



## **CLOSING REMARKS**

by

**DR. W<sup>m</sup>. WARREN SMITH**  
**PRESIDENT**  
**CARIBBEAN DEVELOPMENT BANK**

at the

**FORTY-FOURTH ANNUAL MEETING**  
**OF THE BOARD OF GOVERNORS**

**GUYANA**

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## **CLOSING REMARKS**

### **INTRODUCTION**

We have come to the end of yet another successful annual meeting of the Caribbean Development Bank.

As is customary, Governors used the opportunity of this annual gathering to review the Bank's operations, and to undertake an assessment of its performance relative to the agreed mandate and goals.

### **STRATEGIC PLAN 2015-19**

For the second consecutive year, Governors participated in a Roundtable discussion intended to provide guidance to the Management in crafting the Bank's strategic plan for the 2015-19 cycle. Management provided an update on the implementation status of measures agreed during the 2013 Governors' Roundtable. They urged, and the Management concurred, that going forward, the Bank should sharpen its focus on a limited number of key priority areas, which are consistent with CDB's comparative advantage and operational capacity.

### **CREDIT RATING**

Many Governors commended the Bank for securing the upgrade of the outlook on its credit rating from 'negative' to 'stable'. This achievement was the result of the comprehensive team effort deployed by CDB's staff to provide credible responses to the queries of the rating agency concerning the key risk issues, both within CDB and borrowing member countries (BMCs). Of special note is that the improvement in the outlook was accomplished, despite several of the Bank's BMCs being downgraded during the same period.

### **RISK MANAGEMENT**

Many Governors commended the Bank for the significant progress made in improving its risk management framework, and acknowledged its role in the removal of the negative outlook on the credit rating. Going forward, we will continue to manage carefully the delicate balance between our development mandate and the need to act in a manner consistent with the Bank's risk tolerance.

### **MEMBERSHIP**

Mr. Chairman, many Governors joined in welcoming Suriname to its first Annual Meeting and urged the Bank to continue its efforts to attract other new members. The Management recognises that the addition of new membership, especially borrowing membership, enables CDB to diversify its lending portfolio and reduce its concentration risk. CDB, therefore, intends to continue its efforts to bring, on board, new members, especially BMCs.

To the Governor for Suriname, please be assured that the Bank stands ready to provide the guidance and support which will allow your country to fully avail itself of all the benefits of membership in CDB. The Country Strategy that we are currently developing in conjunction with your staff will provide a good foundation on which to build a strong and enduring partnership.

## **SOVEREIGN DEBT AND OECS FINANCIAL SECTOR CRISIS**

Governors urged the Bank to continue to coordinate and collaborate with other development partners to address the sovereign debt and financial sector challenges facing the BMCs, in particular those in the OECS. The increased limit on policy-based operations places the Bank in a relatively strong position to work closely with the affected countries to resolve these challenges. CDB also intends to partner with other development agencies, including the World Bank and the International Monetary Fund, to define comprehensive solutions to the debt and financial sector issues.

## **PRIVATE SECTOR**

A number of Governors alluded to the important role of the private sector in creating employment opportunities, and in complementing public sector investment in infrastructure.

Small businesses have been, traditionally, a major source of new employment opportunities in our BMCs. The Caribbean Technological Consultancy Services Network is a vital conduit for strengthening micro, small and medium-sized businesses; fostering entrepreneurship; and creating employment.

CDB has been exploring new and different avenues to reach the private sector in the BMCs, and is in the process of revising its private sector policy and strategy to support new initiatives in private sector development and operations. Having strengthened its risk management framework, CDB now sees an opportunity to engage more directly with the private sector by working with other institutions, like the International Finance Corporation in order to expand its private sector portfolio.

Interest in public private partnerships (PPPs) as a mechanism to fund social and economic infrastructure projects has been growing. Early experiences have been mixed; and costly mistakes have been made. Against this backdrop, the PPP seminar held yesterday provided a platform to discuss best approaches to structuring PPPs and to build on early lessons.

CDB will continue to strengthen its internal capacity for private sector financing as well as capacity within the BMCs to foster successful PPP ventures, in the future.

## **INTERNAL REFORMS AND CAPACITY BUILDING**

Mr. Chairman, a number of Governors raised concerns about the Bank's internal capacity and the status of its internal reforms. Governors will be pleased to know that, over the past year, the Bank accelerated the recruitment of staff in key areas such as internal audit, evaluation, energy, risk, and communication. The recruitment process is continuing apace with a focus on strengthening capacity, particularly in the Operations Area.

Similarly, reasonably good progress is being made in our reform agenda. Governance and accountability mechanisms have been strengthened; and transparency and disclosure policies are being operationalised.

Governors have spoken loudly and frequently over these four days about the need to vigorously pursue internal reforms, in all of its aspects. Even though much has already been done in this regard, Management intends to deepen and accelerate the process over the next year. We look forward to the customary support and encouragement from our Governors and Directors as we manage the inevitable fall-out from this difficult but necessary process.

## **REGIONAL INTEGRATION**

Chairman, we heard the repeated calls from yourself and the other Governors, for a recommitment to regionalism; and we also sensed your infectious enthusiasm for the regional enterprise.

We concur with these sentiments, and will play our part in designing and implementing regional approaches, especially in areas such as climate change, including renewable energy; transportation; taxation; and economic and social statistics.

## **CONCLUSION**

Mr. Chairman, it would be remiss of me not to mention the special role that you have played in making this meeting a success. You were a “hands-on” Chairman who paid close attention to the planning details for this meeting. You demanded the highest standard from every member of your team; and they delivered.

No doubt, there are a number of good lessons that we can take from this experience as we begin the process, all over again, to plan the 2015 annual meeting.

Personally, Mr. Chairman, I want to thank you for the incomparable hospitality, which you and your Government have extended to the Governors, Directors, Observers, Guests, and the entire CDB team, over the last four days. We are grateful for your generosity of spirit and your acknowledgement of the CDB story of development work in your country. We look forward to continuing to assist Guyana in overcoming its development challenges.

Next year, we meet in St Kitts and Nevis, to celebrate the 45<sup>th</sup> anniversary of our Bank. Until then, Governors, Directors, observers, guests and staff of the CDB, I wish you all a safe journey home.

Mr. Chairman, I thank you.