

Consultation on the Eleventh Replenishment
of IFAD's Resources
Second Session

President's closing statement
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IFAD Headquarters
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Distinguished delegates, let me start by thanking you sincerely for these two days of what I consider to be intense and very stimulating discussion, and for the strong collaborative spirit we have had in this room.

There has been a lot of debate, very, very substantive questions, some of them very deep. I am sure all of us, at one point in time, have had to face a job interview. The more they drill into the question, the more you know that they might be interested in you. So the more you have been drilling, asking questions, the more I realize how you care about IFAD – the more it tells me that the support is there. It is now up to us to also understand the issues you want to be sure we address. So I am very, very grateful.

We have listened carefully and with a lot of interest, and on behalf of IFAD and the whole team here, I really want to extend our gratitude and our appreciation to all of you. I do hope that we have provided adequate responses to some of your questions, though further work will need to be done on some other questions over the course of the Consultations. But I do believe we are progressing in the right direction.

I know our Chairperson will shortly provide us with his formal summary, so I will not review all the issues in detail. I would instead like to focus on the major areas where I consider there is a sense of agreement. But before doing so, if I may abuse of your patience, I would like to thank you profoundly for the cross-List statement that was delivered by China at the start of the session yesterday. Your trust should not be taken for granted. We have to keep working to merit it.

I will simply say, from a shared sense of purpose and of urgency, that I think we have moved from the principle of having a global understanding of the direction we take in the business model to the question of means. And here, we have heard broad agreement expressed with our approach, though with an appropriate level of caution, given the global landscape.

Let me repeat this: we know that ODA is not necessarily decreasing, but remains severely under pressure. And yet we have to find a way to do more, namely through concessional partner loans and sovereign borrowing. I would like to hope that the 11 July seminar in which we talked about CPLs will pave the way for an acceptable framework for your consideration.

Internally, the Executive Management Committee has already reviewed and approved a proposed framework for the CPL – I believe two or three weeks ago – which to a great extent builds on the IDA model. We are trying to follow that model as much as possible to ensure that we can benefit from the long discussion you had on that process. I can tell you now that perhaps one of the major differences, compared with the IDA model – and we are very, very much open to your suggestions here – is whether to consider the threshold at 80 per cent of the previous replenishment as a minimum. Shall we keep the 80 per cent or perhaps move to 85-90 per cent? This would reflect that we are a Fund and would send a signal that the core contribution, the Replenishment, the ODA part, is still an essential element for us. But this is much more of a discussion than a dogmatic approach, so your views are very welcome. Apart from that issue, I don't think there is any other major difference to be integrated into the proposed framework compared with the IDA model.

We do also appreciate the word of caution we have heard here on the Replenishment's perspective, not in terms of the capital market, that ambition must be matched with a degree of realism. We heard you very clearly on that. We will again repeat that when we come back with a much-more-detailed road map, we will ensure that many issues you raised today – including the reminder we got from the United Kingdom just before the break – are all part of that detailed plan, which will be helpful to all of us.

I do not want to return to the Operational Excellence for Results, which for us is part and parcel of what we are talking about. I believe Lisandro and Périn came back with very specific examples of what we are trying to do to make sure IFAD is fit for purpose in moving forward.

There is one point we did not touch on a lot in these two days. In a way, I am glad we did not, but in past formal and informal consultations, both at Board sessions and Board retreats, the issue of IFAD visibility came up a lot. I also received several comments and advice from you on this. So I just want to inform you that it is part of what we are integrating into our plan, not only as part of the Replenishment, but also moving forward.

That visibility is not only in Rome, not only global – of course, including global and regional issues – but, most importantly, at the country level and the areas or communities we are serving, *en passé*. So I wanted to use this opportunity to reassure those that have spoken with me on several occasions that we are working on a broad campaign, because we do realize that we need to make our case not only to you as members, but through you to your taxpayers, let us be frank; so this is an important dimension we have to keep in mind. We must find the way to help you help us.

We also take note of and really appreciate the feedback that several of you have given us that time is of the essence here. We are almost in July, so the second half of the year has started, and I know most of you will be making your decisions certainly by October, if not before, or have, in a sense, proposed decisions. So it is important that we are able to provide you with answers to the questions you have, even in a bilateral or informal consultation.

Let me end by asking for your understanding: we will certainly abuse your time with a lot of informal back and forth with those of you in Rome – and those of you coming from your capitals, through your colleagues in Rome – to be certain of what you have said on specific issues. One thing I would really like to do next week is to make sure we did not forget any of the questions. The last thing we want is that one of you leaves here with the sense that “I raised an issue, but it was not addressed.” We are really going to do that on a bilateral basis, if necessary, to get back to you.

We had a lot of debate yesterday, and I am very confident of the outcome: that the universality of IFAD interventions across the globe and across the different groups or country categories is here to stay, as is IFAD’s win/win approach. I believe this is what we have to keep in mind beyond the numbers, the 90/10, the 45 per cent, 50 per cent; beyond that, the principle of universality is here to remain.

I will just end by saying that I do know that it is very difficult, both internally and externally. One could choose to say “Let us do the best we can, whatever they give us, we will deliver that.” Work 9 to 5, staff would be happy, nobody is going to bother you – but I refuse that solution. It does not mean that I do not listen; it does not mean that I do not understand the pressure you go through. To make a difference in the development context, you will really always have to beat that bush. It does not matter how you feel.

My plea is to let us not wait for everything to be clear, sorted out, before we start moving forward. It does not take away that we have to be fiscally responsible. Actually, I have a little bit of a financial background, so you can imagine that there are some types of risk I will not allow myself and this institution to go through. But just thinking every day: what can I do? When I left government, people asked me that, and I said “actually I do not want to talk too much about that because I believe I did not do a good job.” Because, simply, when you look at what you could have done better, maybe it is three, four, five times what you have done. The point is that, as I said today, together let us

think: it is not just how much of your ODA is going to be placed; it is how can I increase our volume of work based on demand? – and we will come back to you on demand – that is very, very clear. It is really my plea; it will also help us think through “What other things can we put in place?” For example, I heard some of you – that, if you were ready for the CPL, maybe you would have decided today on these. So we will challenge ourselves; we will come back to you on the CPL, for example.

The current Sovereign Borrowing Framework provides that the caveat we put there to avoid substitution risk is 100 per cent, so that, itself, in the circumstances, can become another challenge. My plea to you is to think about the different possible modalities that could help us on this point.

The situation is not a bed of roses, but we need to move. Do not wait for things to be clear-cut before you move. We really need to try to move. This is really what I am trying to do. I am saying this so you do not think we are not listening to you when you talk about the pressure that ODA is going through. We are very, very conscious of that. I believe there is a saying in southern Africa – and this is my last word – every single morning, the lion knows that it has to run faster than the prey, otherwise it will die of hunger; then every single morning the prey knows that it has to run faster or be much more agile than the lion, otherwise it will be killed. The conclusion is that it does not matter if you are the prey or the lion, you have to be running. In development we have to be running every time. Thank you.