

22 September 2017

Distinguished Governor,

This year's report *The State of Food Security and Nutrition in the World (SOFI)* has a disturbing message for the international community – after several years of decline, hunger is now on the rise. In 2016 there were an estimated 815 million undernourished people, compared with 777 million the year before. That is an increase of 38 million.

The report also finds that, in 44 countries, undernourishment has either grown or not decreased over the past 10 years. This has implications for our collective efforts to achieve the goal of zero hunger embodied in Sustainable Development Goal 2 (SDG2). It also has implications for IFAD and its Member States.

Clearly, more resources need to be directed towards the people that need them most. A large-scale increase in investment in rural areas is needed to help smallholders increase the productivity of their farms and businesses, to lift themselves out of poverty and hunger and build their resilience.

Thus we are more convinced than ever of the strategy we are charting for the period of the Eleventh Replenishment of IFAD's Resources (IFAD11) - we plan to increase our programme of loans and grants by 9-18 per cent; to adopt a new financial strategy that leverages core contributions to increase the investment we can bring to bear on hunger and poverty; and to meet the rising demand of our Member States for IFAD support. IFAD will target the poorest countries and the poorest people, devoting 90 per cent of Member State contributions to low-income and lower-middle-income countries.

The 2017 edition of SOFI singled out conflict and climate-related shocks as key drivers of food insecurity. During IFAD11, we will devote 25-30 per cent of our portfolio resources to fragile situations, and strengthen targeting of poor and food-insecure rural people, particularly women and youth. IFAD's efforts to mainstream climate, gender and nutrition will multiply the benefits of its investments.

But the issue of fragility is a reminder that the problem of hunger has to do as much with policy, governance and sustained commitment to actions to increase national and global food security. We also plan to deepen our engagement in policy support and to increase our actions to foster South-South and Triangular Cooperation.

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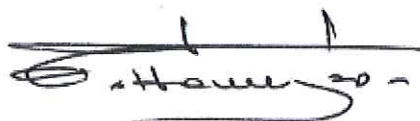
Thus it is not just that we need to redouble our efforts. It is not that we need more of the same. We need long-term, transformative investments that not only change people's lives and improve their food security today, but that change their children's lives and the future. Humanitarian relief is essential for those suffering today, but only through sustained investment in rural development can we reach a world from which hunger is banished.

Our plan for the IFAD11 period also includes a battery of actions to facilitate more agile programme delivery and implementation. Clear country strategies and evidence-based design will provide the basis for a stronger focus on results and the means to reach them. IFAD will embrace a culture of results and innovation across the organization. During IFAD11, this culture will be fostered through the full implementation of IFAD's Development Effectiveness Framework.

The findings of SOFI 2017 are cause for concern, but not for pessimism. SDG2 can be reached. In framing our vision and strategy for IFAD11, we have already taken a hard look at the problems – and at ourselves – and developed financial and operational strategies that will enable IFAD to scale up its impact and capitalize on its comparative advantage, based on four decades of investing in rural people.

The one indispensable ingredient for our success is the support of our Member States. I am taking this opportunity to assure you of our commitment and to ask for your support for a successful IFAD11. This is not just about moving the numbers in a positive direction; it is about moving towards our shared goal of eliminating hunger and poverty and building an inclusive and sustainable world.

Accept, distinguished Governors, the assurances of my highest consideration.

A handwritten signature in black ink, appearing to read "G. Houngbo", with a horizontal line drawn above it.

Gilbert F. Houngbo