



## **OPENING STATEMENT**

by

Dr. W<sup>m</sup>. Warren Smith

President

Caribbean Development Bank

at the

**THIRTIETH ANNUAL MEETING OF THE CONTRIBUTORS TO  
THE SPECIAL DEVELOPMENT FUND**

**ST. LUCIA**

**MAY 21, 2013**

Mr. Chairman,

The Special Development Fund (SDF) remains as relevant today as it was when the original architects first conceived it. The highly concessional resources in this Fund have enabled the Caribbean development Bank (CDB) to play a meaningful role in addressing the development challenges in its Borrowing Member Countries (BMCs).

We are in the first year of a new cycle, having successfully completed the replenishment negotiations for SDF8. Contributors agreed to an overall programme of United States dollars (USD) 348 million (mn), which is commendable in a period of generalised economic stress. We wish to record our deep appreciation for the continuing support of Contributors to this key instrument for poverty reduction in CDB's BMCs.

### **Features of the New Agreement**

For SDF 8, our focus on poverty reduction remains, with emphasis being placed on Inclusive and Sustainable Growth, Environmental Sustainability and Climate Change. We recognise that the poor are the ones who are most adversely impacted by slow or no economic growth. They are the worst victims of the fall-out from environmental degradation and the devastation associated with adverse climate impacts.

SDF 8 also features the new theme of Citizen Security as we signal our intent to play a role in helping young women and young men in poor communities to acquire life skills which will provide them with dignified alternatives to a life of crime. The deterioration in citizen security is now a real and present threat to economic and social progress in too many of our BMCs and needs to be addressed with a greater sense of urgency. We, at the CDB, are pleased to be able to now join with other Donors in frontally addressing the root causes of this problem.

## **Allocation Formula**

SDF 8 resources will continue to be allocated using the approved performance-based allocation system. The Allocation formula has been revised to include a variable which takes account of the number of poor people in a country (POOR) and which will enhance its poverty relevance. Country eligibility for regular SDF lending and the terms of lending will be determined by the recently approved country groupings.

## **Results Monitoring Framework (RMF)**

The targeting and reporting of results is becoming an increasingly important part of the CDB's work. A number of improvements to the RMF were adopted for SDF 8. These will be incorporated into the Bank's comprehensive RMF and included in the 2012 *Development Effectiveness Review* scheduled to be completed in July 2013.

The implementation of the Action Plan arising from the assessment of the Bank's performance in Managing for Development Results (MfDR) will further enhance the Bank's results culture and its efforts to demonstrate development effectiveness.

## **Caribbean Millennium Development Goals (CMDGs) Results in SDF 7**

The global recession has eroded some of the gains made by several of our BMCs in reducing poverty. Nevertheless, CDB's interventions have contributed to improvements in education outcomes, such as net enrolment in primary and secondary education for both boys and girls. We have also contributed to gains in environmental sustainability and climate change with increases in the number of BMCs with formalised climate change response strategies, as well as improvements in the percentage of our populations with access to water and sanitation.

The Bank will continue to assist its BMCs in the achievement of the CMDGs.

## **Conclusion**

Contributors, let me reiterate that the SDF is an extremely important component of the CDB's assistance to its BMCs' poverty reduction efforts. The Bank is committed to implementing the agreed SDF 8 Programme and assisting its BMCs to build their resilience and close the gaps on the CMDGs. We also look forward to continuing work with Contributors and other development partners who share our common goals.

Mr. Chairman, thank you; and I look forward to a productive meeting.