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## **Opening Statement by IFAD's President**

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Excellencies, Governors, distinguished delegates, colleagues and friends,

Welcome to the first formal session of the IFAD14 Consultation. Welcome to those joining online, and to those here with us in Rome.

Since we met in February, the world has moved quickly. The context has become much more complex and the risks are higher.

The escalation of conflict in the Middle East and the Gulf is not distant for IFAD. It is being felt through higher fuel costs, pressure on fertilizer and commodity supplies, and disruption across trade routes and markets. These effects reach our operations and all of our partners and participants. They reach rural communities first.

Shocks travel fast. They move through prices and supply chains. The latest IMF World Economic Outlook points to slower growth, inflation that is proving persistent, and tighter fiscal space—especially in lower-income, food-importing countries.

For small-scale producers, these pressures are direct. That means inputs cost more, transport and energy costs rise, and markets become less predictable. In some cases, export channels slow or close; local markets become oversupplied; prices drop just as costs increase. For households and rural communities, these are not abstract trends. They are daily costs: bread, cooking oil, rice, beans. These communities are forced to make hard choices—whether to invest in production, cover basic needs, or preserve what little buffer a family has.

This is happening at the worst time. Across many parts of Africa, Asia and Latin America, farmers are entering planting seasons. Decisions are being made now about what to plant, how much to invest, and whether inputs can be purchased at all. For a smallholder with limited savings and weak access to credit, even one of these modest shocks can determine an entire season's income.

IFAD was created in a period of crisis in the 1970s, with food shortages, price volatility and energy-driven input shocks, which made one point clear: emergency response is not enough. From the start, IFAD was designed to address the structural drivers of hunger and rural poverty, through investment that builds productive capacity and resilience over time. That remains our mandate. And it is more important than ever.

We work at the first mile of food systems—where risk is highest and investment is often most limited. We use public resources to reduce risk and to bring in additional finance. We blend core contributions with loan reflows, supplementary funds and borrowed resources. We mobilize cofinancing and private capital, while preserving concessionality for those who need it most. The purpose is simple: to finance solutions that reach rural people and can scale over time.

We are responding now to practical ways. We are accelerating disbursements. We are activating contingency components within ongoing projects. We are adjusting programmes as conditions shift, to make sure that we are protecting the most vulnerable. We are coordinating closely with partners across the United Nations system and across the MDBs.

But we should be clear about what is at stake. What happens in the coming months will shape rural livelihoods for years. It will also shape food security, fiscal pressure and humanitarian needs. That is why this replenishment matters even more in the current environment.

The disruptions we are seeing are already affecting how markets function. Strengthening rural markets cannot become a technical issue. It is a stability issue.

These shocks are also unfolding in countries with rapidly growing young populations. Where rural economies do not generate opportunity, pressure can turn quickly into instability and forced migration. Expanding productive rural employment—through enterprise development, services and value chain integration—is central to long-term stability.

And as shocks become more frequent and more severe, development gains cannot be assumed to hold. Resilience must be built into economic programmes—through stronger local systems, climate adaptation, and more diversified livelihoods—so that progress is not lost with each crisis.

This is why IFAD14 is structured around three priorities: rural markets, rural employment and resilience. They reflect what rural communities need to withstand shocks and to contribute to food supply and economic growth.

Delivering on these priorities at scale requires stronger engagement with the private sector. Too often, rural economies are left out of investment not because they lack potential, but because they are perceived as too risky. For producers and rural enterprises, that perception translates into a lack of finance, weak services and missed opportunities—even when demand exists and production is possible.

IFAD's role is to reduce that risk. We help build viable rural markets. We help make rural economies investable, so that private capital can follow—on terms that are fair, transparent and inclusive.

Innovation is also changing what is possible. Digital tools, improved data, new delivery models and climate-smart technologies are helping us reach rural communities more effectively. For farmers, this can mean earlier warning, lower transaction costs, clearer price signals and services that become reachable—especially for women and remote communities. For IFAD, it means improving how we design, target and manage programmes.

In recent years, we have strengthened the institution to deliver in this environment. We have decentralised, bringing decision-making closer to governments and communities. We have reinforced our financial architecture and financial toolbox, so we can use our capital more effectively and mobilize additional resources. We have embedded private sector engagement into our operating model, streamlining processes to improve speed, discipline and delivery.

As a result, we enter IFAD14 with a stronger platform and a stronger business case: a financial model that allows us to be more catalytic while preserving concessionality where it is most needed; and an institution that remains member-based, partnership-focused and anchored in its mandate.

We also have evidence that this approach can deliver. Experience under IFAD12 shows strong results on incomes and resilience, with even stronger performance where private sector engagement is integrated. The IFAD13 midterm review indicates rapid progress in programming, solid cofinancing, and key foundations in place—on private sector engagement and on fragility and addressing climate shocks —while also identifying areas where we must keep improving.

IFAD14 is the opportunity to build on this. It is the opportunity to translate strategy into additional measurable outcomes for rural communities, at the scale the moment requires.

Over the next two days, this consultation is not only about reviewing proposals. It is about shaping them—through dialogue, challenge and shared commitment. Clear priorities. Disciplined choices. And a common focus on impact.

Because when rural economies grow, the benefits extend beyond the farm. They strengthen food security. They reduce pressure on forced migration. They support stability. They allow rural people to keep producing, earning and planning, just when uncertainty is rising.

That is why investing in rural transformation is a strategic choice. And that is why IFAD14 matters.

Thank you for your attention.