Statement by the Governor of Austria

on the occasion of the 43rd session of the Governing Council of IFAD
in Rome on February 11 and 12, 2020

We are entering an important decade, a decade in which we have the opportunity to work towards reaching the SDGs and successfully finishing Agenda 2030. But success is not guaranteed and a lot remains to be done. Unfortunately, according to the latest data, hunger is on the rise again globally. After an initial positive trend, also undernourishment is increasing again, predominantly in Africa where a fifth of the population is affected. Both, poverty and hunger are concentrated in rural areas. At the same time, according to the UN, public investment in agriculture globally is declining whereby small scale food producers and family farmers, whose role in providing food is important, do require support to increase their productivity, strengthen their resilience and adaptive capacity in particular view of climate change. In view of all these global challenges it is clear that it might become increasingly difficult to feed the world’s population in the coming decades.

In this context, IFAD is a well-recognized international agency working to reduce poverty and food insecurity in rural areas. It is one of the important development organisations focused on and dedicated to transforming agriculture, rural economies and food systems and therefore certainly an agent in the International Community’s efforts to reach SDG 2.

Austria supports the SDG agenda and in that context IFAD’s focus and mission to develop rural areas in development countries is well recognized. However, IFAD’s role will need to be well defined in a slowly changing institutional architecture of development finance. In that context IFAD’s particular value added will have to be well defined. As other actors, IFAD will need to undertake necessary reforms to evolve as an organisation and respond to current and future challenges. We appreciate the many reforms already undertaken to strengthen IFAD’s operational capacity and organisational effectiveness in the past few years. However, this effort will have to be sustained.

Austria is monitoring carefully results of all international financial institutions and in that context we recognize IFAD’s well defined results measurement culture and its attention to learning from evaluations as a particular asset.

Overall, some challenges certainly remain on the financial capacity of IFAD. It will be crucial to increase the attention on improving the Fund’s financial management capacity, including in the areas of capital adequacy and risk management. In that context one of the most pressing reform needed is a reform of IFAD’s Debt Sustainability Framework in order to secure IFAD’s financial sustainability as an organization – a precondition to fulfil its mandate in the medium- to long term. We welcome the reform package recently approved by the Board of Directors and are looking forward to further look into this important matter and deepen discussions during the upcoming IFAD 12 replenishment consultations.

Looking ahead into IFAD 12 and beyond, it will be important that IFAD continues to focus on the poorest population in the poorest countries and those hard to reach and therefore often left out by other players in the development field. It will be important to increase the attention given to fragile countries and situations and addressing the root causes of fragility with IFAD’s operations, based on solid fragility assessments and to work closely together with other agencies. Furthermore, we appreciate progress made under IFAD 11 on operationalising and measuring results of the four mainstreaming areas: Environment and
Climate, Gender, Nutrition and Youth. However, in relation to these areas, IFAD will need to continue to work on the following improvements: First, IFAD should make additional efforts and set more ambitious targets when it comes to gender mainstreaming as poverty has a female face, as much as it has a rural face. Second, IFAD needs to play a more important role in achieving the targets set in the Paris Agreement. Strengthening the resilience of rural small scale food producers by helping them to adapt to the consequences of climate change and introducing sustainable agricultural practices is at the heart of what IFAD does. It should therefore be straightforward for IFAD to significantly increase its climate financing. Finally, it will be crucial to focus on an increased and systematic approach to better integrate jobs and employment issues into IFAD programmes and projects.

We would like to thank IFAD’s President, Mr. Gilbert Houngbo, as well as IFAD’s management and staff for their commitment and dedication towards achieving IFAD’s mission and transforming this institution into a financially sustainable, results-driven development institution that has an unique role to play in ending poverty and hunger globally.