

# **The Statement at the 41<sup>st</sup> Session of the Governing Council**

## **Statement by Mr. Chen Shixin, Alternate Governor of China**

The world is now faced with severe poverty and acute fragilities of violence and conflicts, climate change and natural disasters, posing grave challenges for developing countries to eradicate poverty and hunger and implement the 2030 Agenda for sustainable development. As an institution dedicated to rural poverty reduction and development within the United Nations, IFAD should persist in its development mandate, play its comparative advantages and actively help Member States to promote sustainable agricultural development and achieve SDG1 and SDG2.

I would like to take this opportunity to make a few comments:

**First, IFAD should persist in becoming bigger and stronger**

**to offer more development resources.** In recent years, the annual average lending of IFAD has sustained at about 1 billion U.S. dollars, which could not meet developing countries' actual needs of sustainable agricultural development and the gap is acute. In order to better fulfill its mandate, IFAD should further enhance its financial strength and capacity, scale up its operations and provide more development resources for global rural poverty reduction and agricultural development. In this regard, core contributions from Member States should continuously be the main source for IFAD funding. Developed countries should fulfill their responsibility of promoting international development and actively increase their contributions to IFAD. As a developing country, China is also willing to support IFAD within its capacity. For IFAD11 replenishment that has just concluded, China pledged a core contribution of 81 million US dollars equivalent RMB, an increase of 35 per cent over IFAD10. Apart from core contributions, IFAD should strive to explore other funding sources, in particular, to initiate market-borrowing on the basis of financial sustainability. Meanwhile, IFAD should leverage more capital from private sector and other development partners to jointly invest in rural agricultural development.

**Second, IFAD should persist in its global positioning and strengthen cooperation with all Member States.** IFAD has a broad member profile and almost all developing members including MICs, whatever their region or development stage, are facing with vulnerabilities of varying degrees and manifestations. Meanwhile, IFAD's strengthened collaboration with MICs plays a very important role in enhancing the financial sustainability, enriching the development experience and improving the development effectiveness of IFAD. Therefore, IFAD should insist on serving the global rural poor and abide by inclusive development principles to support the sustainable development of agriculture and rural areas in all developing member countries. On the one hand, IFAD should increase support to LICs and fragile countries, with an emphasis on enhancing their agricultural productivity and rural people's ability to withstand external risks such as natural disasters so as to address extreme rural poverty. On the other hand, IFAD should strengthen cooperation with MICs, with a focus on innovating agricultural development philosophy and model, promoting governance capacity and enhancing resilience to crisis so as to address unbalanced and unstable development.

**Third, IFAD should persist in multilateralism and promote various cooperation forms such as South-South and Triangular cooperation.** The issue of vulnerability extends well beyond borders. To solve it needs the joint efforts of different countries, regions and the world as a whole. Therefore, all parties should uphold multilateralism and further support IFAD to act as a multilateral cooperation platform. As an advocate and practitioner, China has taken an active part in South-South cooperation with other developing countries based on the platform of IFAD and achieved good outcomes. Since 2009, China and IFAD co-founded and successfully held eight sessions of South-South Cooperation Seminar. In 2017, the country office of IFAD in China was formally established, with functions focus on regional knowledge-sharing and South-South cooperation. Yesterday, at the IFAD11 replenishment meeting, the Chinese government announced that, in addition to the core contribution of 81 million US dollars equivalent RMB, China would contribute a complementary contribution of 10 million US dollars equivalent RMB to establish a South-South and Triangular Cooperation Facility in IFAD, with the aim of supporting South-South experience and technology exchange,

knowledge sharing, policy dialogue, capacity-building and investment promotion. We urge IFAD to give full play to its role as a bridge and platform to facilitate South-South, Triangular and regional cooperation among developing members so as to promote exchange and sharing of advanced agricultural experiences, technologies and talents. Moreover, such cooperation should be closely linked to its Program of loans & grants, and thus enhance the overall level of agricultural development in developing countries.

**Fourth, IFAD should persist in reform and innovation to improve its development effectiveness.** IFAD is now progressively pushing forward various reforms such as decentralization, and will also implement OpEx this year. These efforts would be essential for IFAD to improve its operational efficiency and development effectiveness. During this process, IFAD is strongly encouraged to focus on the following three aspects. The first one is to steadily promote the construction of its regional centers, bring work teams and Member States closer so as to tailor policies and operations to better match development reality of borrowing countries; the second one is to further streamline its business process, speed

up project approval and disbursement to ensure the smooth implementation; the third one is to focus on project innovation and demonstration, and enhance experience distilling and sharing, so as to maximize the outcome of poverty reduction and development with limited resources.

### **Ladies and Gentlemen!**

This year marks the 40th anniversary of China's reform and opening-up, and it is also the 40th year since IFAD started operation. Over the past four decades, China and IFAD have been standing together regardless of situation; in particular, the all-round partnership between the two parties has been deepening through the time, generating positive outcomes. At the 19<sup>th</sup> National Congress of the Communist Party of China held in Oct 2017, a rural vitalization strategy was put forward with the overall objectives of achieving ‘thriving businesses, pleasant living environments, social etiquette and civility, effective governance and prosperity’. These objectives basically align with IFAD’s aspiration and mandate of promoting sustainable and inclusive rural transformation. In the new era,

we are willing to strengthen cooperation and walk hand in hand with IFAD and other parties to not only realize our own poverty reduction goals, but also contribute more to global rural poverty reduction and agricultural development.