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Enabling poor rural people
to overcome poverty

Closing statement of the chairperson

Consultation on the Eighth Replenishment of IFAD's
Resources — Third Session
Rome, 8-9 July 2008

For: **Information**

Distinguished Delegates,

We have now completed the third session of the Consultation on the Eighth Replenishment of IFAD's Resources (IFAD VIII). Let me briefly sum up what have proved to be two days of full and productive deliberations.

Consultation members conveyed their sincere gratitude to the Government of Italy for IFAD's new headquarters, as yet another demonstration of its continued and generous support of the organization.

The Consultation expressed appreciation for the Government of Japan's strong leadership of the Group of Eight and very much welcomed the G-8's commitment to reversing "the overall decline of aid and investment in the agricultural sector ... with particular emphases on fostering smallholder agriculture and inclusive rural growth." The Consultation drew particular attention to G-8 leaders' encouragement of "the efforts of international financial institutions including development banks and the International Fund for Agricultural Development (IFAD)..."

The session began with a presentation on IFAD's immediate, short-term response to the food price increases through the reprogramming of up to US\$200 million from existing loan programmes, as described in the document IFAD's Response to the Food Price Increases (REPL.VIII/3/R.4). The Consultation heard that, consistent with its mandate, IFAD is actively participating in the coordinated and comprehensive international response to the food crisis, for example through the High-Level Task Force on the Global Food Security Crisis, launched by the United Nations Secretary-General. The document was broadly welcomed by Consultation members. Members recognized the compelling circumstances for a significant role by IFAD in enhancing the productivity and output of smallholder farmers, which would promote food security, reduce rural poverty and help end the recurrence of food crises and their impact on poor people. Delegates sought additional information on IFAD's approaches and modalities for meeting this long-term challenge.

The Consultation then took part in a presentation based on the document Programme Priorities for the Eighth Replenishment Period based on US\$3.3 billion in Loan and Grant Operations (REPL.VIII/3/R.7). This document complemented the paper Meeting the Challenge by Delivering Results: IFAD 2010-2012, which was presented to the Consultation at the April session. Set against the rapidly changing global context, the presentation covered the characteristics of IFAD's future loans and grants, changes in operational priorities, impact on the number and size of projects, and IFAD's capacity to expand its operations while delivering increasingly high quality results. In the light of the need to institutionalize reforms, members sought further information on IFAD's capacity to achieve the significant rate of increase proposed in the programme of work.

Two related oral briefings: *IFAD's new operating model* and *Human resources reform: a people strategy for IFAD* were also welcomed by the Consultation.

IFAD's Action Plan to Improve its Development Effectiveness – conceived in response to the recommendations of the Independent External Evaluation – has resulted in a new operating model built around tools and organizational processes to improve IFAD's country-level results. The delegations from Canada, the Netherlands and Norway announced the draft results of their independent assessment of IFAD's progress in implementing the Action Plan. Members welcomed the findings of the assessment, which identified IFAD's new business model and country-level engagement as the most successful and advanced areas of implementation. While acknowledging the progress made, members urged IFAD to consolidate its reforms and maintain the focus on those areas requiring further attention, particularly human resources.

In this regard, members stressed that the topic *Human resources reform: a people strategy for IFAD* was a critical part of IFAD's reform agenda. Members recognized the achievements so far and encouraged IFAD to be bold and act quickly. Noting the

importance of diversity, both in terms of gender and geography, several delegates underlined the importance of monitoring these characteristics in IFAD's workforce.

The document Results achieved under IFAD VII and Directions for Results Measurement under IFAD VIII (REPL.VIII/3/R.2) described IFAD's results measurement system, reviewed results achieved at four specific levels under IFAD VII, and outlined a proposed approach to strengthening the results measurement system in 2010-2012. There was consensus on the overall approach proposed, including the four-tier results measurement framework. The Results Measurement Framework will be revisited in the light of comments received, and then presented – complete with draft indicators and, where appropriate, draft targets – in the report of the Consultation. Revised to reflect further results achieved or experience, the final Results Measurement Framework will be submitted for the approval of the Executive Board in September 2009, prior to the start of the Eighth Replenishment period. Members stressed the need for simple, measurable, and aggregable indicators that can be used by IFAD Management and are accessible to outside stakeholders, to facilitate their understanding of IFAD's impact at the global, country, and organizational levels. Members endorsed using the Report on IFAD's Development Effectiveness as the reporting vehicle for IFAD's results measurement system.

The Consultation considered the document IFAD's Approach to Sustainability (REPL.VIII/3/R.3), which reviewed IFAD's performance to date in achieving sustainability in its projects and presented the specific measures that IFAD is adopting to enhance sustainability. Members broadly endorsed the approach, while noting the very ambitious target set by the Action Plan for sustainability.

Given the centrality of country ownership to achieving sustainable development results, members requested a separate document on IFAD's approach to country ownership. This will be provided to the Consultation at the October session.

The Consultation considered the work programme and financing requirements for the Eighth Replenishment period (REPL.VIII/3/R.5). Members had a number of questions on IFAD's financial structure, including the advance commitment authority (ACA) mechanism. Members requested a technical meeting on the financial aspects. This will be scheduled before the October session.

The Consultation reviewed a draft outline of the Consultation report (REPL.VIII/3/R.6) and members provided a number of comments. These will be reflected in the structure of the draft Consultation report to be presented at the October session.

The fourth session of the Consultation will be held on 21-22 October 2008 in Rome. As has been the practice for previous sessions, an information note on arrangements will be dispatched in due course.

I would like to thank you all for your active and constructive participation.

