
Opening statement by President Alvaro Lario

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Distinguished Ministers,
Distinguished Representatives of International Organizations,
Excellencies,
Distinguished Governors,
Ladies and Gentlemen,

On behalf of the entire team at IFAD, I warmly welcome you to this forty-seventh session of IFAD's Governing Council.

Many of our Governors have travelled very far to be with us this week and we deeply appreciate the effort. And a warm welcome to the representatives of farmers' organizations who have just completed their Eighth Farmers' Forum.

It is a privilege to stand before you today, as we collectively chart a course for a better future for rural women and men. A future in which they are fully recognized and, most importantly, fairly compensated for the vital work they do in feeding the world and safeguarding our natural resources. A future where more than 3 billion rural people prosper and thrive, even in this era of climate change and uncertainty.

IFAD's mandate is, and has always been, to realise the potential of rural communities by investing in small farmers, their families, and their livelihoods. This is how we can end rural poverty and hunger.

Today, that rural environment is changing. It is becoming more unpredictable and the old ways of doing things are becoming less reliable. Rapid changes in climate, demographics, and commodities prices make it harder for rural areas to thrive, especially as they already bear the brunt of hunger, poverty, and inequality.

At the same time, the investment community is alive to the opportunities in food systems. Climate change and population growth are driving innovation in food and agriculture - and a growing number of investors are opening the door to new and exciting possibilities to improve rural livelihoods in an inclusive way.

An institution like IFAD must be responsive to these changes. We will never stop working to serve more effectively those most in need and we therefore must constantly innovate.

Innovation comes in all shapes and sizes. It does not necessarily always mean cutting-edge technology. It can mean using satellites to measure soil moisture - but it can also be the use of bottle-caps to measure micro-doses of fertilizer to increase productivity. It can describe novel financial products like SDG bonds or Agroweb which invests in digital public infrastructure - or it can be using solar panels to power irrigation systems.

Some truly ground-breaking solutions are already transforming rural communities across the globe -- with tradition and technology working together to enhance the lives of rural people. I hope you will take the time to see some of these at our Marketplace of Innovations, located close to the meeting room.

I am also extremely pleased to announce today the partnership between IFAD and the innovation lab of the Inter-American Development Bank Group, to design and develop AgroWeb3. This is a digital public good of universal digital wallets tailored to the needs of small-scale farmers. AgroWeb3 will leverage the technologies, knowledge, and experience of IDB LAB's blockchain flagship initiative: LACChain. We aim to eventually roll-out the initiative globally, accelerating the inclusion and resilience of rural people and vulnerable groups.

IFAD's approach is to innovate, but also to test, to replicate and to scale up if the evidence suggests we do so. By understanding what works, and what doesn't, IFAD embeds the most effective innovations into our internal systems. At IFAD, we are always learning so we can improve.

We innovate and deploy investments that ensure speed and scale of impact. We innovate to improve equity. We innovate so rural people can benefit from better livelihoods - faster. And we innovate so we can help meet the needs of our Member States as they face new and unanticipated challenges.

But let me be clear - Innovation is not our goal; it is a means to an end. Its value lies in whether or not the innovation empowers poor rural women and men to pursue their aspirations to live better lives.

For example, IFAD is a pioneer in strategically harnessing the power of artificial intelligence for development. Today, we are actively using AI in a responsible manner to tackle complex topics – such as sustainability, biodiversity and fragility. The increased use of disruptive technologies and advanced analytics is enhancing our targeting and our monitoring. It is unlocking novel insights into multi-dimensional issues ranging from climate change to food systems. All of this is contributing to better results and greater impact for the communities we serve.

Many innovations are also developed in collaboration with the people we work with on the ground. Agri-entrepreneurs in developing countries are some of the most innovative and dynamic entrepreneurs in the world. We don't bring innovations to them – they bring innovations to us!

Ladies and gentlemen,

The world is changing so we must too. IFAD is, by necessity and by vocation, an institution that is constantly learning, partnering with our sister agencies FAO and WFP, and innovating. Because we have always worked with vulnerable populations in fragile situations, innovation and partnership are built into IFAD's DNA. And we have 45 years of consistent experience in rural development, taking an inclusive, community-led approach that is proven to deliver results – especially in fragile, remote and marginal contexts.

For example, decades ago IFAD supported the development of biogas digesters that reduce methane emissions from livestock and provide clean cooking fuel. These have now been rolled out globally. We invested in techniques to improve traditional planting pits that restored degraded land, improved productivity and contributed to greening parts of the Sahel. We created a household methodologies approach for empowering women; and we pioneered an approach called community driven development that has been proven to outperform other approaches in fragile, remote and marginal contexts.

And we are always looking at new approaches. I am please to announce that World Food Programme Executive Director Cindy McCain and I will soon be launching an innovative partnership in a number of countries to reshape how we handle the humanitarian-development-peace nexus and ensure stronger resilience in countries affected by conflict.

With our commitment to measuring results and learning about what delivers impact, IFAD is well placed to find new responses, new ways of engaging, and new partnerships that create the conditions for rural people to be more resilient and seize new opportunities.

The IFAD13 narrative and business model is inspired by this awareness.

During IFAD13 – from next year to 2027 – we will continue to be true to our mandate, and to mainstream our cross-cutting areas of gender, youth, nutrition, and climate resilience in the projects IFAD invests in. We will also sharpen our focus in three key areas: private sector engagement, biodiversity, and fragility.

Our ambition for IFAD13 is that our investments will improve the lives of at least 100 million rural women and men. We hope to do this through a US\$10 billion programme of work, built upon US\$2 billion in new replenishment funding.

But even with these ambitions, and the generosity of our Member States, the international community will need to do more. An estimated US\$300 billion is needed every year, to transform food systems in low-income countries so that they deliver sustainability, resilience and nourishment for all. So, innovation must also extend to how we generate and assemble financing if we are to have any chance to leave no-one behind.

In recent years, IFAD has rolled out a suite of new financial instruments.

Following our successful AA+ credit rating in 2020, IFAD began issuing sustainable development bonds in 2022 to raise more funding directly from the private sector to expand our lending.

And we have developed innovative instruments such as risk mitigation to drive the investments of the private sector to rural Small and Medium-sized Enterprises.

The Africa Rural Climate Adaptation Finance Mechanism (ARCAFIM) is a perfect example of blending donor resources with commercial funds and will support Farmers across Kenya, Uganda, Tanzania, and Rwanda with US\$180 million in climate adaptation loans. ARCAFIM incentivizes private sector participation through a risk-sharing mechanism.

ARCAFIM will provide financing to small rural producers. It will prioritize micro, small and medium enterprises. These investments will have spin-off effects throughout those countries.

Through such partnerships we can speed the development of more rural communities and better equip them to overcome challenges, such as climate change.

Ladies and gentlemen,

This Governing Council is not just a meeting; it is a pivotal moment to come together at this moment when you are also approving the IFAD13 report to shape IFAD's enduring role in the years ahead.

It is thanks to you, our Member States, that IFAD has consistently delivered on its mandate, and that together we have built a future-facing organization, ready to take on coming challenges.

We have listened to you and will be sharpening and deepening our focus on fragility, climate and biodiversity and private sector engagement during IFAD13.

We will continue to mainstream our cross-cutting areas of gender, youth, nutrition, and climate resilience in the projects IFAD invests in.

More than half of those participating in IFAD-supported projects are women, and I am proud that we will be holding our gender awards during this General Council to celebrate those projects that drive gender equality and women's empowerment.

Let us unite in our commitment to invest in innovative solutions to the world's most urgent problems. and ensure IFAD is a future-ready champion for rural people. Rural communities are the stewards of our lands and our waters and when we invest in them, we invest in a future that belongs to all of us.

Thank you.