employment in agriculture and food systems. Switzerland had also been a major proponent of harnessing the private sector, both as a source of funding and as a means of implementation, as illustrated by its consistent engagement in the Agribusiness Capital Fund. In conclusion, Switzerland thanked IFAD for its continued efforts to prevent and respond to sexual harassment and sexual exploitation and abuse. Switzerland, including in its capacity as a member of the Executive Board, gladly supported IFAD's path forward.
71. **A delegate from DENMARK** said that her country favoured the integration of climate risks and climate adaptation into multilateral and bilateral programmes and supported innovative and green solutions in food systems and sustainable agriculture. IFAD had a strong comparative advantage in climate adaptation. In

2023, at least 60 per cent of Denmark's climate financing would focus on climate adaptation, with an emphasis on low-income African countries.

72. Denmark was pleased to have been among the first partners in the enhanced Adaptation for Smallholder Agriculture Programme (ASAP+), which provided vital support to vulnerable smallholders affected by the most devastating consequences of climate change. It was essential for IFAD to promote a common learning agenda with the aim of disseminating knowledge on climate adaptation in the most fragile contexts. ASAP+ could serve as a platform for broad collaboration, which would require focus as well as programming, technical assistance and results on the ground as a basis for exchanging best practices and scaling up. Stronger IFAD regional and country offices in vulnerable regions, such as the Sahel, would be crucial to the programme's success. The current IFAD decentralization process should therefore continue, with priority given to those regions.
73. Denmark welcomed IFAD's collaboration with such climate actors as the Green Climate Fund and the Global Environment Facility and with other humanitarian and development actors working in the field of climate. It would also keenly follow the progress and challenges associated with the Joint Programme for the Sahel in Response to the Challenges of COVID-19, Conflict and Climate Change, an important initiative developed by IFAD, the World Food Programme (WFP) and FAO in conjunction with the G5 Sahel. Denmark furthermore supported measures by the WFP and FAO to scale up anticipatory action for food security in relation to climate shocks. Lastly, coordinated and coherent approaches must be sought across the United Nations system for fragile countries affected by climate change.
74. **A delegate from ALGERIA**, commending IFAD's assistance to the poor, especially at the present time when the effects of the pandemic were still being felt, said that IFAD played an inestimable role in providing support for sustainable, inclusive and nutritional food systems. It was therefore a key player in combating rural poverty and investing in effective long-term rural development, which were essential for achieving the SDGs and building the capacities of rural populations in response to the devastating economic impact of climate change and COVID-19. At what was an important time for IFAD and its partners, the Government of Algeria wished to announce that it would be making a contribution of US\$500,000 to IFAD¹².
75. **A delegate from the SYRIAN ARAB REPUBLIC**, speaking on behalf of His Excellency Mohammad Hassan Qatana, Minister for Agriculture and Agrarian Reform of the Syrian Arab Republic, said that the meetings of the Governing Council were a crucial platform for implementing action, developing plans and setting priorities in relation to food and agriculture in the light of such important challenges as the COVID-19 pandemic and climate change. The meetings also offered an opportunity for the discussion of issues relating to agricultural development, in particular rural development priorities, with a view to improving food security and food supply.
76. He thanked IFAD and its staff for their dedicated efforts in carrying out the Fund's work and achieving its sustainable development objectives. Major climate changes were affecting the environment and, in recent years, a succession of increasingly severe dry seasons had led to a shortage of water resources and a fall in grain yields. It was vital to cooperate and coordinate with international organizations and make the most of available resources in order to find solutions to those problems. He therefore looked forward to further constructive and productive coordination with IFAD for the joint implementation of new projects to improve the livelihoods of rural families returning to their villages. The hope was that such work would significantly mitigate the effects of crises around the world.

CONSOLIDATED FINANCIAL STATEMENTS OF IFAD FOR 2020 (agenda item 6)
(GC 45/L.3 and GC 45/INF.3)

77. **The CHAIRPERSON** said that, at its 132nd session in April 2021, the Executive Board had reviewed the audited financial statements of IFAD for the 2020 fiscal year and the report of the external auditor, as contained in document GC 45/L.3, and recommended their submission to the Governing Council for approval. The financial highlights of 2021, set out in document GC 45/INF.3, had also been posted for information.
78. **Mr LARIO** (Associate Vice-President, Chief Financial Officer and Chief Controller, Financial Operations Department, IFAD), introducing the item, said that, in the opinion of the Fund's external auditors, the Consolidated Financial Statements of IFAD as at 31 December 2020, as appended to document GC 45/L.3, presented fairly, in all material respects, the financial position of the Fund and its financial performance and cash flows for the year ended on that date, in accordance with the International Financial Reporting Standards. The external auditors had also issued an independent attestation on Management's assertion that IFAD maintained effective internal controls over financial reporting, thus demonstrating IFAD's commitment to best international financial practice. The external auditor's statements had been reviewed by the Audit Committee at its 160th meeting and subsequently endorsed by the Executive Board at its 132nd session.
79. **The Governing Council approved the financial statements showing IFAD's financial position as at 31 December 2020 and the results of its operations for the year ending on that date, as set out in appendices A to M inclusive to document GC 45/L.3; the external auditor's report thereon; and the external auditor's attestation on the effectiveness of internal controls over financial reporting.**

IFAD'S 2022 RESULTS-BASED PROGRAMME OF WORK AND REGULAR AND CAPITAL BUDGETS, THE IOE RESULTS-BASED WORK PROGRAMME AND BUDGET FOR 2022 AND INDICATIVE PLAN FOR 2023-2024, AND THE HIPC AND PBAS PROGRESS REPORTS (agenda item 7) (GC 45/L.4 + Add.1)

80. **The CHAIRPERSON** said that, at its 134th session in December 2021, the Executive Board had approved the 2022 programmes of work of IFAD and of its Independent Office of Evaluation (IOE) and reviewed the proposed budgets for both, recommending that they be submitted to the Governing Council for approval. The Board had further recommended that the progress reports on the Heavily Indebted Poor Countries (HIPC) Debt Initiative and the performance-based allocation system (PBAS) be presented to the Council for information. An addendum setting out the final allocations under the PBAS and the Borrowed Resource Access Mechanism (BRAM) for the IFAD12 period had also been made available for information.
81. **Mr Dominik ZILLER** (Vice-President of IFAD), introducing the Fund's budget proposals set out in part one of document GC 45/L.4, welcomed the fact that additional contributions were still being received for IFAD12; the more funds that IFAD received, the easier it would be to meet the joint commitment to double IFAD's impact on SDG 2.
82. In order to grow – or at least not to see its annual envelope of commitments shrink – and remain relevant in the current increasingly challenging context, IFAD had to increase its budget slightly. Ongoing reforms, including but not limited to decentralization, would not only bring IFAD closer to its partner countries and final beneficiaries on the ground, but would also further increase IFAD's credibility when lobbying for additional financing from the Green Climate Fund for the Private Sector Financing Programme and ASAP+ window for climate funds.

83. In the future, IFAD could look into the possibility of tapping into capital markets, to further finance the BRAM. In order to achieve this, IFAD needed a strong credit rating as well as a risk management office.
84. Against that backdrop, the Executive Board had approved a programme of work of US\$1.2 billion, subject to availability of resources for commitment, and recommended that the Governing Council approve the 2022 administrative budget, which is comprised of US\$166.93 million, representing a growth in real terms of 3.22 per cent compared to 2021; the capital budget amounting to US\$6.5 million, to finance regular facilities, information technology infrastructure, and the establishment and enhancement of IFAD country and regional offices; and lastly the IOE budget, amounting to US\$5.85 million.
85. Overall, roughly one half of the administrative budget involved administrative expenditures. The rest was used for operations and, starting in 2023, Management would segregate the two types of expenditure to provide a clearer picture of the cost of overheads.
86. **Mr Indran NAIDOO** (Director, Independent Office of Evaluation, IFAD), introducing the IOE's results-based work programme and budget for 2022 and its indicative plan for 2023–2024, set out in part two of document GC 45/L.4, said that the IOE would conclude the corporate-level evaluation of IFAD's decentralization experience in 2022 and launch a new corporate-level evaluation of knowledge management to be concluded in 2023. It would start a new thematic evaluation on the topic of gender equality, together with a new project cluster evaluation and a synthesis note on targeting. It would also undertake five new country strategy and programme evaluations in China, Ethiopia, Guinea-Bissau, Haiti and Kyrgyzstan, in addition to five new project performance evaluations in Cuba, Egypt, the Lao People's Democratic Republic, Togo and Zambia. It would furthermore validate all project completion reports and prepare an annual report on the independent evaluation function.
87. The proposed 2022 budget of US\$5.85 million represented an increase of US\$30,000 in absolute terms over the approved budget for 2021. It amounted to 0.5 per cent of IFAD's expected programme of loans and grants, which was below the cap of 0.9 per cent set by the Executive Board.
88. **The Governing Council adopted resolution 225/XLV (Administrative budget comprising the regular budget, capital budget and Independent Office of Evaluation of IFAD budget for 2022). In so doing, it also approved the carrying forward of unobligated appropriations at the close of the 2021 financial year into the 2022 financial year up to an amount not exceeding 5 per cent of the corresponding appropriations.**
89. **The CHAIRPERSON** said that, in line with its intervention at the 134th session of the Executive Board, the delegation of the United States of America wished to place on record its abstention in respect of the Fund's administrative budget.

AMENDMENTS TO IFAD'S BASIC LEGAL TEXTS (agenda item 8) (GC 45/L.5)

90. **The CHAIRPERSON** said that the Executive Board, after reviewing the amendments to the Policies and Criteria for IFAD Financing set out in the draft resolution contained in annex II to document GC 45/L.5, had recommended that the resolution be submitted to the Governing Council for consideration and adoption.
91. **Ms Katherine MEIGHAN** (Associate Vice-President and General Counsel, IFAD), introducing the item, said that the proposed amendments to the Policies and Criteria for IFAD Financing reflected international best practice and addressed three matters. First, they introduced provisions related to the Borrowed Resource Access Mechanism and reflecting recent updates to IFAD's financing terms and conditions.

Secondly, they codified the Executive Board's existing delegation of authority for the President to establish the interest rates for loans, based on the reference rates in force and applying methodologies as established by the Executive Board. Lastly, they removed more granular technical provisions from the Policies and Criteria for IFAD Financing to the Framework on Financing Conditions approved by the Executive Board at its 134th session and covering more technical matters that were subject to periodic modification. Subsequent changes to the Framework would fall within the remit of the Executive Board.

92. **The Governing Council adopted resolution 226/XLV (Amendments to the Policies and Criteria for IFAD Financing).**

REPORT AND RECOMMENDATIONS IN RELATION TO A SPECIAL SESSION OF THE GOVERNING COUNCIL (agenda item 9) (GC 45/L.6)

93. **The CHAIRPERSON** drew attention to document GC 45/L.6 and to the draft resolution annexed thereto.

94. **Mr JIMÉNEZ-McINNIS** (Secretary of IFAD), introducing the item, said that, in the light of the President of IFAD's candidacy for the position of Director-General of ILO, document GC 45/L.6 had been drafted in close cooperation with the Office of the General Counsel to ensure that all necessary arrangements were in place should it be necessary to convene a special session of the Governing Council in 2022 to appoint a new President of IFAD. The proposals set out in the document had been approved by the Executive Board at its 134th session.

95. The election of the ILO Director-General was scheduled to take place on 25 March 2022 and the successful candidate would take up office on 1 October 2022. Document GC 45/L.6 set out a proposal to hold a special session of the Governing Council on Thursday, 7 July 2022, should the election result in a vacancy in the Office of the President of IFAD. It further set out four recommendations pertaining to the format of the special session; the emoluments of the President of IFAD decided in resolution 216/XLIV at the forty-fourth session of the Governing Council; the voting modality; and the term of office of the newly elected President.

96. **The Governing Council adopted resolution 227/XLV (Report and recommendations in relation to a special session of the Governing Council).**

OTHER BUSINESS (agenda item 10)

97. No other business was raised.

CLOSURE OF THE SESSION

CONCLUDING REMARKS BY THE PRESIDENT OF IFAD

98. Mr HOUNGBO (President of IFAD) delivered his concluding remarks, the full text of which is reproduced in chapter 4.

CLOSING STATEMENT BY THE CHAIRPERSON

99. The CHAIRPERSON made a closing statement, the full text of which is reproduced in chapter 4, and declared closed the forty-fifth session of the Governing Council.

The meeting rose at 4.25 p.m.

Chapter 4 Statements and special addresses



Her Majesty Queen Máxima of the Netherlands, the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development



His Excellency Iván Duque Márquez, President of the Republic of Colombia



His Excellency Andry Nirina Rajoelina, President of the Republic of Madagascar



His Excellency Aiyaz Sayed-Khaiyum, Acting Prime Minister of the Republic of Fiji



His Excellency Daniele Franco, Minister for Economy and Finance of the Italian Republic



Professor Jeffrey D. Sachs, Director of the Center for Sustainable Development, Earth Institute, Columbia University and President of the United Nations Sustainable Development Solutions Network



His Excellency Oscar Miguel Graham Yamahuchi (Peru), Chair of the Governing Council Bureau



Mr Wempi Saputra (Indonesia), the outgoing Chair of the Governing Council



Mr Gilbert F. Hougbo, President of IFAD



Mr Luis Jiménez-McInnis, Secretary of IFAD

Welcoming statement by Mr Wempi Saputra, the outgoing Chairperson of the Governing Council, and the Governor for the Republic of Indonesia

Distinguished Governors,
Delegates and observers,
Ladies and Gentlemen,

It is my great pleasure and honour to welcome you all to the forty-fifth session of IFAD's Governing Council.

A number of important issues are submitted for our consideration, which will impact IFAD's future and its strategic direction. We will be called upon to consider amendments to the Fund's legal texts and define modalities for a special session of the Council. We will be called upon to ensure that IFAD has the necessary resources to fulfil its mandate in service of rural people, building their resilience, ensuring their food security and nutrition, and improving their livelihoods. Throughout, I ask my fellow Governors to bear in mind this noble mandate, which is more relevant now than at the Fund's establishment 45 years ago.

We look around us and see that hunger and malnourishment is on the rise. It is estimated that almost one tenth of the global population is undernourished. Child malnutrition continues to plague the developing world. The figures are alarming. Conflicts and climate-related disasters continue to pose a threat to the livelihoods of poor rural people. It is our duty, as Governors of the organization that stands beside poor rural women, men and children, to show our unequivocal support and commitment to IFAD.

Last year, there were two important global events: the Food Systems Summit and the Glasgow Climate Change Conference. On this occasion, I would like to thank IFAD Management for their active engagement and leadership in these global discussions. IFAD has a leadership role to play – its experience in working with smallholders, adapting to climate change, building resilience, is key to unlocking the potential of the marginalized groups whose contribution to developing sustainable food systems and climate smart agriculture could be game-changing.

This year's session provides us with an opportunity to build upon the outcomes of these global events and maintain the momentum. In this light, I welcome the overarching theme of this session "Leveraging innovations and finance for climate-resilient and inclusive recovery" and I would like to thank those Governors and representatives who contributed to the discussions held at yesterday's informal events on related topics.

Today, we will have the honour to listen to our distinguished inaugural speakers, and the opportunity to participate in the IFAD Talk with Professor Jeffrey Sachs.

Distinguished Governors,
Ladies and Gentlemen,

I take this opportunity to express my best wishes for a fruitful and successful session.

Without further ado, I declare open the forty-fifth session of the Governing Council of IFAD.

**Welcoming statement by Mr Gilbert F. Hounbo, President of IFAD
to Her Majesty Queen Máxima of the Netherlands, the United Nations
Secretary-General's Special Advocate for Inclusive Finance for Development**

Chairperson,
Vice-Chairs,
Excellencies,
Distinguished Governors,
Distinguished delegates,
Ladies and Gentlemen,

I have the honour to welcome you all to this forty-fifth session of the Governing Council of IFAD.

I would like to welcome our first distinguished inaugural speaker, Her Majesty Queen Máxima of the Netherlands. As the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, Queen Máxima leads a global advocacy effort to advance financial inclusion, with an emphasis on vulnerable segments such as women and smallholder farmers.

Queen Máxima's work is recognized globally as she focuses on improving policy and infrastructure that unlocks financial inclusion in support of the Sustainable Development Goals.

Her work is so close to IFAD's mandate and we truly appreciate this ongoing collaboration and look forward to further working together in the future.

Statement by Her Majesty Queen Máxima of the Netherlands, United Nations Secretary-General's Special Advocate for Inclusive Finance for Development

Your Excellencies, Ministers, Ambassadors, and Members of IFAD,

It is a great honour to address this Governing Council.

These are challenging times. The COVID-19 pandemic has thrust millions of people back into poverty. And climate change is threatening livelihoods worldwide.

These risks are highest in emerging markets, in the countries with the fewest tools to manage them. And women and families working in rural agriculture are disproportionately affected. Millions in the informal sector are not receiving public support, and don't have the means to weather new shocks.

While some of us are imagining new futures after the pandemic, for many more recovery is still a distant dream.

That is why building resilience of individuals and households is more critical than ever.

As this Council recognizes, for many, getting access to finance is the starting point of that journey.

Accessing and using payments, savings, insurance, and credit products are the keys that unlock the door to rebuilding, adapting, and planning for the future.

So how can we offer those keys to the millions still left out?

There are no silver bullets. But there are grounds for hope, in new technologies and in new forms of public-private partnership.

Let me share an example.

In Côte d'Ivoire, women are the cornerstone of the cashew industry, from picking to processing. But many have been unable to reach their full potential, because they do not have enough access to finance, labour, and markets.

Development experts, partnering with technologies, are supporting the roll out of digital platforms which provide financial services, market access, and training. These one-stop shops are connecting sellers with local buyers offering fair prices and unlocking additional economic opportunity for those traditionally left out of value chains.

Now, is technology a panacea? No.

It should be accompanied with digital connectivity, building digital literacy, and safeguards, such as consumer protection.

If done right, technology can support resilience by giving people tools to meet their daily needs, grow their businesses, and create buffers against shocks.

Agriculture employs two thirds of people across sub-Saharan Africa, and accounts for almost a third of GDP.

Yet rural small-scale producers are systematically underfunded – and have been even more so since the pandemic.

There is an opportunity here for responsible private sector innovators to step in and help fill the global financing gap of US\$170 billion, to help small-scale producers gain access to credit and markets.

Large agricultural companies can create new value by working with groups previously left out. Kyagalany, Uganda's top coffee exporter, found that integrating women into trainings led to 50 per cent higher yields over five years.

Governments can enable this work with smart regulation, and by investing in new digital and financial infrastructure. They can help make finance less risky through blending their

own capital with the private sector and by providing guarantees. IFAD's global private sector financing facility is one promising example of that support.

Financial innovations can also help drive the transition to low-carbon energy to tackle climate change.

Advances in asset finance, such as pay-as-you-go off-grid energy models, can provide rural people with access to new markets and sustainable technology – and at the same time improve their resilience.

IFAD has taken an important step by focusing this session on finance and innovation.

There is evidence that with the right approaches, we can make this work. Since 2011, 1.2 billion more people have gained access to financial services – and the chance to transform their lives.

If we can ensure innovations are introduced responsibly, and if we can hold ourselves properly accountable, we can bring the remaining 1.7 billion into the fold.

Best practice exists, and innovations are ongoing. So let us take this opportunity to make this happen.

Thank you very much.

Welcoming statement by Mr Gilbert F. Hounbo, President of IFAD to key inaugural speakers

Excellencies,
Distinguished Governors,
Ladies and Gentlemen,

Again, welcome to this forty-fifth session of the Governing Council. Now it is my privilege to welcome His Excellency Iván Duque Márquez, President of the Republic of Colombia. I wish to congratulate President Duque for taking the lead in building more sustainable food systems in Colombia, putting particular emphasis on improving the nutrition of children and youth and partnering with innovative start-ups to do so. IFAD looks forward to further strengthening its partnership with Colombia. We are confident that our joint programmes can help Colombia to achieve its ambitious commitments with regards to the Paris Agreement.

Furthermore, I have the honour to welcome His Excellency Andry Nirina Rajoelina, President of the Republic of Madagascar. Mr President, allow me to commend your commitment to the emergence of the rural world, notably through the strengthening of the resilience of small-scale producers and the promotion of sustainable and inclusive food systems. I would also like to express my deep gratitude to Madagascar for its continued and increasing contributions to IFAD's replenishments. This is a strong message for the eradication of hunger and rural poverty. I congratulate us on the quality of IFAD's relationship with the Government of the Grande Ile. Allow me also to take a moment to express my deep sorrow concerning the victims of Cyclone Batsirai. This disaster is a sad illustration of the impacts of climate change on the most vulnerable and reminds us that, collectively, we must redouble our efforts. What a privilege it is, Mr President, for you to have accepted our invitation to this forty-fifth session of the Governing Council.

And now, I have the honour of welcoming His Excellency Aiyaz Sayed-Khaiyum, Acting Prime Minister of the Republic of Fiji and a strong proponent of climate adaptation and climate finance. His Excellency has worked actively with governments, multilateral organizations and development banks to mobilize financing to build resilience in small-island developing states vulnerable to climate change and to natural disasters. Fiji has long been a global champion and voice for climate finance for agriculture adaptation, leading important breakthroughs in the United Nations Framework Convention on Climate Change on agriculture finance, as it presided over COP23 and helped reach the landmark agreement on Koronivia Joint Work on Agriculture. Excellency, IFAD looks forward to your continued leadership and support.

Finally, I wish to acknowledge His Excellency Daniele Franco, Minister for Economy and Finance of the Italian Republic. Under your leadership, Excellency, Italy's position as a global leader in the fight against poverty and hunger has been further strengthened. Italy's Presidency of the G20 in 2021 and your hosting of the pre-Food Systems Summit, put the food sector on top of the global development agenda. I wish to thank you, Minister, for supporting IFAD's ambition to double its impact by 2030 – not just with a 45 per cent increase in its contribution to the core resources of IFAD12 from IFAD11 (US\$96 million to IFAD12 and US\$66.6 million to IFAD11); but through your strategic engagement with the Fund. We have been honoured to co-host the Agriculture segment of the 2021 Finance in Common Summit with *Cassa Depositi e Prestiti* and to launch together the platform of public development banks with a focus on green food systems. Our combined efforts will surely lead to functioning, resilient, sustainable and inclusive food systems. Thank you, Excellency.

It is a privilege that you have agreed to address this Council.

Statement by His Excellency Iván Duque Márquez, President of the Republic of Colombia

Greetings to Her Majesty Queen Máxima of the Netherlands, Governing Council Chairperson, Gilbert Houngbo, and my fellow participants at this forty-fifth session of the Governing Council of the International Fund for Agricultural Development.

I welcome the theme of this Governing Council session: leveraging innovation and financing, as humanity undertakes the current stage of global recovery, for an inclusive and climate-resilient recovery in which small-scale producers can play a leading role.

In Colombia, smallholder farmers have been at the heart of our actions through the initiatives we have undertaken. In 2021 our country's non-mining and energy exports reached a historical high of US\$18 million, setting a record and representing 24.5 per cent growth over the previous year.

The agriculture sector was key to these excellent results, posting exports of more than US\$9 million with growth of 20 per cent compared to 2020, and significant sales of products such as beef, milk, Persian limes and Hass avocados.

In addition, we undertook major efforts in health diplomacy that led to placing 58 rural products in 28 countries, including Japan, the United Arab Emirates and the United Kingdom.

Achieving this outstanding performance was made possible by the initiatives we implemented in sustainable agricultural and rural development. A highlight among these is *El Campo Emprende*, a rural entrepreneurship programme cofinanced by IFAD and the Spanish Agency for International Development Cooperation, and by our own Government, which has supported more than 2,200 business plans benefiting some 26,200 rural families.

El Campo Emprende will complete its first phase of implementation this year and we would like to continue to rely on the valuable support of IFAD and other partner agencies to carry out the second phase.

I wish you every success at this session and reiterate Colombia's determination to continue to contribute to the shared purpose of promoting green development in which our beloved rural producers can be the true protagonists.

Thank you very much.

Statement of His Excellency Andry Nirina Rajoelina, President of the Republic of Madagascar

Excellencies, Heads of State,
President of IFAD,
Ladies and gentlemen,
Dear participants,

It is a great pleasure to address all of you, as leaders and actors in rural development, at this session under the theme of “Leveraging innovations and finance for climate-resilience and inclusive recovery”. This is a very relevant theme indeed to guide us on our shared path of bringing about a sustainable and inclusive socio-economic recovery.

I would like to thank IFAD’s President, Gilbert Hougbo, for organizing this forty-fifth session of the Governing Council.

The COVID-19 pandemic has swept the world, wreaking socio-economic damage, and Africa has not been spared. As we know only too well, the pandemic has slowed the momentum of development in emerging countries and aggravated existing inequalities. Social divides within communities have widened, not only in towns but also, and above all, in rural areas.

This is true especially in Africa where communities have been rendered more fragile by the lockdown and restrictions on movements of goods and people.

The resulting disruptions in supply chains have had a significant impact on food security and the social climate. These are the realities of life in Madagascar, where rural people account for 83 per cent of the population and contribute 23 per cent of GDP.

When the rural environment is in crisis, the country’s health and people are undermined.

This pandemic has shown us once again that countries that produce essential goods locally are better positioned to weather the shock of a health crisis.

So the theme of this session echoes the commitment undertaken by the Government of Madagascar to work towards a rural transformation – to achieve the objectives we have set for Madagascar’s development and emergence, including self-sufficiency in food.

Madagascar is determined to produce everything our people need locally. And we will accomplish this only if we work hand in hand with the private sector to build capacities for resilience and empowerment among rural communities and households – working, that is, towards meeting their subsistence needs, raising productivity, and improving water management and irrigation.

The Government will provide health care and education, security and road infrastructure. Under our plans for rural development and promotion, the Government will also provide seed and improved breed livestock, training and support for farmers, and will ensure secure land tenure for all farms aiding in the goal of food self-sufficiency.

Ladies and gentlemen,

We need large-scale projects to step up the pace of work and rapidly achieve our ambitions for food autonomy and economic growth.

IFAD stands alongside us as we move ahead in this direction.

The longstanding collaboration between Madagascar and IFAD has already raised living standards for rural farmers. And the positive results of these efforts have justified a commensurate increase in the financing portfolio allocated to Madagascar, which I would like to acknowledge here today.

IFAD-funded government projects have allowed us to invest in more than 42,000 ha of production infrastructure, bringing innovation to irrigation arrangements, water points and agro-ecological blocks.

Madagascar now needs to secure the means to realize its ambitions for rural empowerment and agricultural development.

Together with our national and international stakeholders, I would like to share with the other countries participating in this Governing Council session that we plan to restore the agricultural production capabilities of our rural farms, ravaged by chronic malnutrition.

With a portfolio of US\$399 million, the new financing agreement for Madagascar will make a significant contribution to building momentum for recovery and resilience in the country's three most vulnerable southern regions, which are victims of climate change.

Dear friends,

Rural people are the bedrock of our African economies. Accordingly, I invite all rural development actors to join the efforts of African states and governments in seeking out ways and means to improve their living conditions, secure their farms with secure conditions and enable them to raise their yields.

The future of the African continent relies upon agricultural productivity to guarantee food security for the population.

If we are to achieve this goal, we must come up with more innovative and pragmatic action plans to double or even triple growth in agricultural production. This will have a significant impact on economic growth in our countries, as well as improving living conditions for our people.

Our strategies to improve agricultural performance should also take into account the risks posed by climate change, which is having major repercussions on agriculture in our countries.

This is especially true for countries in the Indian Ocean region, which are directly exposed to natural catastrophes. As a result of climate change, the frequency and intensity of such weather events are increasing year by year, imperiling our people and their farming operations.

We saw this recently in the wake of Tropical Storm Ana and Cyclone Batsirai, one of the most violent in the past decade. These tropical storms have led to significant losses in human lives and material damages – crops and livestock in particular. Madagascar alone suffered damage to 176,818 ha of land.

The heavy toll taken by these cyclones poses even more problems for farmers and for countries generally. Therefore, working to adapt rural societies to climate risk is one of the keys to meeting our development challenge.

Excellencies, ladies and gentlemen,

Dear partners and friends of emergence,

The theme of this session is both inspiring and stimulating – leading us to take up a position and to act in order to build back a more inclusive world.

I call upon my counterparts here – African Heads of State and all our development partners – to come together around a continental plan for agricultural and rural development in Africa, a plan that would be applied and adapted to each country and expressed in each region.

Let us pool our forces, our potential and our expertise to bring food self-sufficiency to our countries and employment to our young people.

Let us join forces for the sake of our peoples.

Thank you.

Statement by His Excellency Aiyaz Sayed-Khaiyum, Acting Prime Minister of the Republic of Fiji

The Chairperson of the Governing Council,
Your Excellencies,
President of the International Fund for Agricultural Development (IFAD),
Distinguished Governors and Heads of Delegation,
Ladies and Gentlemen,
Bula Vinaka from Fiji!

When we in Fiji hear the IFAD mantra of "investing in rural people" we think of nearly half our population – 42 per cent of Fijians reside in the rural regions of our over 100 populated islands. Farming, fishing and other nature-based livelihoods aren't just jobs for many of our people; they are ways of life. And with global freight costs skyrocketing and supply chains choking, rural economies – and the food and jobs they provide – have never been more vital for a secure and sustainable Fijian food system.

Unfortunately, no group of people has done less to cause climate change yet suffered more of its consequences than the rural poor. The same can be said for small states. We often say that our nations are on the front line of climate change. Our rural communities are the front line of the front line.

Fiji has endured 14 cyclones since we signed the Paris Agreement – one of which, Cyclone Winston, was the strongest storm on record in our hemisphere. And whether it is cyclones, floods, droughts, the rising seas and soil salination, coral bleaching or erratic weather patterns, residents of rural communities across our region are being forced to ask the most difficult questions imaginable:

Are freshwater sources safe from an encroaching ocean?
Is the soil still healthy enough to support crops?
Are the reefs still healthy enough to support fish stocks?

And many of our most low-lying communities have had to ask whether it is safe for them to stay where they currently reside.

Fijians are not waiting for the world to answer these questions for us. We are seeking solutions together as a society – no matter how difficult they may be. When you've spoken with enough farmers who have watched harvests washed out by King Tides or fishers who have seen their reefs demolished by cyclones, it is clear that eradicating rural poverty demands a radically new approach to building rural resilience. And as some of the most vulnerable nations in the world, small states require special focus, fast access to resources, and tailored solutions.

For us, climate finance is development finance. On the world stage, we have used every opportunity possible – including our Presidency of COP23 – to open innovative financing possibilities. And, at home, we are showing clearly how well prepared we are to put those resources to work.

With IFAD we're creating resilient opportunities in our rural regions through sustainable farming and agribusiness models. Together, we're driving a shift in mindsets towards farming as a business for more Fijians, including through value-adding. We hope that a Country Director-led office in our capital of Suva will strengthen your good work in Fiji and across the Pacific.

In 2020, despite enduring the worst economic crisis we've ever faced in COVID-19, Fiji's farmers set an export record for fresh and chilled produce, crossing the US\$100-million annual mark for the first time.

We are also getting better at responding and adapting to climate impacts. We deploy fast-acting assistance for farmers in the aftermath of storms. We've pioneered a climate and disaster risk parametric micro insurance product for households and farmers as a model for the Pacific. We are relocating entire communities at risk from sea level rise.

We're extending connectivity throughout Fiji, putting the world of the internet at the fingertips of rural people. And we are investing in sustainable and resilient nature-based livelihoods in the form of carbon trading, aquaculture, and the introduction of more climate-resilient crops.

These investments in rural development and resilience pay dividends across the 2030 Agenda for Sustainable Development. They address gender equity by creating new livelihoods for women. They build resilience through nature-based solutions; preserve ocean ecosystems; reduce poverty; and improve food and nutrition security – an issue of vital importance to combat the scourge of non-communicable diseases in Pacific Island countries.

We want to do much more, and we can through new levels of cooperation. We hope that IFAD can help connect our rural communities with partners in the private sector and development organizations to invest in the rural poor. Private sector partners, in particular, are critical to creating more inclusive value chains and bringing innovation and technology to bear on our rural development agenda. This session – and the conversations it helps to start and carry forward – are an excellent opportunity to share experiences, both good and bad, in creating rural development in a warming world.

We've already lost two years of development progress to the pandemic on the way to 2030. We cannot waste another day in delivering the sustainable solutions all of our people deserve. We are ready to work with IFAD, and with all of our partners represented at this session, to help lead a climate-resilient and inclusive recovery that reaches across every rural region of the world.

Vinaka vakalevu. Thank you.

Statement by His Excellency Daniele Franco, Minister for Economy and Finance of the Italian Republic

Mr President,
Distinguished Governors,

I am pleased to take part in the opening proceedings of the Governing Council.

The COVID-19 pandemic has triggered a health, economic and social crisis of global proportions.

The crisis has the largest impact on the most vulnerable countries, sectors and individuals. Rural communities are severely affected. We must avoid progress towards the 2030 Agenda being reversed. To this end, the Fund plays a key role, in particular for countries most in need.

The global crisis has exposed weaknesses in food systems, including through disrupted supply chains and volatility in food and energy prices. Food systems are strongly impacted by rapidly increasing climate-related shocks. Effects are most severe for poor and marginalized rural communities.

Climate change, environmental degradation and biodiversity loss represent an immediate threat to natural resources, as well as to the lives and livelihoods of rural people.

While being most impacted, these communities are those that contribute the least to such phenomena.

Reversing these trends calls for innovative solutions to help rural communities and remote areas to make their economies more resilient, productive and inclusive.

In this perspective, we look forward to the fulfilment of the commitments taken under the IFAD12 replenishment for the period 2022-2024.

These commitments require 40 per cent of IFAD12 operations to be explicitly focused on climate and 90 per cent of projects to present climate adaptation capacities.

One of the key novelties of IFAD12 is access to borrowed resources from institutional investors.

This creates new opportunities, but it also comes with the responsibility to maintain adequate financial discipline.

This is necessary to make sure that IFAD keeps a financially sustainable business model and is thus able to effectively operate for the achievement of Sustainable Development Goals.

Finally, the enhanced set-up for the *Adaptation for Smallholder Agriculture Programme* (ASAP+) will contribute to strengthening the climate resilience of small-scale producers in the lowest-income countries.

To deal with the still significant financing gap faced by small-scale agriculture, it is important to identify instruments that can complement and magnify the effectiveness of IFAD's action.

Let me give a few examples.

First: between 2019 and 2021, IFAD mobilized almost US\$270 million as an agency of the Global Environment Facility, the Green Climate Fund and the Adaptation Fund.

A stronger collaboration between IFAD and these climate finance vehicles could be strategic to complement IFAD investments.

Second: Public Development Banks (PDBs), could be further encouraged to support innovative projects in agriculture, rural economies and food systems.

By enabling and de-risking private investments, PDBs play a key role in unlocking new resources and narrowing the financing gap.

In this respect, we welcome the creation of the joint initiative *Sustainable Agriculture and Food Ecosystems* between IFAD and *Cassa Depositi e Prestiti*, the Italian Public Development Bank, with the support of the Italian Ministry of Ecological Transition.

This initiative will facilitate the cofinancing of IFAD's projects. It will serve as a framework to provide concessional and blended financing as well as technical assistance to sovereign entities.

Third, through its Private Sector Financing Programme, IFAD should act as a catalyst for Multilateral Development Banks, Development Financial Institutions and private capital for investments in climate adaptation and mitigation in agriculture.

In conclusion, let me recall that, in its recent capacity of G20 President, Italy put the protection of the planet at the core of its agenda, centred on "People, Planet, Prosperity".

Last year, G20 Leaders endorsed the Sustainable Finance Road Map.

Under the guidance of the current Indonesian Presidency, the road map will be fundamental to scale up sustainable finance, especially in emerging markets and developing economies.

I am also pleased to mention that the Italian Government stepped up its effort to ensure a more sustainable use of land and other natural resources in developing economies.

Italy was the first country to contribute – with US\$170 million– to the *Nature, People and Climate Investments Program* in the Climate Investment Funds, which will support nature-based solutions for low-carbon and climate-resilient development.

Furthermore, with the establishment of an Italian Climate Fund, Italy has strengthened its commitment to climate goals.

In 2022 Italy will triple its pledge to international climate finance, reaching an annual level of about US\$1.5 billion per year until 2026.

All in all, these initiatives confirm Italy's dedication to rural economies and food systems.

As the host country and as an important donor, Italy has increased its pledge for the IFAD12 replenishment by more than 40 per cent.

We look forward to the effective use of resources to support investments and projects, and make agriculture and food ecosystems more sustainable.

Concluding remarks by Mr Gilbert F. Hougbo, President of IFAD

Mr Chairperson,
Excellencies,
Distinguished Governors,
Ladies and Gentlemen,

The Chairperson will shortly close this forty-fifth session of IFAD's Governing Council.

At this point, I would like to thank Mr Wempi Saputra, our outgoing Chairperson, for his valuable work, and welcome His Excellency Oscar Miguel Graham Yamahuchi, Minister for Finance of Peru, as the new Chair.

I would also like to thank our outgoing Vice-Chairpersons, Her Excellency Clémentine Ananga Messina, Governor for the Republic of Cameroon, and His Excellency Thomas Kelly, Governor for the United Kingdom of Great Britain and Northern Ireland; and welcome the new Vice-Chairs Mr William Roos, Governor for the French Republic, and Her Excellency Haifa Aissami Madah, Governor for the Bolivarian Republic of Venezuela.

Ladies and Gentlemen,

Over the last two days, we have had focused discussions on key issues that are pressing for IFAD, our Members and the world. We are still battling a pandemic and its economic knock-on effects, and climate change continues to be a global challenge that most severely impacts the poorest and most marginalized.

Here, I would like to recall the words of Daniele Franco, Minister for Economy and Finance of Italy, who said that "Climate change, environmental degradation and biodiversity loss represent an immediate threat for natural resources, as well as for the lives and livelihoods of rural people."

As showcased in the pre-Governing Council informal webinars, we can only meet these challenges by working together, with stronger partnerships and decisive action.

Yesterday, the event on the Sahel Joint Programme showed us how such regional operations and financing can be used to bring together key players to address difficult and interlinked challenges and strengthen the livelihoods of small-scale agricultural producers, particularly women and youth.

The event on the Private Sector Finance Programme was an opportunity for an in-depth dialogue with representatives from Member States and the private sector towards catalysing investment in underserved areas through support to small-scale producers and rural small and medium-sized enterprises.

I want to thank Queen Máxima of the Netherlands for her inspiring speech, and I echo her call to action for the private sector to help address the annual gap in agriculture sector financing of US\$170 billion. The example she drew upon, in Côte d'Ivoire, showed clearly how critical it is to create innovative solutions for climate finance access, particularly for women's empowerment.

Distinguished Governors,

As we kick-start the implementation of IFAD12, I would like to express my appreciation to our Governors for approving allocations to countries based on the performance-based allocation system and the Borrowed Resource Access Mechanism. I assure you that IFAD will leverage this new financial structure to make finance available to the countries most in need.

Our growing partnerships with the private sector will allow us to continue supporting both our partner governments in developing inclusive food systems and the most vulnerable groups in adapting to the impacts of climate change. This commitment recalls the words of Iván Duque Márquez, President of Colombia, who stressed the importance of "making good use of the opportunities offered by innovation and financing to achieve

an inclusive and climate-resilient recovery in which small producers have, or will have, a leading role.”

We will be focusing our efforts where they have most impact and where support is needed the most. In this regard, we have ensured that between at least 25 and 30 per cent of core resources were allocated to countries with fragile situations and at least 55 per cent to Africa.

Indeed, Aiyaz Sayed-Khaiyum, Acting Prime Minister of Fiji, reminded us that “Our rural communities are at the front line of the front line,” and that “eradicating rural poverty demands a radically new approach to building rural resilience”.

I thank Professor Jeffrey Sachs, who reminded us of the need to raise awareness about global challenges, the solutions to address them, and the critical need for adequate financing to address the needs of the poorest countries.

This is what we will do in 2022: IFAD will position itself at the forefront of global initiatives such as COP27, the Finance in Common Summit and the G20 to champion the cause of rural poor people and smallholder farmers.

In closing, I would like to recall the words of Andry Nirina Rajoelina, President of Madagascar, who said “Let us pool our strengths, our potential and our know-how so that our countries reach food self-sufficiency and that our young people have jobs.” This commitment is the essence of what IFAD stands for.

I would like to express my great appreciation to Norway for its decision to increase significantly its contribution to IFAD12, and to Algeria for announcing a pledge of US\$500,000.

Lastly, I would like to thank IFAD’s workforce for their incredible commitment to this institution and its mandate, as well as the interpreters and the organizational crew for their hard work in making this session successful.

Thank you.

**Closing Statement by His Excellency Oscar Miguel Graham Yamahuchi,
Chairperson of the forty-fifth session of the Governing Council of IFAD**

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

We now come to the end of this forty-fifth session of the Governing Council of IFAD. Notwithstanding the restrictions imposed by the ongoing pandemic and the virtual nature of the meeting, I believe we can all look back on an extremely productive session.

The theme of the session - Leveraging innovations and finance for a climate-resilient and inclusive recovery – was a common thread throughout the statements of the distinguished guests who honoured this Council by sharing their messages of hope and motivation.

Financial inclusion and the innovative use of digital technologies were highlighted by Her Majesty Queen Máxima of the Netherlands, in her role as the UN Secretary-General's Special Advocate for Inclusive Finance for Development, as a means of ensuring that no one is left behind.

We were honoured to hear the words of the President of the Republic of Colombia, Mr Iván Duque Márquez; the President of the Republic of Madagascar, Mr Andry Nirina Rajoelina; and Mr Aiyaz Sayed-Khaiyum, Acting Prime Minister of the Republic of Fiji, who stressed the urgent need to address the devastating impact of climate change. The presence of these Heads of State and Government is a testament to the relevance of IFAD's mandate and to the important role of small-scale rural producers, poor rural women, men and youth, marginalized groups and indigenous peoples – our Fund's target smallholders – in achieving the Sustainable Development Goals.

This support has become more important during the pandemic, as marginalized groups and rural communities, who have limited access to sanitation and health services, have been hard hit in terms of both their health and their incomes.

Mr Daniele Franco, Minister for Economy and Finance of the Italian Republic, reiterated his country's commitment to sustainable rural economies and food systems, and its important tangible support to IFAD.

The statement of the President of IFAD, Mr Gilbert Houngbo, highlighted the work of IFAD in promoting rural transformation and focusing on the world's poorest people. It was a source of pride to hear that in 2021, 130 million of those people experienced improved quality of life, food security and nutrition, thanks to IFAD-supported projects and programmes. That, Distinguished Governors, is the message that we must bring home to our people and to our governments. We must spread the word about IFAD's impact and ensure that our organization has the resources needed to double that impact for the benefit of rural poor people the world over; even more so in the context of the ongoing COVID-19 pandemic which has affected us all, especially those with fewer resources.

We also had the pleasure of engaging in a thought-provoking discussion with Professor Jeffrey D. Sachs, Director of the Center for Sustainable Development, Earth Institute, Columbia University and President of the United Nations Sustainable Development Solutions Network. Allow me to thank you for contributing to the discussion, sharing successes, lessons learned, challenges and opportunities.

Governors considered and approved various business items, not least of which the amendments to the Policies and Criteria for IFAD Financing, reflecting the financial transformation of IFAD and the Report and recommendations in relation to a special session of the Governing Council, to ensure the seamless business continuity of the Fund.

Together, these important decisions will allow us to continue making the greatest efforts to achieve the IFAD12 commitments, including the allocation of the Fund's resources to ensure the highest possible level of efficiency, and an increased focus on the poorest countries and the most vulnerable rural areas, allocating 100 per cent of core resources to low-income and lower-middle-income countries. In addition, these decisions will allow upper-middle-income countries – where significant pockets of poverty remain – to receive between 11 and 20 per cent of the IFAD12 programme of loans and grants, in line with the new Borrowed Resource Access Mechanism.

Distinguished Governors,

It has been a pleasure and an honour for me to chair this session of IFAD's Governing Council. Allow me to express my personal gratitude to each of you, and to my colleagues on the Bureau, for your support. Our thanks go also to the IFAD team, whose hard work and dedication have allowed us to gather here today from every corner of the world; and a special word of thanks goes to the interpreters and the technical staff, who facilitated our communication.

This session may be drawing to a close, but our work is not done.

Distinguished delegates,

Ladies and gentlemen,

We have just eight years, eight harvests left before 2030. The projects and programmes that IFAD will implement in the coming years will have a direct impact on achieving the goals that we all aspire to – a world without hunger and extreme poverty, a future for our young people and our planet.

Our sincere thanks to those Member States who have expressed their intention to contribute to IFAD's resources. This is a tangible acknowledgement of the important role that IFAD has to play. It is in that spirit that Member States who have not yet done so are strongly encouraged to make their contributions. We must join forces to do what we can to ensure that IFAD is well-placed to make the difference. Let us remember those 130 million people reached in 2021 and imagine the differences in their lives. We can make help scale up that impact – let us do it.

On this note, I hereby declare the forty-fifth session of the Governing Council closed.

The Annexes can be viewed through the hyperlinks provided below.

Annex I [Agenda](#) and [schedule for the session](#)

Annex II [Resolutions adopted by the Governing Council at its forty-fifth session](#)

Annex III Links to digital content of the forty-fifth session of the Governing Council

[Video recording of the session](#)

[Video recording of IFAD Talk](#)

Annex IV [Delegations at the forty-fifth session of the Governing Council](#)

Annex V [List of documents placed before the forty-fifth session of the Governing Council](#)