

Check against delivery

Consultation on the 12th Replenishment of IFAD's
Resources

Second Session – part 2

Opening Statement by
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Thank you so much Kyle,

And a warm welcome to all delegates,

Excellencies, dear colleagues,

Extraordinary times call for unusual measures. And today's meeting is certainly unusual. It is actually the second part of a replenishment session that began in June.

With this in mind, permit me to set the scene for our discussions over the next two days.

Truth be told – directly or indirectly, the result of these consultations will reflect how much we value IFAD and its work.

The pandemic is forcing nations to look inwards. The emergency response is costly, and the global economic outlook is ominous.

But now more than ever, we must step up our support to the world's poorest and hungry people.

Poverty and hunger lead to desperation. This fuels conflict, migration and instability.

Long-term prosperity, sustainability and resilience depend on reaching the root causes.

Ladies and gentlemen,

IFAD stands out because all our investments go to rural areas where the poorest and most marginalized live.

Last year we reached 115 million rural poor people in 97 countries. More than half were women.

In the same year, according to their own reports:

- IDA reached 4.4 million farmers. One-quarter were women.
- The African Development Bank reached 9 million farmers. 47% were women.
- The Asian Development Bank invested in 6.6 million rural people.

We will be discussing the most appropriate financing scenario for IFAD12.

I would like to recall the key variables that are the pieces of the puzzle that need to come together, in addition to reaching a consensus on the transition/graduation process. On that matter, the Independent Chair is convening the first meeting of the ad hoc group this coming Monday.

- a. It is imperative that our financial support to DSF eligible countries remains at least at the same level of about 600 million as in IFAD11. Moreover, we shall factor in the possible increase in the number of DSF-eligible countries, particularly due to the impact of COVID-19.
- b. We shall uphold the decision made by the EB in December 2019 -- that is, that DSF will be based on up-front payment.

- c. Understandably, the absolute amount of our financial support to LMICs in all scenarios appears higher than the amount to LICs. That is because we have 27 LIC countries and 35 LMIC countries including countries with large populations such as India, Nigeria, Bangladesh and Pakistan.
- d. But it is important to bear in mind that per capita support is higher in LICs than in UMICs. In scenarios D and E, support to LICs is estimated between \$3.6 and \$4 per capita, compared to \$1 to \$1.17 for LMICs.
- e. Financial probity, financial sustainability and fiscal responsibility remain a cornerstone in shaping our support to Member States.
- f. I am sure you will agree with me that, in light of the many reminders from SOFI reports in recent years highlighting the pervasive level of food insecurity and malnutrition -- and in the context of negative impacts of COVID-19 as well--we must put all our efforts together to ensure a decisively greater PoLG.

For all these reasons, we believe it is only reasonable that options A, B, and C should be dropped, and that we focus our deliberations on options D and E.

Let us recall that if core financing remains the same or grows only slightly, funding to low-income countries - particularly those in debt distress - would actually decline. We should not let this happen if we want to remain faithful to our "raison d'être".

The only way for IFAD to increase its support to Lower Income Countries is to increase our resources at the highest scenario level of US\$1.7 billion. This is our Option E.

If IFAD doesn't step up its engagement in the rural areas of lower income countries, who will?

Demand for our services is high.

For example, in the area of environment and climate -- in addition to and complementing ASAP Plus -- we will partner with the Green Great Wall, and the Sustainability, Stability and Security Initiative (3S). Our discussions with the GCF on upgrading our accreditation are well advanced.

Also well advanced is the ongoing due diligence on our first private sector investments.

Ladies and gentlemen,

I recognize that asking Member States to support Option E sounds like a huge ask. Especially in today's economy. But let me put this in context. On average, ODA allocations to agriculture of our top donors are only 2 per cent. Of this, IFAD receives only 0.2 per cent.

Allow me to repeat – it will be a failure if this replenishment *de facto* leads to a mission drift from LIC to LMIC because of insufficient funding for DSF countries.

Moving on, I would like to call on all stakeholders for collaboration, compromise and trust so that we can reach consensus on the different fronts of the process.

Dear colleagues,

It is now my pleasure and honour to introduce IFAD's two special envoys for IFAD12. For many of us here, they are old partners and friends.

H.E. Dr Olusegun Obasanjo - 'Baba', the former President of Nigeria and President of the Africa Food Prize. One of the founding parents of IFAD, he is known for his dedication to food security, agribusiness and rural investment. And of course, for his vision of innovative African development, in creating NEPAD and supporting the creation of the Great Green Wall.

His Excellency Hailemariam Desalegn, the former Prime Minister of Ethiopia and current chair of AGRA. He has always been a strong advocate of agriculture and development. Since he left power, H.E. Desalegn has continued working with the government and partners to bring about socioeconomic transformation – not only in Ethiopia, but throughout Africa.

IFAD is privileged to benefit from these two important global leaders for the 12th Replenishment.

Finally, I would like to acknowledge the presence of HE Madame Josefa Sacko at today's replenishment session, as an Observer. Mme Sacko, African Union Commissioner for Rural Economy and Agriculture, is sitting at the specific request of the President of the AU Commission.

Thank you so much.