

Prime Minister's Address To CDB Staff
Friday, 23 June 2017

President of the Caribbean Development Bank, Dr William Warren Smith
Members of the Advisory Management Team
Other Staff Members.

Grenada is honoured to assume the Chairmanship of the Board of Governors for the next year and to be the host for the 48th Board of Governors Meeting in May 2018.

I take this opportunity to thank the President for organising this visit to the Bank and to meet the staff, at such short notice. I commend the President and his staff for the Bank's outstanding performance in 2016. Negotiations for the ninth replenishment of the Special Development Fund were successfully completed, and operationally, you surpassed your approval targets for loans and grants, among other successes. These are only some of the testaments to your hard work, team efforts and commitment to our beloved region.

Mr President, colleagues, I propose to frame my remarks to you in the context of the purpose and mission of the CDB. As most of us know, the two main strategic objectives of CDB's 2015-2019 strategic plan are:

1. supporting inclusive and sustainable growth and development and
2. The promotion of good governance and development.

My assumption of the Chairmanship of the CDB's Board of Governors will also coincide with my Chairmanship of CARICOM, which I will assume at next month's Head of Government meeting in Grenada; as well as my Chairmanship of the Small States Forum, which I assumed in April of this year.

As Chair of CARICOM, Grenada will aim to use the opportunity to collaborate with CDB on regional integration initiatives; for example, Grenada will propose the setting up of specific regional committees with a view to developing pragmatic action plans to implement some of the recommendations (or variants thereof) from CDB's thematic studies on:

- (i) youth unemployment; (ii) regional transport; (iii) growth and productivity; and (iv) regional tourism.

As Chair of the Small States Forum, Grenada aims to carve out a space for the CDB to act as a bridge builder between CARICOM and international partners, in shaping the discourse and action, on issues such as innovative options for financing development, debt forgiveness, and recognition of small states' vulnerability, in the context of aid graduation policies.

With Grenada, specifically, and the regional as a whole, now holding the chair of the Small States Forum, the CDB has a good opportunity to position itself to highlight the unique issues and challenges facing regional small island economies in the dialogue at this global level.

Among the priority action areas that the Forum will be addressing at a global level are the following:

- Including vulnerability as a criterion for concessional financing;
- Predictability of concessional financing through IDA (front loading and fast tracking);
- Debt sustainability;
- Access to new and existing climate financing;
- Capacity building and technical assistance;
- Diversification of small states economies;
- Access to financial markets (de-risking)

Other priority areas of focus are:

- **The Blue Economy:** In as much as Caribbean States are small islands, they are also “Big Ocean Countries.” Due to large Exclusive Economic Zones, islands have far more resources at sea than they do on land. This inherent feature offers tremendous socio-economic opportunities, which we must exploit.
- **Renewable Energy:** Renewable energy is an important focus for the Caribbean to not only reduce energy cost and our carbon footprint, but also to diversify our energy mix and promote energy security.
- **Information & Communication Technology.** Limited Capacity is one of the limiting factors for development in the Caribbean, and this can be overcome, in part, through the effective use of technology, complemented by ongoing improvements in education and training.
- **Capacity Building:** Capacity Building as a cross-cutting theme will enable small states to strengthen institutions, enhance skills sets and bolster capabilities to effectively engage in the international arena.

In April of this year, at the Small States Forum in Washington DC, I proposed my vision for the Forum and the need for the following key initiatives:

1. The need to front-load and **fast-track IDA resources to Small States** so that we can more rapidly show results in time for the IDA-18 Mid-Term Review.
2. The need to launch a **Small States Fast Track Facility** to rapidly develop a robust prospectus of strategic and bankable projects that can be part-funded by IDA finance.

Without this, there is a danger that we double-down on mundane projects, do more of the same and have no transformation to show.

3. The need to **mainstream vulnerability** into the lending operations of at least one multilateral development bank by October 2018.
4. To ensure we crowd-in the Private Sector, we need to launch a dedicated **Small States Fund of Funds** that can speed up the implementation of strategic and transformative PPP projects.
5. The need to make the Small States Forum more of a **Platform** for:
 - a. More coordination and less fragmentation.
 - b. Partnerships, financing and implementation.
 - c. Innovative solutions through triangular cooperation.

These are initiatives that the CDB is also well positioned to advocate for, on behalf of small states.

The question to you, the technical staff, is, what role can you play in exploiting the resulting synergies from our Chairmanship of these regional and international bodies in the best interest of the Caribbean Region?

In the international dialogue on the sustainability of small states, how can your analytical and policy-related research work highlight our unique challenges as a region, and our policy priorities, and the best practices we have developed?

At the next level, in terms of your technic on the design of programmes and projects, the question is, how can you leverage your unique knowledge in nurturing partnerships with other players in the development financing community to scale up available resources?

The CDB is arguably the most critical repository of documentation on the infrastructure requirements and social indicators for the region. With today's emphasis on results-based management, this information is critical for the design of impactful development initiatives that help to transform our economies and societies, not as an end in itself, but for the distinct betterment of the living conditions of Caribbean citizens.

Indeed, we have to be intentional about the development results we want to realise. We must also be intentional about the kind of Caribbean society and economy we want to shape; and resolute, united and agile in our pursuit of these results. We owe this to the future generations.

Mr President, at last month's Board of Governors meeting, you aptly put out a call for action. Indeed, the time to act is now. We need to shift our collective mindsets away from limitations towards possibilities, as we move forward in shaping the future Caribbean we want to see.

Together, united, we must forge ahead, locking in the gains we have made as a region and building on those gains to accelerate our development agenda to improve the lives of Caribbean people.

CDB must continue to play an integral role in this united and focused approach to advancing regional development. This Bank is the only indigenous development institution in the Caribbean. Your operational ethos is deeply and uniquely rooted in our Caribbean identity and traditions. The Bank is of the Caribbean, for the Caribbean.

It is time for the CDB to think about organising this information to promote wider access to that information to the international community for development planning.

I take this opportunity to invite you to contribute to the dialogue in support of our development agenda in the fora where we are privileged to play a key role.

Ladies and Gentlemen:

The successful completion of Grenada's recent Homegrown Structural Adjustment Programme is, in many ways, the result of the support of the Bank, in partnership with our other developmental institutions.

Grenada's Social Compact was praised as a model of successful governance, fiscal management, and resilience.

In reflecting on our experience under the Program, I take note of the opening statement by the President, Dr. Warren Smith, at the 47th Board of Governors Meeting. He said, and I quote: *"In short, our Region is calling on its leaders to have a laser focus on "doing what is right, not what is easy."*

Implementing the required reforms was not easy, but we are convinced that it was the right thing to do. The results are visible and tangible. I have already thanked the President for his leadership and support in our time of greatest need. I now take this opportunity to also thank you, the staff, for your contribution to the success of Grenada's programme.

Please allow me, before I conclude, to highlight several areas, including the importance of improved inter-regional transport to foster improved inter-regional trade. We need to look at innovative, technology-driven, models for addressing the regional transportation challenge for the movement of goods and people. It is easier to trade with and travel to the countries in North America and Europe than within the region.

As Chairman of the Board of Governors, I also want to recognise our collective contribution to the Bank on its improved credit rating. This was no doubt the direct result of strong leadership, hard work and focused attention. I register my appreciation of the staff's contribution to this achievement, and I look forward to further strengthening of our credit ratings as we consolidate our risk management systems and provide further support for the improvement of the

macroeconomic fundamentals of our Borrowing Member Countries. You have Grenada's fullest commitment to this objective.

I also congratulate the Bank on the successful implementation of Special Development Fund (SDF) 7 and 8 and negotiations of SDF 9 replenishment.

I will also like to note the following development resources made available through the Bank.

- Selection by the Government of the UK for the administration of the £300 million UK Caribbean Infrastructure Partnership Fund (UKCIF) Grant, provided through the Department for International Development (DFID), for investment in critical economic infrastructure in the Caribbean, to set the foundations for growth and prosperity, reducing poverty and increasing resilience to climate change.
- The negotiation of the new financing agreement with the European Development Bank for USD 110 million of new support for climate change mitigation, adaptation and resilience projects across the Caribbean.
- The launching of the Public Private Partnership (PPP) Toolkit, which presents Member with a new financing instrument to support their development thrust, in an environment of high debt and limited fiscal space;
- The launch of the CDB BMC Regional Risk Framework. Grenada was proud to have been the pilot country for the development of this framework;
- The recent launch of the Project Cycle Management (PCM) and Public Policy Analysis & Management (PPAM) Training Programme 2016 – 2018. Already we have over 100 persons signed up for the online course, and
- The Performance Management & Delivery Unit.

Sustainable Development Financing for Small Island Developing States

The Government of Grenada has accepted an invitation from the UNDP and the OECD to be the Caribbean Islands' case study on sustainable development financing challenges and options for Small Island Development states (SIDS).

The expected outcome of this exercise is to collectively reinvigorate efforts to champion the special development case of SIDS, to ensure that these countries are able to access the development finance they need on the terms and conditions most suited to their unique circumstances.

This is part of the ongoing shared effort to raise awareness of the financing challenges of SIDS, and also to look at ways that those can be overcome, including through innovative financing for development approaches. This activity is expected to commence soon and we look forward to engaging with the Caribbean Constituency in this important activity.

The Government of Grenada would like to thank the Board of Governors of the Caribbean Development Bank (CDB) for selecting Grenada as Chairman for the next year, and we look forward to welcoming you to Pure Grenada, the Spice of the Caribbean, for the 48th Board of Governors Meeting.

Let us go forth and continue to work together to ensure that the Bank continues fulfilling its mandate to the Caribbean people, so that future generations can look back on our time and work with gratitude and pride, for having secured the mechanisms to ensure a sustainable and just society for all.

I thank you.