

## Statement on MIC evaluation synthesis and IFAD's business model paper

This statement is delivered on behalf of List C.

First of all, we'd like to express our appreciation to this excellent evaluation synthesis report, which fulfils the TOR entrusted by the Executive Board, and thoroughly and objectively describes and analyses the achievements, challenges and opportunities for IFAD's engagement with MICs. It provides us a solid base for further deliberation, and really thank IOE for having produced it in a record period of time.

This synthesis report confirms that IFAD remains relevant in MICs, and there is increasing demand and interest from MICs for continued partnership and support from IFAD, also given the Fund's specialization, comparative advantage and track record in smallholder agriculture and rural development. In the business model paper, the management also reiterates IFAD should remain engaged in MICs. This is not only because financially MICs make critical contribution to IFAD both through replenishment and reflow, but also from IFAD mandate's point of view, strengthening the engagement with MICs is key for IFAD to maintain its relevance in terms of targeting rural poor and fragile regions, promoting global agricultural development, and contributing to food security and responding to climate change. We are of the view that the synthesis report and management reiteration give us a certain answer to the question of whether IFAD should strengthen its engagement with MICs. We therefore urge all members to focus our future discussion on how to strengthen partnership and engagement with MICs for better results on the ground, rather than on the issue of whether or not to strengthen this engagement. We must not forget that the MIC's have 74% of the poorest populations in the world.

We echo one of the finding of this synthesis report, which says that there is a common understanding among other organizations that the use of MICs as single category is not particularly useful or even appropriate. We also notice that when talking about IFAD's 2011 strategy for engagement with MICs, this report emphasizes that this strategy underlined the importance for IFAD to tailor its country strategies to specific contexts, and the report found this was and remains the right approach to follow. It also stressed that there is no case for a single strategy to guide work in MICs. Bearing all these important findings in mind, we see there is no need at this stage to update the 2011 MICs strategy, as well as to elaborate any approach to "graduation". The 2011 MICs strategy provides the organization the required framework for its work in such countries.

We have some concerns about the Management's proposal to change the PBAS formula, which determines the share of resources going to MICs versus other categories of recipients of IFAD funds. PBAS is the most fundamental and complicated issue which need to be reviewed carefully. So, we ask the IOE to prepare a corporate level evaluation on PBAS in the future, to give us a solid picture about what has happened in IFAD and other organizations, drawing lessons and insights for the Executive Board to make the decision on whether there is a need to change.

We notice that both this IOE synthesis report and the Management's business model paper value South-South and Triangular cooperation. We see there are huge potential in this field and look forward to seeing more concrete achievements. Therefore, we ask both IOE and the Management to do a quick review of IFAD's South-South and Triangular cooperation practice based on their respective evaluations and reviews, and report to the 3<sup>rd</sup> consultation meeting with findings about key constrain factors and the way forward. This could even be in the form of detailed power point presentations made by IOE and the Management in October meeting of IFAD10.

Thank you for your attention.