Center for Strategic and International Studies

TRANSCRIPT

Event
“A Conversation with U.N. IFAD President Alvaro Lario”

DATE
Thursday, July 13, 2023 at 9:30 a.m. ET

FEATURING
Alvaro Lario
President, International Fund for Agricultural Development (IFAD)

Representative Tracey Mann (R-KS)
Co-Chair, House Hunger Caucus

CSIS EXPERTS
John J. Hamre
President and CEO, and Langone Chair in American Leadership, CSIS

Caitlin Welsh
Director, Global Food Security Program, CSIS

Transcript By
Superior Transcriptions LLC
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Caitlin Welsh: Good morning, everyone. In partnership with the U.N. International Fund for Agricultural Development, I’m pleased to extend a warm welcome to CSIS for today’s event, a conversation with IFAD President Alvaro Lario with special keynote address from Tracey Mann, U.S. representative from the big First District of Kansas and co-chair of the House Hunger Caucus.

I’m Caitlin Welsh, director of the CSIS Global Food and Water Security Program. And today, I’m also responsible safety officer for our event. So before we begin, I want to share some information about our building safety precautions. Please take a moment to familiarize yourselves with our emergency exit pathways for this room, which are behind me to the right and also behind you to the right in the corner of the foyer. Should the need arise, please follow my instructions and move toward these exits.

And one more announcement – one more announcement before we begin. Following today’s keynote address and armchair discussion, we will welcome questions from the audience in person and online for President Lario. If you’d like to ask a question, please submit it at the ask questions here button on our Event page, which for those of you here in the audience can be accessed using the QR code which will be displayed at the screen above me here.

We do encourage questions and look forward to addressing them in a short while, and at this point we will present a short video from IFAD.

(A video presentation begins.)

(Music.)

Narrator: IFAD helps small-scale farmers adapt to climate change and feed a hungry world. So we can make it a new day for us all.

(Video presentation ends.)

Ms. Welsh: Impressive video. Thank you.

I’m so pleased right now that Dr. Hamre, president and CEO of CSIS for over 23 years, has joined us to deliver welcome remarks and to introduce Representative Mann. Dr. Hamre, thank you so much for being with you today – for being with us today. The floor is yours.

Dr. John J. Hamre: Good morning, everybody. Welcome.

We're really delighted you're here. This is such an important topic. We should have 10 times as many people in the room to listen to it. You know, it’s that significant. It’s that important. But I’m so glad all of you are here and
we've got, of course, a lot of people who are joining us virtually for a topic that is underappreciated in America.

You know, I mean, there are – not a one person in this room, I bet, went to bed last night hungry. Not one. But there were 800 million people in the world that did, probably 10 million Americans that went to bed hungry last night.

Think about that. Think about the human talent that is being wasted because we can't get food to people. OK. That's what we're going to explore today and we're going to talk about this from two different directions.

We're fortunate to have the president of the International Fund for Agriculture Development, a very interesting newcomer to the food community, really. But it's an interesting, powerful model, one that we need to spend more time thinking about.

We're going to hear about that, and Caitlin is going to introduce President Lario and get that conversation going. My role today is, really, to say welcome to President Lario but also a special welcome to Representative Mann – Tracey Mann. He comes from the big one, the big – that's the First District in Kansas.

I've driven across the First District in Kansas and it is big so it deserves the attribute big one. It's also close to the big red one, the First Army Division at Fort Riley, Kansas. So I was going to make a joke about them being together. But Fort Riley is just a little bit outside of his district.

But I would say it's very, very important to have Representative Mann with us today. He rebuilt the Hunger Caucus – the House Hunger Caucus – and, you know, just think about that term. Just the very name is an important thing.

But I want to read to you something that came from his opening statement when he and Congressman Jim McGovern were creating it, and he said hunger destabilizes countries. It starts wars, eliminates markets, causes human suffering. We can stop wars before they start, strengthen markets for American producers and sell their products, and save people from starvation.

Now, that's noble thinking. That's an idea worthy of our enthusiasm, you know. And fortunately, he's taking the lead in the Congress to bring attention to hunger, bring attention to food, and to – and the important thing in here, he talked about markets. Markets becomes a key element of this. And you're also going to hear that from President Lario.
So we have a unique opportunity today. We have an opportunity to hear from two leaders coming from different directions but who are addressing the same critical agenda for the world.

Would you, with your very warm applause, please welcome to the stage Representative Tracey Mann? (Applause.)

Thank you, Dr. Hamre. Caitlin, great meeting you. President Lario, great to see you again. Wonderful to be with you. Good morning.

As mentioned, I’m Congressman Tracey Mann, and it’s an honor to be here today. Thank you to the Center for Strategic and International Studies for inviting me to spend time with you all.

This event is particularly exciting for me on the heels of yesterday’s launch of the 2023 State of Food Security and Nutrition in the World, which proved to be another example of a powerful truth. When we engage with one another, when we take the time to listen and get to know people with differing viewpoints, and when we build a strong team that stands together in unity, we can do amazing things.

And I have a story for you this morning to prove it. In September of 1953 – how many of you all were alive in 1953, by the way? I’m looking at our audience. So a handful of folks were; not everybody. September 1953, Peter O’Brien, who was a farmer from my district in Cheyenne County, Kansas – which, if you’re not from Kansas, Cheyenne County is as far north and as far west in Kansas as you can get – but he stood up at his local county Farm Bureau meeting to share an idea. In a post-World War II world, he wanted to take America’s food surplus and give it to countries with starving populations. He’d had a bumper crop that year, and he wanted to give some of his wheat crop to the least of these people around the world in need.

In the following months, the American Farm Bureau Federation adopted that idea, and Congress began crafting policy around feeding the world with American commodities. July 10th, 1954, about a year later, almost exactly 69 years ago, one of Kansas’ other favorite sons, a guy named President Dwight Eisenhower, who you’ve maybe heard of, made that idea a reality when he signed parts of Pete O’Brien’s idea into law, which eventually today we know as the Food for Peace program, all started by a farmer in Kansas’ idea to share his bountiful harvest with others.

With the Food for Peace program, our country decreases its food surpluses, creates new markets for ag products, and delivers American commodities on American vessels to a very hungry world. I’m honored to represent the big first district of Kansas, because that entrepreneurial, hard-working, generous spirit that inspired Peter O’Brien is still alive and well there and
explains why Kansas is on the cutting edge of the global efforts to address food insecurity.

Kansas, my state, is the wheat state. And wheat is the number one commodity used in U.S. donations for international food aid. The big first, my district specifically, is the third-largest ag-producing congressional district in the country, ranking number one in wheat and sorghum and beef production.

American farmers use their resources to feed, fuel and clothe the world, which is no small task. It takes grit, determination, and a strong partnership between the public and the private sector. That’s where organizations like the International Food and Ag Development come in, who serve as the boots on the ground in the fight against global hunger.

Yesterday’s report showcased ways in which the world is hurting. COVID-19 pandemic, global supply chain, inflation crisis, the ongoing conflict between Russia and Ukraine, and severe droughts and extreme weather conditions have contributed to rising hunger all over the globe. We all know this.

According to the World Food Programme, more than 345 million people will face high levels of food insecurity this year, a number that eclipses the population of the United States. Think about it in these terms. Today, if hunger were a single country, it would be the fifth-most populous place on the planet.

Fortunately, yesterday’s report also showcased the work that organizations like the International Food for Agriculture Development and others are doing to solve our world’s greatest problems. The report also outlined what we can do in our local communities to bridge an ever-growing gap between rural and urban to begin discussing issues like food and agriculture.

One of the privileges of my job in Congress is showcasing my district and state. Last October I hosted David Beasley, the recently retired executive of the World Food Programme, in Kansas for an event to thank the American farmer. Mr. Beasley had just been in Egypt, Ethiopia, and Rome, but he came to Kansas because he understands the impact that farmers in my state and in this country have on international food aid. In May, I also hosted Agriculture Committee Chairman GT Thompson in Kansas for a food/agriculture listening session with more than 150 farmers, ranchers, and consumers in attendance. Both Chairman Thompson and Mr. Beasley know that solving today’s hunger requires an all-hands-on-deck approach. When we roll up our sleeves and get in the middle of an issue, when we spend time getting to know people and their concerns, we end up with a better perspective, which always leads to better results. That applies to everything, especially in Congress.
I’m excited, as mentioned, to co-chair the bipartisan House Hunger Caucus this year, and to serve on the House Agriculture Committee as well. Now, as we work towards reauthorizing the Farm Bill, we see that the Kansas legacy of international food aid is alive and well. Today, our country – our county administers in-kind food assistance primarily through Farm Bill programs, which support the work of American farmers while promoting food security and peace throughout the entire world. It’s a noble thing, I believe, to use our resources to help hungry people overseas. It’s also strategically wise, morally right, and the fiscally responsible thing to do. I’ll say that again: It’s strategically wise, morally right, and the fiscally responsible thing to do.

International food aid programs have an especially strong return on investment because they support American ag producers today while greatly reducing the need for conflict or war-related dollars tomorrow. We know that when food rations are accessible in low-income countries, conflict decreases. International food aid is a way to stop wars before they start, and we need to strengthen the programs and empower American producers to feed hungry people around the world. BEHT, Food for Peace, the McGovern-Dole Food for Education Program, and many other international food aid programs carry on the Kansas legacy of confronting global hunger head on.

I’m using my voice on the House Ag Committee to advocate for ag producers’ top priorities in this Farm Bill. That means protecting crop insurance, promoting trade, and conducting rigorous oversight to ensure that American ag producers aren’t handcuffed with red tape. It also means ensuring that international food aid programs remain strong in this Farm Bill and utilize American commodities. Around the world today hungry people face starvation and emergency situations, and they rely on American farmers, who have provided nutrition in the place of starvation and secure peace in the place of war.

The Peter O’Brien story is a testament to a powerful concept. Individuals have great ideas, but if we want to accomplish great things we must band together in unity, build a strong team, and foster an international network of friends committed to the same goals. Yesterday’s report confirmed all of that.

And I’m grateful to the International Fund for Agricultural Development for such a powerful investment in our world and to the Center for Strategic and International Studies for the invitation to be here this morning. I’m excited to work with you all to address the food security crisis in various formats and ways and in various countries around the world. I’m especially grateful to American farmers, ranchers, and ag producers, who work tirelessly every day to keep America the most food-secure country on Earth.
You know, we are the freest country in the history of the world for many reasons. One of the main ones, though, is we’ve never had to rely on another country for our food supply. So we’ve got to make sure that we get our ag policy in America right and that we have an abundance here so that we can contribute that overseas and help others in need.

Thank you very much for having me. I’m excited for the morning and I’m excited for the panel you’re about to have. So thank you. (Applause.)

Ms. Welsh: Thank you so much to Representative Mann for joining us at CSIS today. Thanks again to the audience and to Dr. Hamre for welcoming everybody.

Again, I’m Caitlin Welsh, director of the CSIS Global Food and Water Security Program. And I’m so pleased to welcome back to CSIS IFAD President Alvaro Lario, who first joined us onstage here 10 months ago to the day just after assuming the presidency of IFAD. Welcome back to CSIS.

And for those of you who were not with us the first time, very brief introduction, but President Lario has more than 20 years of experience across academia, private sector asset management, the World Bank, and U.N. institutions. Immediately before assuming the presidency of IFAD, President Lario was associate vice president of financial operations at IFAD, which is something that we’ll return to in our conversation.

But President Lario, thank you for making time to be with us today.

President Alvaro Lario: Thank you very much. Thank you for having me.

Ms. Welsh: Since we last spoke here, you’ve been quite busy. You were in Paris at the Summit for a New Global Financial Pact, in India at a meeting of G-20 agriculture ministers, in Paris at a meeting of G-7 agriculture ministers, and just yesterday in New York for the launch of the State of Food Security and Nutrition report – quite busy, but I’d like to start there, actually, with the SOFI report. We all saw the headlines and the main numbers from the report. Of course, in your own remarks you noted that the food crisis continues. What, to you, are the most important takeaways from this year’s SOFI report?

President Lario: Thank you very much and thank you for having me. It’s a pleasure to be with all of you.

I would say the key first message is that things have slightly improved but still the food crisis continues. I mean, Congressman Mann was talking about increased conflict, increased forced migration; we’re seeing more and more across the world struggle for access to water, access to resources, and this,
As a consequence, just has made the level of the food-insecure people stay at the same level. And still, the massive investment that we would need to really overcome the situation has not really happened. The fact that we have more than 3 billion people that cannot afford a healthy diet, the fact that we have around one in three in the world that cannot really have access to constant food, that we’re still talking about between 690 (million) to 780 million people who will go hungry every day to bed. I think these figures continue to be alarming, and the reality is that we are back at the same figures we were in 2015 when we started discussing about the sustainable development goals and sustainable development goal number two.

So clearly, there has been limited progress since then, and I would say that the Ukraine war, as well as COVID, have only made things slightly worse, as well as the extreme weather events; last year especially we have seen an increasing number of floods, droughts, cyclones. So I would say the situation is not very positive in that sense; however, the only positive message is that things have not continued to deteriorate.

Ms. Welsh: OK. Now what about IFAD’s role addressing the challenges that you outlined? And also, can you speak, perhaps, about what IFAD has done since the last time you were with us to address challenges like this?

President Lario: Thank you. So since we met last time, we have actually proposed a number of solutions for IFAD in terms of the financing itself. For the first time we will be using our balance sheet to also be able to mobilize, catalyze, and invest with the private sector. We are very clear that the private sector is one of the solutions. If you think about official development assistance just represents a tiny drop in terms of the overall investment in many of these countries. We’re talking about, in agriculture, 10 to 12 billion (dollars) per year. If we want to really transform food assistance, we’re talking about hundreds of billions, so it’s very clear that we need local governments; we need local private sector and international private sector. Since then, at the G-7 in Japan, actually IFAD was named as the implementing partner for the G-7 of connecting the private sector to small farm holders. So that has been one of the novelties, I would say, since then.

Apart from that, we’re also revamping how we program, especially the integration of climate and food security. We’re seeing more and more that they are very much intertwined. Many of the heads of state, especially in Africa but I would say in Asia, everywhere, are – most of the conversations I’m having with them relate to the devastating effect of floods, droughts, cyclones, and increased high temperatures, and that has a big toll in terms of how small-scale farmers can really access production, access technology, and be able to have a decent living.
So I would say those two aspects, both the private sector as well as integrating climate into our programs in a much more cohesive way, I think are two important components. Also, perhaps, to finalize: What we’re seeing is increased fragility or increased countries affected by fragility, and fragility can come in many forms. One is obviously related to climate, but it can also be related to increased food prices, increased fertilizer prices. And this has made many that many of the farmers have actually – even though they are the ones who are producing the food – have also gone hungry. So I think that has been even a bigger challenge.

Ms. Welsh: Yeah. Let's return to your comments about private sector investment. And I mentioned I would return to your activity as associate vice president of financial operations with IFAD, when you led IFAD to issue its first two bonds, becoming the first U.N.-funded specialized agency, other than the World Bank, operating on capital markets. How has IFAD benefitted from those bond – from that bond issuance last year since that time?

President Lario: So we have issued another two bonds. Indeed, as you said, it’s quite unique, not for the multilateral development banks but for a fund like IFAD. We are not a bank. We are a financial institution. But we have to go and change four times our articles of agreement to be able to really have the possibility of issuing bonds, the possibility of also lending to the private sector. So in that sense, it has enabled us to mobilize further resources and leverage part of our balance sheet.

One of the key struggles for IFAD and for other institutions, as many of you are aware, is that many of the low-income countries actually are highly indebted. So we are very much – very clearly going into another debt crisis like the one we had in the '80s. And the high-indebted poor countries initiative that then we had to go through, the debt relief. It’s very clear that if you go, for example, only to Africa, all of the countries, I think, except one, but probably not anymore, are already moderate or high risk of debt distress.

So when we deal with many of these countries, we are dealing with countries that are – actually don’t have the fiscal capacity, the fiscal space. That’s why many of the conversations are around not having these countries having to choose between health or food security, or having to choose between infrastructure or just being able to feed their population.

I would say that we are getting into the discussions of debt destruction, debt relief. But otherwise, many of these countries will not have an option. You have to think – and this is what many of them are pointing at, and it’s the reality – many of these countries have to borrow at rates of 10-12 percent in hard currency. This means that a lot of their previous fiscal space is going
into more debt repayments. And that also creates another challenge in this environment.

Ms. Welsh: Certainly, following – especially following the COVID pandemic, when – which required such high amounts of financing to address those challenges, follow-on economic challenges. All that is incredibly important.

You were – you know, we’ve been emphasizing the role of the private sector. And that is one of three priority areas for IFAD’s 13th replenishment cycle, which starts this year. And the other two priority areas are addressing drivers and impacts of fragility and climate and biodiversity financing. What are IFAD’s goals for this 13th replenishment cycle?

President Lario: So, for us, it’s to – as I said, in terms of the private sector – to start to use our balance sheet to be able to on lend and also partner with the private sector. In terms of climate, we are also increasing our target so that for every dollar that we on lend or we provide grants, 45 cents will be related to climate adaptation. So that’s an – in terms of also biodiversity, 30 percent of our programs will be also having some biodiversity element or component associated to them. And also related to, for example, fragility, we are expecting to provide for every dollar – or, I mean, for every, let’s say, $100 million, $30 million will be also to countries affected by fragility.

So we very much are going more – we are doubling down in terms of more climate, more low-income countries, more countries affected by fragility. Having said that, we are already working in a lot of these countries, and also with the most vulnerable communities. Because you have to think that IFAD operates in the very remote, rural areas. And we concentrate on vulnerable communities, very much on women, youth, indigenous peoples, normally who are very much – either don’t have access to the resources or, in some cases, are also marginalized.

Ms. Welsh: OK. Thank you for that. I’m sure we’ll return to some of those themes in our – in our additional questions. But I would like to draw on the theme of climate – climate adaptation, or just climate – (inaudible) – agriculture generally. Agriculture’s been featuring very prominently in COPs in recent years, in COP meetings. And Emirati leadership has already expressed their intention to really elevate that topic in COP-28 this year. What are your plans for engagement in COP-28? But, moreover, what do you hope will be the major outcomes with regard to agriculture at this year’s convention?

President Lario: I mean, so we are quite happy that still food security and agricultural food systems remain at the top of the agenda. We have very much been partnering with the UAE government in terms of making that a reality. There will be a food pavilion. We will be also trying to integrate much better some
of the, I would say, as you were mentioning the climate narrative into food security and the importance and very much on climate adaptation.

I would say one of the positive outcomes over the last 12 to 18 months has been that there has been more and more recognition of the importance of climate adaptation. It’s very important that we all work together for climate mitigation.

But, in the meantime, there’s a lot of communities that actually need to be served and need to be also supported in terms of financing their adaptation to many of these extreme weather events. So technology can play a part and we are discussing also with the UAE some components there. We will also be announcing some further initiatives very much related to mobilizing also private sector money.

But it’s an important event. I would say it’s an important event to make sure that food security and climate adaptation do not fall into – out of their radar, which is very easy. We know that we have a food crisis every 10 years. We discuss the importance of investing in distribution, in storage. But that usually is in the people – in people’s and in media’s awareness for one, two years. Then once more we drop the ball.

So I think it’s important that we do not drop the ball in terms of climate adaptation and food security.

Ms. Welsh: Absolutely. I will be happy to turn to questions from the audience momentarily so, again, welcome everyone to submit questions at the ask questions here button if you’re watching online or you can simply scan this QR code if you’re in the room and ask questions that way.

So look forward to asking questions from the audience but a few more questions from me, if you don’t mind. I’d like to pick up on this theme of – well, one of the themes of the replenishment cycle addressing drivers and impacts of fragility.

IFAD is unique in that it can operate in contexts experiencing conflict and in fragile states. Ukraine we were speaking about just beforehand, that Ukraine recently joined IFAD. What are some examples of activities that you’re able to do in such contexts?

Mr. Lario: Thank you. So one of the things we have learned from the COVID crisis as well as from the Ukraine war is that we need to be much more agile and responsive. Congressman Mann was talking about food aid, food assistance, and usually that’s a very complex logistical process. But it’s a one off. You provide that food and then you provide that food. In our case, our programs last for five, six, seven, eight years.
We are there with the communities. We bring them along. It’s a community-driven development, very inclusive with farmers organizations, cooperatives on the ground, last 10 miles. That’s a very different type of intervention.

What we have realized is, because of the number of shocks, the number of events that happened – we were talking about inflation, fertility – sorry, fertilizer access, food increases, droughts, extreme-weather events – we need to be much more responsive and agile throughout that time.

So that’s one of the things that we are trying to address on how we design the programs, how can we be more agile and responsive when we’re talking about fragile affected countries, and there’s a lot of them and with very different variables and drivers of fragility. So, in that sense, I think we need to rethink how we actually are operating in these environments.

Ms. Welsh: Thank you. A follow-on question, actually, is about how you assess your progress in all the countries that you’re investing and all the communities you’re investing in including in fragile contexts. IFAD is known for implementing very rigorous impact assessments. Can you tell us a little bit more about that?

President Lario: Yes. So let me, perhaps, finalize on the previous question –

Ms. Welsh: OK.

President Lario: – which I think I did not fully answer, which is the fact that we are seeing more and more the need to also – IFAD usually is present in very challenging environments, in countries with de facto governments. But for us, the most important part is to be able to support and invest in the rural populations in that last 10 miles no matter what government is there and I think that has been very much appreciated by many of the governments throughout time that have been through civil wars; they have gone through, yeah, lack of democracy. So I think we are used to operating in very tough environments.

With respect to the impact, for us it’s very important. Part of our money, as you were mentioning, is coming from investors and impact investors, pension funds, and another one is coming from donor countries. We need to be able to report and to make sure that we are having impacts and results on the ground.

We are not an institution that drafts reports, analyzes, talks about data. We are an institution that focuses on impact and results. So we do measure our impact in 15 percent of our projects and then we attribute it to the whole portfolio.
So with this, in the last replenishment, which covers three years, we have very much increased by at least 10 percent – 10-20 percent – the income of 77 million small-scale producers. We have had more than 50 million small-scale producers have access to markets, that means to connect them and have a fair and decent price when they access those markets. We have also increased more than 35 million small-scale producers, their resilience, measured by household surveys and how they can assess where they are better or worse to actually respond to many of these shocks.

So for us, providing these results is very important, and being able to show the impact for the taxpayers’ money. The same goes for investors. We also show for all of our projects, how do we contribute to each of the SDGs, so that they can also measure in terms of our sustainable finance framework to be able to show their results. I think showing their results in a world of scarcity and of scarce money in terms of ODA is more and more and more important.

Ms. Welsh: Yeah. Thank you. We have one question from the audience but actually, before I turn to the audience, I want to ask you to build upon your description of your measurement of community resilience, which is something that I think sets IFAD apart. How do you define it? And then how do you measure resilience? And then if you can recall this, what are some positive results you’ve seen in terms of building resilience in the communities you’re investing in?

President Lario: Well, for us, I would say our main business model is building resilience. That means being able to bring people on the ground, the rural women and men, to lead their own lives and be able to generate income and have their ability to withstand many of these shocks. Actually, in terms of the measurement we go through household surveys, where we assess and we – for them to be able to be the ones who assess whether they are in a better or worse place to be able to respond to a number of shocks. And all of those have been also very much supported by academia and by other independent assessments.

Ms. Welsh: Thank you. I can put a plug in for a podcast episode that we did with someone on your team, measuring your – impacts on resilience and on the ground. So I know that you do a very excellent job with this.

I’d like to turn to the audience for a question about public-private partnerships. I believe it’s Noah Vonn. Is Noah here? Great. Do we have a mic?

Q: The question was just wondering to what extent the public-private partnership extends within IFAD. What role do private sector partners play within that process? Is it purely a financial funding role or does it extend to
research, acquisitions, personnel, aid? How far does that spectrum play out in IFAD’s systems, as you all go into a replenishment year?

President Lario: Thank you. So actually, we – so it’s a model we have been testing for many decades. We call them public-private-producer partnerships, because of the importance of value chains in our business model. More than 90 percent of our programs have some type of collaboration to the private sector. The important part here for us is not only to collaborate or to be able to partner, but actually to make sure that in our programs we have entry points. When we design, we are already thinking on those public sector loans. Where can the private sector come in? In what form?

And whenever possible, we would also like to have some skin in the game, and be able to also invest with them in a limited way because that’s not our main business model, and we are still – we have started four or five years ago. But the important part is that it doesn’t need to be our money. The important part is that there’s also ability to catalyze and mobilize other also, I would say, from micro, to small, to medium enterprises that can come in in our programs.

Ms. Welsh: Related to this, we have a question from Yusuke Shimizu from the World Bank in person. Or is this – oh, great. Thank you.

Q: Thank you very much.

The question was with regards to partnering with outside entities, and including U.N. organizations or other development banks. I know there is a proliferation of banks out there. And coming from the Japanese government initially, when I used to work on partnering with other entities, I know it sounds good on paper. It’s very difficult operationally, because we’re dealing with a large budget. And the question is, how do you envision working with these other development banks to enhance synergies while avoiding redundancies, duplications, et cetera, on the operational level?

Ms. Welsh: Thank you.

President Lario: Thank you. That’s a great question. Indeed, I had a meeting recently with President Banga discussing about the partnership with the World Bank and how we can enhance it many times. I think the one of the challenges, especially, I would say, with the World Bank, less perhaps with the other regional banks, is actually how to be able to partner and make sure in the execution that we align in the procurement safeguards and all of those type of matters.

The reality is that Asian Development Bank, for example, has IFAD as the partner of choice for rural development. We operate very much, very
strongly, with the African Development Bank. We do also work, a little bit less perhaps, with the World Bank.

The important part, as you said, is the competitive advantage. The World Bank operates with large-scale infrastructure and some small-scale – some small-scale agriculture, too; the African Development Bank less. They operate more on the larger end of agriculture. For us, the important part is to be an assembler of development finance and making sure that we mobilize financing for that last 10 miles.

I recently had, as an example, a meeting with the Asian – the president of the Asian Infrastructure Bank, also with the president of the New Development Bank, and they were very much interested. They have big, I would say, funding possibilities. But usually that does not trickle down into the rural communities or into the, I would say, that last 10 miles or the poverty, which is usually located in the rural area.

So they were very much interested in seeing how that infrastructure model can be trickling down into the communities and also impact them. And I think that’s where we can come onboard. We have very much the connections, the network across the globe in terms of farmers’ organizations, cooperatives, as well as the understanding and the network with many of the rural development agencies in the governments themselves.

So the main issue, as you said, probably is on the operational level. Many times how can we make sure that we coordinate in a country between all of the different multilateral institutions? And I think that’s still not there. I hope, with the new leadership at the World Bank, that will happen rather than, yeah, I would say certain MDBs coming on one side and then all of the rest around or trying to see what’s their space. I think that coordination is what many of the donors and countries are asking for. And once you have that leadership and that willingness to do so, I think that can happen.

Ms. Welsh: Building on this, is there any example of coordination with other U.N. agencies or other development banks that you can highlight for us?

President Lario: Well, for us, most of our programs actually are co-financed with a lot of the other MDBs in terms of the – as an example, the U.N. agencies. We very much collaborate a lot with the Rome-based agencies, as it’s just natural, with FAO and World Food Programme. In the case of FAO, as an example, a lot of their technical specialists support the design of many of our programs worldwide.

And also in terms of the World Food Programme, we have some very interesting, I would say, business model by which a lot of the small-scale producers that IFAD supports or invests in, then part of what they get they sell to schools. And the World Food Programme is the off-taker that then
brings the school meals to the schools. And that’s a way of generating income in the community and then, at the same time, of being able to have better nutrition in schools.

Ms. Welsh: Yeah. Thank you. Thank you for those examples.

We’re getting a good number of questions in, so I’d like to take two at a time. We have one from the Ecuador embassy on El Nino. Great. And then we’ll take a question on – from VGV about applying a gender-sensitive lens. So we’ll go – thank you – here, and then we’ll go over here.

Q: Good morning.

El Nino is going to have – is going to hit the Eastern Pacific coastal region this year or next year very hardly, and forecasts are grim by these – by these days. Is there any program at U.N. IFAD to apply for food security or agriculture support programs?

Ms. Welsh: Thank you for that question on El Nino.

And then we’ll go over here.

Q: President Lario, thank you for speaking today.

I wondered if you could speak to IFAD’s role in ensuring that empowering women farmers and applying very specifically – (comes on mic) – applying very specifically a gender lens as you evaluate the impact of your programs to ensure that we’re reaching and empowering women and girls? They produce a majority of the food.

President Lario: Thank you. So regarding, first of all – I mean, congratulations on the recent debt-for-nature swaps that you have managed, which is, I think, a good, positive – one of these positive highlights, I would say, in the last year to be able to finance more and more, I would say, the conservation of nature and working with nature.

With respect to El Nino, we do have – I mean, most of our programs have some component of climate adaptation. We do work with early-warning systems in many cases, mostly related to rural areas. So when we work with governments, we work with their priorities also. And in this case, there’s a number of them which have this as such. I don’t know specifically in Ecuador – I mean, our program in Ecuador, but generally that’s part of what we work with with governments.

On the gender question, I mean, for us we do have gender targets in terms of participation of women. That’s one of our priorities. What we have realized
also is that one thing is talking about gender lens or gender sensitive. A different – which I would say all of our programs have. A different component is gender transformation, which means how do women have access to land, how do they have access to resources, how do they have voices in their communities and making sure that they are part of the decision making? And that has been much more challenging.

The reality is that then we are talking about cultural norms, and that requires long-term investment and long-term engagement. There’s also a lot of discussions we have in families in terms of the role, but one of the things we see very clearly is that when women start to generate income in the family, their relationships in the family also change, which is something very beautiful to see, and how they are much more – I would say, seen as a much more valuable part of the community when that income is also increased.

However, we have seen that we have not been as successful in land access. Under IFAD, we host an international land coalition. So there’s a lot of, I would say, joint work we do with women and land. But I would say, that’s one of the cornerstones that the international community, not only IFAD but all of us, have not really managed to crack or to push forward.

Ms. Welsh: Thank you.

We have talked about public-private partnerships that IFAD engages in, IFAD's partnerships with other agencies and multilateral development banks. And now we have a question about IFAD partnerships with other countries. So about, I guess, bilateral collaborations. We have – is there someone in the audience to ask this question? Great, right over here.

Q: Yes.

So my question is basically about how IFAD partners with specific countries that may have their own development and food initiatives. So some examples. You know, the U.S. has USAID. China on the more development infrastructure side has the Belt and Road Initiative. So how does IFAD interact with these kinds of programs that are maybe unilateral efforts and don’t go through multilateral agencies or organizations like the U.N.?

President Lario: Thank you. That's a great question.

Actually, I mean, with the government – the local government themselves, they also co-finance. When you’re talking about some governments investing in other countries, we do work with some of the aid agencies. We do work – also, some of the countries themselves co-finance some of our projects. So there’s that relationship.
For us, the most important part is to mobilize this financing. Whether it’s MDBs, climate funds, local governments, bilateral governments, for us the most important part is reaching that last 10 miles. I think that targeting is what – and the community-driven development, no matter from whom is the financing, is what’s key for us, making sure that we are working with the most vulnerable communities in very fragile contexts. So for us, it’s very common.

What I must say at the same time is that personally I’m more and more concerned that across the world there’s more and more bilateral type of interactions rather than multilateral. And that’s something concerning just because either – if we do not come together, it’s going to be much more challenging to solve many of these global public good issues. We’re seeing some of the governments around the world bringing together trade and development ministries and going more bilateral than multilateral, and that’s something that is not necessarily conducive to solve some of the global challenges.

Ms. Welsh: Thank you.

Two more questions from the audience.

One about water security, how IFAD is considering water security, which you can take from a number of angles, but this person mentions water rights. You can think about access to water for irrigation, access to water at the household level. But how IFAD considers water security. That’s from someone who’s watching online.

And then last question from the audience is going to be about is there – do you think there’s anything missing in the current global architecture for food security and agriculture? So is there anything missing, or is it that we have everything we need but it’s simply that we need to do certain things more or better?

But water security first. Two very easy questions. (Laughs.)

President Lario: You know, that’s very interesting, very strategic.

So in terms of water, recently I had or we had the FAO director general reelection, so I had an entire day meeting 15 ministers one after the other. And I would say that on that day, probably all the conversations ended talking about water. So I think water access, water storage, water distribution, conflict over water across – in countries as well as across countries is one of the defining conversations of our era.
I have seen in our projects also that when you get access to water, many times it’s when farming starts to become a business. Without water access, there is no business. There is no possibility of generating income.

For us, the important part, as I said before, is that last 10 miles, those small-scale producers. Many times we’ve seen in countries that larger MDBs build the big dams but then there’s actually no pipes or no connections to smaller dams to the small-scale agriculture at the end, and that’s where I think IFAD comes in, to make sure that there’s that connection and that access to that last 10 miles. So I think water definitely is going to become more and more of an important driver of everything, of conflict, of hunger, of food security.

The question, the second question was –

Ms. Welsh: About is there – there’s nothing that’s missing or – yeah.

President Lario: Yeah. Where I would say one of the – I have quite a strong opinion on this. I think there’s a big fragmentation in terms of SDG2 financing and the ability of many – we were discussing before – of many of the organizations coming together, whether it’s in terms of financing, whether it’s in terms of programming. One positive side, I would say, of the food system event that the U.N. did two years ago was the fact that we all agreed on what I would say a common language, and the common language is the agriculture national pathways. At least when we intervene in a country, we all have the same set of rules, drivers, or language, which is how to support the country in its own agriculture national pathway, and I think that at least makes a way of coordinating in a simpler way. However, my main answer to that would be there’s too much fragmentation operationally and financially.

Ms. Welsh: OK. So that’s the final question from the audience. My final question for you is about what you hope to accomplish in this remainder of your first year. So again, you first joined us October 13th, nine months ago today, and you have three months left in your first year as IFAD president. What else do you hope to accomplish this year?

President Lario: Well, for me, the very important part is to have a very smooth delivery. That means to be able to integrate the complexity and integrating the complexity is about gender; it’s about water; it’s about how to work, for example, with indigenous peoples communities; it’s about how to make sure that the climate component or climate adaptation is not something ad hoc but integrated; it’s about how to make sure that we are catalyzing the private sector in the way we design also our programs. So I think the complexity is very high. Once more, food aid, food assistance is very complex from a logistical point of view, but it does not necessarily come together with all of these components. Medium-term development, which is what can transform the current food security or the current food insecurity, is a complex process.
that needs a lot of money, a lot of patient capital, and also to be there on the ground for a long time. So I would say that being more impactful is always the number one priority.

Ms. Welsh: Yeah. Thank you. Well, we hope to welcome you back here to this stage in nine months, so that would be April 13th, 2024, or sooner, to follow up on a number of these things, so thank you, again, so much for joining us today in person, all the way from Rome.

Thank you, again, to Representative Mann for his keynote address.

Thank you to U.N. IFAD for your partnership in today’s event.

Thanks to my team – Anita Kirschenbaum, Emma Dodd, Zane Swanson, and Luke Kvarda – for your support for today’s event, and to the CSIS External Relations Team.

And to our audience: Thank you for tuning in today. You can sign up for our newsletter at CSIS.org. Thank you again.

(END)