

Consultation on the 11th Replenishment
of IFAD's Resources
First Session

Opening Statement by
President Kanayo Nwanze

IFAD Headquarters
Rome, Italy
16 February 2017

Distinguished delegates,

1. Welcome to the first session of the consultation on the 11th replenishment of IFAD's resources. IFAD's 11th replenishment takes place once again under the very able guidance of External Chair Johannes Linn, whom many of you will know from IFAD10 and IFAD9, and who has done an admirable job on both occasions of bringing about successful replenishment outcomes.
2. I would also like to welcome my successor Gilberto Hougbo, the President Elect, who will be joining us for part of these sessions, to get a flavour of what is coming when he is sitting in this seat in the next session.
3. Since the conclusion of the IFAD 10 replenishment consultations in 2014, the world has changed dramatically. Some changes have been for the good – in November last year at the COP22 in Marrakesh, nearly 200 nations agreed to move ahead with the Paris Climate Change agreement; and we also now

have almost universal commitment to the 2030 Agenda, and to the 17 Sustainable Development Goals that underpin it.

4. These goals commit the global community to an ambitious development programme including achieving zero hunger and zero poverty by the year 2030 – a mere 13 years from now.
5. But we also face economic and political uncertainty on a level not seen globally in many decades. And multiple crises have resulted in an unprecedented number of people forcibly displaced from their homes, a situation that is threatening global solidarity.
6. Migration rates are higher, and poverty, hunger and inequality remain stubbornly entrenched.
7. Despite IFAD's best efforts, and those of numerous other bilateral and multilateral development agencies, nearly 800 million people continue to live in

extreme poverty and a similar number go hungry each day.

8. IFAD's 11th replenishment is not just part of the regular replenishment cycle. It is not just about committing resources. And it is not just about agreeing on a target amount. It is first and foremost an opportunity for us to consult with you, our membership, to seek your guidance on the strategic direction that IFAD should take in the coming years. This is not a time for business as usual for we know that Agenda 2030, and in particular SDG 1 and SDG 2, call for a major paradigm shift.

9. As we begin our year-long consultation, allow me to give you a snapshot of IFAD's work over the past three years, since the IFAD10 consultations in 2014. This snapshot will be expanded upon in the detailed presentations that will be made to you in the course of this First Consultation.

- **IFAD works closer to the ground and takes more responsibility.** When I joined IFAD as Vice President in 2007, IFAD was an institution that wrote checks and outsourced the supervision of its projects to other institutions. Today, IFAD directly supervises 100 percent of our projects and programmes, and we have more than 100 staff deployed in 40 country offices, covering close to 80 percent of IFAD's portfolio and serving 77 countries. This transformation has been achieved within a flat budget environment.
- **IFAD's results are measurable.** The IFAD9 Impact Assessment Initiative was completed in 2016. It was the first time that a development institution had attempted to assess scientifically the impact not just of individual projects, but of the institution as a whole. Such an approach is unprecedented among IFIs. Results showed that for all closed and ongoing projects during the 2010-2015 period, 139 million people were reached. An estimated 43.2 million beneficiaries saw an increase in their agricultural revenue, 28.8 million had increased poultry ownership, 22.8 million had

greater livestock assets, and 24 million moved out of poverty. The Impact Assessment Initiative has produced a world-class tool and a global public good. I am proud to say that it is already generating interest from other international financial and development institutions. Building on lessons learned from this initiative, the recently approved Development Effectiveness Framework will take us from measuring results, to managing for results.

- **IFAD leads on gender equality and women's empowerment.** IFAD is on track to meet all targets of the UN System-wide Action Plan on Gender Equality and Empowerment of Women during 2017, performing significantly above the average of the UN system. Women now account for half of all project beneficiaries, and the majority of those trained in crop and livestock production. In Ethiopia 450,000 households benefitted from a project which enabled women heads of households to obtain their own land certificates - and in married households farmland was co-registered to the husband and wife. Women gained

recognition as landowners within their communities, joined land administration committees, and became arbitrators in land disputes. That is empowerment.

- **IFAD sets the gold standard for climate mainstreaming in the UN system.** IFAD has been successful in mobilizing significant climate financing and mainstreaming climate within our investment programmes. ASAP is the world's largest dedicated climate fund focused on smallholder adaptation. It is financing improved irrigation in Mali, early warning systems in Mozambique, agroforestry in Nepal and energy efficient processing and storage technologies in Nigeria. Under IFAD10 climate mainstreaming is largely being implemented through core replenishment contributions, reinforced by climate UCCs. IFAD has been accredited for the Green Climate Fund which will provide an important new source of funds from 2017 onwards.
- **IFAD is putting global dialogue on nutrition into action.** IFAD is actively engaged in the UN Standing

Committee on Nutrition, the UN Network for Scaling Up Nutrition, the Committee on World Food Security and the Initiative for Food and Nutrition Security in Africa, the initiative that Japan launched last year at TICAD VI. Through our investment programmes we are in a position to put the commitments and recommendations of these initiatives into action – by next year nutrition will be mainstreamed in all IFAD country strategies and one-third of projects.

- **IFAD has an updated approach to engagement in fragile situations.** As you know, IFAD is not only a United Nations specialized agency but also an International Financial Institution. Because of our dual UN-IFI identity, we often go where few other development agencies go, and we are trusted as few others are, by government, the private sector, NGOs and poor rural people alike. Our new approach to engagement in fragile situations, approved by the Executive Board in December, aims to ensure that we have the necessary organisational and operational resilience to stay the course and continue delivering.

- The new approach also establishes guiding principles which are critical to delivering in fragile situations – these include risk management and resilience, building institutions, trust and social cohesion, and strategic and complementary partnerships. Examples of these partnerships include collaboration with WFP on food security and livelihoods in Sudan and South Sudan, with the World Bank and Italian Development Cooperation to scale up microfinance pilot projects in Afghanistan, and with the World Health Organisation and civil society in Mali which have helped sustain agricultural production and access to healthcare for thousands of rural people in northern Mali during periods of severe instability.
- **IFAD is getting more efficient.** As reported in the Mid Term Review IFAD's efficiency ratio for 2017 is expected to be 9.8%, compared to 16.4% in 2007. Tight control of administrative budgets at a time of growing portfolio has meant that every dollar of admin budget is now supporting a larger portfolio of projects and programmes.

Ladies and gentlemen,

10. What do these results tell us? In short, they tell us that IFAD delivers. It delivers value for money, and positive change in rural people's lives and livelihoods. It delivers every day in almost 100 countries around the world, in diverse contexts and under difficult conditions that others shy away from. We work in areas that have never seen a development project before. Where the problem is not poor infrastructure, but no infrastructure at all. Where people have been not only neglected, but forgotten.

11. Like rural people themselves, IFAD makes sure that every penny counts. And we have four decades of experience to guide us in making smart investments that transform rural lives.

12. Let me give you another example. Only 10 days ago I visited an IFAD-supported project in Mozambique where the community I visited had been

plagued by drought that killed their cattle. Women spent hours and walked many kilometers to collect water from the river.

13. Then came the project, providing what is described as multi-purpose boreholes. I never could imagine what that meant until I went to Mozambique. It drilled a deep borehole to reach water, and constructed tanks that can store 20,000 litres of water. The system uses solar power.

14. Today, the water is being used for a multitude of purposes: the villages have safe drinking water and their health is better, they have irrigation water to grow vegetables all year round. They have constructed water troughs about 50 to 75 meters away from the borehole so that their cattle no longer die during the dry season or when there is an extended drought. I have never seen such fat cattle in parts of Africa before. And the community also has a laundromat. What is a laundromat? They have water troughs not very far from the borehole, about eight of them, four

on both sides and the women and children can wash their clothes and do not have to walk four kilometres to the river. They are saving time, saving money and can afford to send their children to school.

15. What I want you to remember is that the total cost of one borehole, the overhead tanks and the solar panels is \$40,000. In this one community, this one borehole brings benefits to 300 family households, about 750 people. An investment of US\$50 per person over a 12 month period, and the system will continue to deliver benefits for the next 20 years. If you want to go further down it took twelve months to build the borehole, that is US\$4 and a couple of cents per month per beneficiary. That is investment in people's lives.

16. I often say that IFAD doesn't give handouts, it invests. And this is why. These are the kinds of investments—but on a far larger scale—that will be needed to reach SDGs 1 and 2.

22. Going forward, there are two key challenges that I see for us. The first is the question of scale—how will IFAD increase its impact on poverty and hunger. The second is closely related to the first: how will the Fund mobilize the resources it needs to do so?
23. This cannot be done without you; it cannot be done without your support.
24. IFAD cannot achieve impact on its own. It needs strategic partnerships, not just collaboration, and we are dedicated to developing these partnerships.
25. Some have joined us, just as we have joined others. Over the years we have mobilized \$26 billion in cofinancing. We are constantly looking for new ways to draw resources and attention to rural areas, to bring the tools within reach that rural people need to transform their lives and communities.

26. The most recent example of this is the launch of the Smallholder Agriculture Finance and Investment Network (SAFIN). It will bring together private, public and philanthropic sectors and rural farmers and enterprises to help bridge the \$150 billion funding gap preventing rural businesses, producers and their organizations from expanding their operations and building rural economies.
27. And last year, we launched FARMS, a mechanism directed specifically at the crises of displacement and migration, which have a major impact on rural communities.
28. –You, our Member States, are central to solving national, regional and global challenges. With your support, we can deepen and expand our contribution to achieving the SDGs.

29. The 2030 Agenda has committed itself to universality. IFAD committed itself long ago to reaching the unreached, the marginalized and the forgotten. It is our mandate.

30. Now the international community has taken up the challenge to finish the job. IFAD will be there to lead, as long as we have the support of you, our Members.

31. With that, I hand back to the Chair.

Thank you.