

The Statement at the 42nd Session of the Governing Council

This year is the first year of the IFAD11 replenishment cycle, which is crucial to achieve the IFAD11 commitments. Against the backdrop of sluggish global economic growth, rising threat of trade protectionism and severe poverty challenges, IFAD should persist with its development mandate, give full play to its comparative advantages and further deepen reform and stimulate innovation in order to make a greater contribution to the global agricultural development and rural poverty reduction. In this regard, I would like to take this opportunity to share a few suggestions:

First, IFAD should strive to be bigger and stronger to offer more development resources. The PoLG target for IFAD11 is 3.5 billion USD. To realize this ambitious goal and better fulfill its mandate, IFAD should further increase its capacity for raising funds and mobilizing resources. Core contributions from Member States remains the bedrock of IFAD's funding. The replenishment target of 1.2 billion USD for IFAD11 has not been reached yet, which increases uncertainty to IFAD's operations in the following three years. We hope that IFAD could constantly encourage Member States, particularly developed countries to fulfill their international development responsibilities and actively increase contributions so as to achieve the replenishment target as soon as possible. While at the same time, IFAD should encourage Member States and other partners to provide complementary or supplementary contributions. On

this basis, we expect that IFAD, in accordance with the road map agreed by all relevant parties, could pursue market borrowing in a steady manner, further improve its financial architecture and properly address DSF compensation issues, to ensure IFAD's long-term financial sustainability. Moreover, we encourage IFAD to strengthen cooperation with private sectors, promote domestic and international co-financing, and leverage more funds to jointly invest in rural and agricultural development.

Second, IFAD should make good use of its advantages as a multilateral platform to facilitate various forms of collaboration such as South-South cooperation. Nowadays, with the increase of uncertainty and instability in global situation, the needs for upholding multilateralism and common interests from the international community have never been greater. IFAD, as a UN agency, should play a leading role in upholding multilateralism and opposing protectionism. In the meantime, IFAD should give full play to its role as a bridge and platform to promote North-South cooperation as the main channel in international development cooperation, and facilitate regional, South-South and Triangular cooperation among developing Member States to help them address vulnerabilities such as climate change and natural disasters, and also promote the exchange and sharing of advanced agricultural experience, technologies and talents. As an advocate and practitioner of South-South cooperation, China contributed 10 million US Dollars Equivalent RMB to IFAD in 2018 to establish the South-South and Triangular Cooperation Facility. The first 8 project proposals have been approved in a total amount of 3.56 million USD. We hope that IFAD could continue to manage the Facility in a professional and efficient way, and further

increase support for investment promotion projects to enhance agricultural development in developing countries.

Third, IFAD should adhere to global inclusiveness and strengthen cooperation with all Member States. Considering the severe situation of poverty reduction in LICs, IFAD should further increase its support to these countries, and simultaneously strengthen mutually beneficial cooperation with UMICs. The Transition Framework report submitted to Governing Council indicates that, about 22% of the world's extremely poor live in UMICs; whether these people could be lifted out of poverty is important for achieving SDG1&2, which requires continuing support from IFAD's concessional financing. Meanwhile, IFAD will benefit from its cooperation with UMICs to ensure financial sustainability, promote South-South cooperation and enhance business model. China highly appreciates these points. With extensive membership, IFAD has consistently maintained its global positioning and never developed a graduation policy. We believe that IFAD should adhere to the voluntary graduation principle, continue to strengthen cooperation with all Member States including UMICs, and develop diversified products and services to meet the needs of Member States at different development stages.

Fourth, IFAD should persist in reform and innovation to improve its development effectiveness. Since last year, IFAD has initiated the OpEx Program, accelerated decentralization and expanded lending products and services, which laid a sound foundation for scaling up PoLG and achieving greater impact during IFAD11. Currently, the industrial chain, value chain and supply chain around the world are expanding, and

new agricultural models, technologies and business forms are emerging, bringing new opportunities and challenges to rural poverty alleviation and agricultural development. IFAD is strongly encouraged to keep with the times and deepen reform and innovation to promote rural transformation. First, further streamline operational procedures, speed up project approval and disbursement; second, give full play to the role of country offices and regional hubs that are close to the needs of the borrowing countries; third, enhance the innovation and demonstration effect of projects, and strengthen policy engagement; fourth, create a result-oriented and innovative environment, and foster entrepreneurship.

Ladies and Gentlemen,

This year marks the 70th anniversary of the founding of the People's Republic of China. Over the past 70 years, China has made remarkable achievements, particularly successfully lifting more than 700 million people out of poverty; furthermore, China has put forward the ambitious goal of eliminating absolute poverty under current national standards by 2020. In the future, China still faces long-term challenges in eradicating rural poverty and consolidating the results of poverty reduction. China is willing to continuously strengthen the all-round cooperation with IFAD to promote poverty reduction in our own country, and also to help other developing countries' agricultural development and poverty eradication through South-South cooperation, thus contributing to the implementation of the 2030 SDGs!