

Proceedings of the Governing Council Events

In conjunction with the Fortieth Session
of the IFAD Governing Council,
February 2017



**2017
GOVERNING
COUNCIL**

Proceedings of the Governing Council Events

In conjunction with the Fortieth Session
of the IFAD Governing Council,
February 2017

**2017
GOVERNING
COUNCIL**

Prepared by David Suttie
Global Engagement, Knowledge and Strategy Division
IFAD
April 2017

© 2017 by the International Fund for Agricultural Development (IFAD)

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the International Fund for Agricultural Development of the United Nations (IFAD) concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. The designations “developed” and “developing” economies are intended for statistical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process. This publication or any part thereof may be reproduced without prior permission from IFAD, provided that the publication or extract therefrom reproduced is attributed to IFAD, the title of this publication is stated in any publication and that a copy thereof is sent to IFAD.

All rights reserved
Cover photo: ©IFAD/Susan Beccio

ISBN 978-92-9072-768-2
Printed August 2017

Table of contents

Introduction	4
The Path to 2030.	6
1. As conflict, fragility and displacement spread and threaten development progress made thus far, it is important to recognize the rural dimensions of these phenomena	6
2. Smallholders have a key role to play in the eradication of poverty and hunger	6
3. Bridging the financing gap for rural development will be a precondition to enabling smallholders to contribute towards the 2030 Agenda	6
4. At a time when increasing numbers of young rural people are migrating to cities, it is imperative that youth are key actors in galvanizing a productive, profitable and sustainable agriculture capable of driving food security and nutrition in the decades ahead	7
5. Rural women's empowerment is central to the whole 2030 Agenda	7
6. Indigenous peoples are key actors for sustainable development but are all too often at risk of being left behind if policies, programmes and projects do not respect their rights. . .	8
7. A better understanding of the connections and interdependencies between rural and urban areas and how to foster inclusive and mutually beneficial rural-urban linkages will be needed to respond to emerging trends	8
8. Investing in rural areas and rural people is indispensable across the 2030 Agenda	8
Implications for IFAD	9
Annex	
Governing Council Programme	11

Introduction

The 2030 Agenda and the Sustainable Development Goals (SDGs) represent a global commitment to eradicate hunger, end poverty and chart a path towards a sustainable future. Achieving these ambitions will mean solving the interlinked challenges of conflict, forced displacement, inequality, climate change and environmental degradation so that they do not undermine progress – particularly for poor rural people, who are most at risk of being left behind. Notably, these issues all have important rural dimensions: as such, there is an urgent need for IFAD, its Member States and its partners to be united in responding to them.

The fortieth session of the IFAD Governing Council, and the third global meeting of the Indigenous Peoples' Forum at IFAD that preceded it, discussed how IFAD can intensify its contribution to addressing these global challenges. This represented an opportunity to determine approaches and solutions to be advanced by IFAD, in order to create choices for rural women and men that enable them to transform their lives and their communities, possibly reducing distressing migratory pressures. This is central to achieving IFAD's mandate, to ensuring that no one is left behind, and to promoting peace and sustainable development.

IFAD-supported projects already play a central role in building resilient and diversified rural livelihoods. These enable rural people to seize opportunities linked to ongoing demographic and market developments and to deal with a range of natural, economic and human-induced stressors and shocks, fostering participation in development planning and policymaking by excluded and vulnerable groups, such as farmers organizations (especially those representing women and youth), and creating business and employment opportunities that allow young people to choose to remain in their rural homes.

The Governing Council offered an opportunity to discuss IFAD's role and ambition in the context of the 2030 Agenda, at the outset of the election of a new President and ahead of consultations on the eleventh replenishment of IFAD's resources. Though much attention was focused around the election of Gilbert F. Hounbo as the sixth President of IFAD, two interactive events were held to unpack various elements of IFAD's role in the emerging global context.

- The Governors' Dialogue was focused on the theme "IFAD's Path to 2030." The Governors exchanged perspectives and viewpoints on the critical choices and challenges that lie ahead if IFAD is to optimize its contribution to the achievement by 2030 of the SDGs. A panel featuring Governors from Bangladesh, Burkina Faso, Guatemala and Norway was preceded by a feature presentation from Lindiwe Majele Sibanda, Chief Executive Officer and Head of Mission, Food, Agriculture and Natural Resources Policy Analysis Network. The session was moderated by Lyse Doucet, Chief International Correspondent, BBC.
- The Panel of Indigenous Peoples, "A decade of IFAD's partnership with indigenous peoples – Approaching the tenth anniversary of the approval of the United Nations Declaration on the Rights of Indigenous Peoples (2007-2017)," reflected on IFAD's work in this area. The panel, after an introductory exchange with special guest, Joan Carling, former Member of the United Nations Permanent Forum on Indigenous Issues (Philippines), was moderated by Mirna Cunningham, President of the Centre for Indigenous Peoples' Autonomy and Development.

These events were preceded by keynote addresses by Her Excellency Bibi Ameenah Firdaus Gurib-Fakim, President of the Republic of Mauritius and by His Excellency Maurizio Martina, Minister for Agriculture, Food and Forestry Policy of the Italian Republic, followed by a statement from Kanayo F. Nwanze, President of IFAD.

The following pages synthesize the main themes, discussion points and conclusions which emerged, their implications for the 2030 Agenda and, in particular, for IFAD.

The Path to 2030

1. As conflict, fragility and displacement spread and threaten development progress made thus far, it is important to recognize the rural dimensions of these phenomena.

- Vulnerability, the effects of climate change, natural resource scarcity and lack of decent employment (especially for youth) are all particularly stark in rural areas – where three quarters of the poor live and work. Solutions to addressing the drivers of instability, conflict and displacement must therefore address rural areas, enlisting rural people as key actors in finding solutions to the problems the world is facing.
- In this respect, building resilience in rural livelihoods will be key, bearing in mind particularly the need for smallholder farmers to adapt to the effects of climate change, as will managing and preserving scarce natural resources and promoting decent employment opportunities for rural youth.

“Hunger and poverty, especially in rural areas are often the first link in a chain of factors that bring conflict, instability, humanitarian emergency and migration.” Maurizio Martina, Minister for Agriculture, Food and Forestry Policy of the Italian Republic.

2. Smallholders have a key role to play in the eradication of poverty and hunger.

- Smallholders are overrepresented among the poor and the undernourished, despite the key role they play in producing the majority of the food consumed in much of the developing world, as well as acting as custodians of natural resources and biodiversity.
- Investing in this group – many of whom work in challenging agroecological contexts in poorly connected remote areas – and recognizing the key economic, social and environmental functions they carry out, must be a cornerstone of the realization of the Agenda’s vision.
- This requires sustained political commitment at the highest level, and it means working together with smallholders and their organizations to find solutions to the challenges they face.

“Smallholders have resources. All they need is help in managing these resources. These smallholders and rural producers are the ones with the potential to reduce poverty in both rural and urban areas.” Lindiwe Majele Sibanda, Chief Executive Officer and Head of Mission, Food, Agriculture and Natural Resources Policy Analysis Network.

3. Bridging the financing gap for rural development will be a precondition to enabling smallholders to contribute towards the 2030 Agenda.

- There is an urgent need for the international community to prioritize collective efforts to promote inclusive rural transformation by providing financing for investment by smallholder farmers and rural small and medium-sized enterprises in the agrifood sector.

- Though remittances, microfinance institutions and informal actors are all playing an important role in enabling smallholders to access funds and financial services for their investments, large gaps still exist and the cost of borrowing is often prohibitive in rural areas.
- Much of the finance gap will have to be filled by the private sector, which is increasingly responding to the business case of working with smallholders. However, private finance cannot replace official development assistance, otherwise there is a risk that development goals shall be undermined and smallholders who are not yet market-ready could be left behind.

"We should have financing systems for the agricultural sector that we can conceive with interest rates that attract young people so that they can invest in the agricultural sector.... We need to be truly ambitious and take risks to provide the means for those who want to invest in the rural sector." Hadizatou Rosine Coulibaly, Minister for Economy and Finance of Burkina Faso.

4. At a time when increasing numbers of young rural people are migrating to cities, it is imperative that youth are key actors in galvanizing a productive, profitable and sustainable agriculture capable of driving food security and nutrition in the decades ahead.

- Young people have enormous potential to affect positive change – social, economic and environmental – and capacity for innovation. They must be empowered as key actors in food systems – this means providing them with capacity development and opportunities for business and decent employment.
- Injection of technology, especially ICTs, modern equipment and tools, is needed to transform the image today's youth have of agriculture. Smallholder farms must become and be addressed and supported, as needed, as enterprises with the potential to generate profits as well as to deliver on a range of individual and social goods and services.

"How then do we entice youth to embrace agriculture – because most populations in Africa and the developing world are engaged in agriculture. How do we make agriculture "cool" to the extent that youth really pick it up and make it a business? We want to make agriculture an enterprise. The only time youth go into an enterprise is when they will make money out of it. Then, how do we make money out of it? The focus of IFAD then is to inject technology into rural agriculture and say that this youth could readily embrace." Willy Bett, Minister of Agriculture, Livestock and Fisheries, the Republic of Kenya.

5. Rural women's empowerment is central to the whole 2030 Agenda.

- Despite the crucial role women play in agriculture – and rural communities more broadly – their contribution is undermined by unequal access to productive resources and services, training, employment and markets, as well as participation in development planning and producer organizations.
- Evidence demonstrates the benefits of eliminating these discriminations – both for women as well as for wider agricultural development, food security and nutrition. In terms of food production alone, it is estimated that global food supply would rise by 20-30 per cent if women farmers had the same access to productive resources as their male counterparts.

"Africa will not advance and take her rightful place as a global leader unless she moves beyond the outdated mentality of past centuries, and until we offer our daughters the same rights and opportunities as our sons." Bibi Ameenah Firdaus Gurib-Fakim, President of the Republic of Mauritius.

6. Indigenous peoples are key actors for sustainable development but are all too often at risk of being left behind if policies, programmes and projects do not respect their rights.

- The principle of “leave no one behind” has particular resonance for indigenous peoples, whose rights have frequently been violated by traditional development models which have involved appropriation of their lands and resources.
- The richness of the biodiversity to be often found in the territories of indigenous peoples, and the value of their traditional knowledge and practices – in particular with respect to approaches to feeding communities while preserving nature – places this group as key partners in promoting sustainable development.
- IFAD’s past and ongoing partnerships with indigenous peoples demonstrates a wide range of good practice in the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (2007), in particular with respect to the rights of indigenous peoples to free, prior and informed consent and in integrating their voices into project design and implementation processes.

“Through the engagement of IFAD with indigenous peoples, we were able to demonstrate good practices in the implementation of free, prior and informed consent, which has resulted in better implementation of projects, better design, and has been leading to real empowerment and making indigenous peoples also at the centre of decision-making to development issues.” Joan Carling, former Member of the United Nations Permanent Forum on Indigenous Issues.

7. A better understanding of the connections and interdependencies between rural and urban areas and how to foster inclusive and mutually beneficial rural-urban linkages will be needed to respond to emerging trends.

- With continuing urbanization, urban markets are becoming an increasingly significant outlet for food and other products produced in rural areas. This represents an important new potential source of income for rural people. In turn, they can also benefit from access to the services, information and employment in nearby towns and cities that urbanization can facilitate.
- Increasingly, wider and more holistic approaches are needed to promote inclusive rural transformation, recognizing the symbiotic relationships between agriculture, rural transformation and urban development. This means new partnerships, governance approaches and tools in the context of the evolving landscape.

“We need to talk and think about how rural sectors are transformed into towns so that the urban-rural linkage itself can be fostered.” John Ronald Deep Ford, Ambassador of the Republic of Guyana to the United Nations Office and other International Organizations.

8. Investing in rural areas and rural people is indispensable across the 2030 Agenda

- Sustainable Development Goals on poverty and hunger eradication, gender equality, decent work, innovation and infrastructure, reducing inequality, sustainable cities and communities, and climate action, among others, are all intimately related to the promotion of inclusive rural transformation.

“For nations genuinely committed to the 2030 Agenda, investing in rural areas is not a choice; it is a necessity.” Kanayo F. Nwanze, speaking at his final Governing Council as President of IFAD.

Implications for IFAD

“We have to keep our ambition and at the same time be realistic and pragmatic. We have to demonstrate that every dollar invested will have the highest value for money.” Gilbert Fossoun Hounbo, elected as the next President of IFAD during the fortieth session of the IFAD Governing Council.

It is clear that achieving the SDGs without strategic investment in rural areas will not be possible. IFAD's unique role as the only international financial institution (IFI) dedicated exclusively to the development of rural areas emerges in the present context as more important than ever. Its portfolio and accumulated knowledge therefore need to be put at the service of the global development community as efforts to eliminate hunger and extreme poverty are stepped up in accordance with the ambitions of the 2030 Agenda.

In the context of emerging challenges and in the recognition that “business as usual” will be insufficient to realize the goals of the 2030 Agenda, IFAD has undergone several years of growth and reform. This has included, inter alia, stepping up efforts to mainstream gender, climate change and nutrition across all its operations, as well as developing differentiated strategies for diverse country-level needs and expanding its country presence. At the same time, IFAD is keenly aware that in order to enable Member States to achieve the SDG targets, it must continue to evolve and transform in order to provide global leadership in the eradication of rural poverty.

“When it comes to ambition, very much has been linked to the financing – and to IFAD expanding financially. To be able to cover the needs, yes, it needs to expand financially and it needs to find ways of cooperating with new partners.” Hans Jacob Frydenlund, Director, Section for United Nations Policy, Department for United Nations and Humanitarian Affairs of the Royal Norwegian Ministry of Foreign Affairs.

Given its role as an IFI focused on rural areas, it will be important for IFAD to reassess how it can contribute to closing the financing gap for rural development – and expand its own financial and operational reach as per the needs and expressed demands for the organization's support. This means finding new ways to access resources at acceptable risk without compromising its role as a development organization focused on eradicating rural poverty. While IFAD beneficiary countries confirmed they require more investments from IFAD to transform their rural areas, it is generally acknowledged that replenishment contributions – even if expanded – will not be sufficient to enable IFAD to satisfy demand. This implies the need to engage with private financing, though the cost and developmental risks of certain approaches – such as financing from commercial banks – would need further reflection and discussion. The adoption of a framework for sovereign borrowing is one avenue that IFAD has already opened in terms of expanding its financial resources.

Another issue for IFAD going forward surrounds the question of engagement in middle-income countries (MICs) vis-à-vis low-income countries (LICs). Given IFAD's limited resources relative to global demand, the question emerges as to whether there is justification for these scarce resources being directed to MICs who obviously have greater own-investment financial capacity than LICs.

The continued prevalence of poverty in the rural areas of many MICs, and IFAD's prerogative of engaging wherever there is rural poverty, provides a compelling justification for continued engagement in these countries, though differentiated strategy and financing instruments would need to be adopted according to context. Overall, it is clear that, if the ambitions of the 2030 Agenda are to be realized, a significant share of IFAD investments will need to be maintained in MIC categories. Along these lines, in 2016, an update on IFAD's strategy for engagement in MICs was endorsed by the Executive Board.

Going forward, given the interdependencies between goals across the 2030 Agenda, as well as the ongoing process of consolidating and transforming its own approaches to promoting inclusive rural transformation, it will be imperative that IFAD, along with the wider development community, coordinate and cooperate across respective activities. In particular, the need to bridge the gap between humanitarian and development work, increased dynamism and linkages between rural and urban development, as well as the global scope of challenges such as climate change and migration all call for new and enhanced ways of working together. Cooperation and coordination will be among the most important challenges for IFAD and its partners to address if the ambitious 2030 Agenda targets are to be realized.

"The major issue now is the coordination of cooperation. This will be a great responsibility and this needs to be done at all different levels and IFAD is an extremely important instrument ... we need to have a realistic approach and be ready to work with all of the agencies, all of the partners that are present in the different countries and engage in a dialogue looking not only at what IFAD can do but what IFAD can do working with the other agencies and development players." Stephanie Hochstetter Skinner-Klée, Ambassador, General Director Multilateral and Economic Relations, Permanent Representative of the Republic of Guatemala to the United Nations agencies in Rome.

ANNEX

Governing Council programme

Day 1 of the Governing Council

Tuesday, 14 February 2017

9.00	Opening of the session
9.00-9.15	Adoption of the Agenda
9.15-9.25	Remarks by the incoming Chairperson
9.30	<p>*** Opening of the inaugural ceremony ***</p> <p>Welcoming statement by the President of IFAD, Mr Kanayo F. Nwanze</p> <p>Keynote speaker – Her Excellency Bibi Ameenah Firdaus Gurib Fakim, President of the Republic of Mauritius</p> <p>Keynote speaker – His Excellency Paolo Gentiloni, President of the Council of Ministers of the Italian Republic (invited)</p> <p>Statement by Mr Kanayo F. Nwanze, President of IFAD</p>
10.40	*** Closing of the inaugural ceremony ***
10.45-11.00	Business items for approval and for information
11.00-13.00	Appointment of the President of IFAD*
13.00-13.30	General statements
13.30-15.00	Lunch in honour of special guests and heads of delegations
15.00-16.30	Appointment of the President of IFAD*
16.30-18.30	<p>Governors' dialogue: IFAD's Path to 2030</p> <p><i>Moderator:</i> Ms Lyse Doucet, Chief International Correspondent, BBC</p> <p><i>Featured presenter:</i> Dr Lindiwe Majele Sibanda, Chief Executive Officer and Head of Mission, Food, Agriculture and Natural Resources Policy Analysis Network</p> <p><i>Panellists:</i></p> <ul style="list-style-type: none"> • His Excellency Abdulrahman bin Abdulmohsen Al Fadhli, Minister for Environment, Water and Agriculture of the Kingdom of Saudi Arabia (invited) • Mr Shi Yaobin, Deputy Minister for Finance of the People's Republic of China • Mr Hans Jacob Frydenlund, Director, Section for United Nations Policy, Department for United Nations and Humanitarian Affairs of the Royal Norwegian Ministry of Foreign Affairs
18.30-19.00	Business items for approval and for information
19.00-19.30	General statements
19.30-21.00	Reception for all delegates in association with the World Association of Chefs' Societies (Worldchefs)

* In a private meeting of the Governing Council, Delegates from the Member States of the organization will elect the new President of IFAD. As stipulated in the Rules of Procedure of the Governing Council (Rule 38.1), this process will take place by secret ballot, with each Member State casting their allocated number of votes. Consecutive ballots are held, in which the candidate receiving the lowest number of votes in the previous round does not appear on the next ballot, until a candidate secures two thirds of the votes or is appointed by acclamation.

Day 2 of the Governing Council

Wednesday, 15 February 2017

8.30-9.00	Networking breakfast
9.00-9.30	General statements
9.30-11.00	<i>Appointment of the President of IFAD*</i>
11.00-11.45	Business items for approval and for information
11.45-13.15	<p>Panel of Indigenous Peoples: A decade of IFAD's partnership with indigenous peoples – Approaching the tenth anniversary of the approval of the United Nations Declaration on the Rights of Indigenous Peoples (2007-2017)</p> <p><i>Moderator:</i> Ms Mirna Cunningham, President of the Centre for Indigenous Peoples' Autonomy and Development</p> <p><i>Special guest:</i> Ms Victoria Tauli-Corpuz, United Nations Special Rapporteur on the Rights of Indigenous Peoples</p> <p><i>Panellists:</i></p> <ul style="list-style-type: none">• Ms Joan Carling, former Member of the United Nations Permanent Forum on Indigenous Issues (the Republic of the Philippines)• Mr Elifuraha Laltaika, Member of the United Nations Permanent Forum on Indigenous Issues (United Republic of Tanzania)• Ms María Teresa Zapeta Mendoza, Programme Manager, International Indigenous Women's Forum (the Republic of Guatemala)• Mr Jorge Alberto Jiménez, General Director, Bureau for Comprehensive Social Development of the Ministry of Foreign Affairs (the Republic of El Salvador)
13.15-13.25	Concluding remarks by the President and Chairperson
13.25-13.30	Closure of the session

* In a private meeting of the Governing Council, Delegates from the Member States of the organization will elect the new President of IFAD. As stipulated in the Rules of Procedure of the Governing Council (Rule 38.1), this process will take place by secret ballot, with each Member State casting their allocated number of votes. Consecutive ballots are held, in which the candidate receiving the lowest number of votes in the previous round does not appear on the next ballot, until a candidate secures two thirds of the votes or is appointed by acclamation.



International Fund for Agricultural Development

Via Paolo di Dono, 44 - 00142 Rome, Italy


Tel: +39 06 54591 - Fax: +39 06 5043463


E-mail: ifad@ifad.org


www.ifad.org


www.ruralpovertyportal.org

 ifad-un.blogspot.com

 www.facebook.com/ifad

 [instagram.com/ifadnews](https://www.instagram.com/ifadnews)

 www.twitter.com/ifadnews

 www.youtube.com/user/ifadTV

