



BOARD OF GOVERNORS
FORTY-FIFTH ANNUAL MEETING
MAY 20 AND 21, 2015
St. Kitts Marriott Resort



**CLOSING REMARKS BY THE PRESIDENT
DR. W^M WARREN SMITH**

Chairman
Prime Ministers
Governors
Directors
Observers
Guests
Ladies and Gentlemen

INTRODUCTION

The past few days have provided a useful opportunity for the Bank's Management and Staff to engage in open and frank discussions with our Board of Governors, our Board of Directors and Contributors to the Special Development Fund (SDF).

As always, we value your candid and constructive assessments of the Bank's operations. Your incisive comments strengthen our resolve to deliver the highest level of service to all of our clients.

The discussions, this week, were centred around the current economic environment and key development obstacles facing our borrowing member countries (BMCs); and initiatives necessary to improve the operations of the Caribbean Development Bank (CDB).

The context for much of the discussion, over these past few days, was provided by the post-2015 Development Agenda. This Agenda reinforces the commitment of the international community to sustainable development based on a coherent approach that integrates economic, social and environmental factors. The Governors endorsed the strategic role that CDB should play in ensuring that the Region is fully engaged in the process and secures favourable outcomes for Caribbean people.

Mr. Chairman, seven broad themes emerged from the discussions over the last few days. These included poverty reduction; private sector development; strengthening internal processes; membership in CDB; innovative financing modalities; partnerships and collaboration; and refueling Caribbean integration.

Today, I will respond briefly to some of the comments, observations and suggestions made under each of these themes.

POVERTY REDUCTION

A strong point arising during the discussions is that poverty remains a fundamental development challenge.

Many Governors voiced concern about high and rising unemployment, and relatedly, the unacceptably high rates of poverty in many of our BMCs. Our Region's youth, facing much higher rates of unemployment than the adult labour force, is particularly at risk in this environment.

Mr. Chairman, part of the solution requires that we identify new sources of economic growth for our BMCs. However, we recognise that growth by itself is not enough. We need to also promote job-led growth that is targeted and gender-sensitive. And we need to build economies that are more diversified and resilient.

CDB will not retreat from our founding mission, which one Governor reminded us "remains as clear and compelling today as it was in 1969".

What is required is new thinking that identifies appropriate strategies for reducing poverty. CDB will support and provide intellectual leadership for this undertaking.

PRIVATE SECTOR

Many Governors recognised the critical and catalytic role that must be played by the private sector in galvanising Caribbean growth. While this is, indeed, the case, priority attention must be given to creating the enabling environment within which this growth can occur. The cost of doing business must be reduced so that our economies become more competitive; logistics and connectivity improved; and bureaucratic obstacles minimised.

CDB intends to find appropriate entry points that will support and promote a larger and more efficient private sector. In this regard, we also intend to be very selective and targeted in our approach to direct private engagement. One of our newest initiatives offers in-country capacity development to enable public and private sector actors to assess the risks associated with public private partnership (PPP) financing modalities. Our jointly-funded PPP Regional Support Facility, which was launched yesterday, is designed specifically for this purpose.

We expect that the private sector will play a leading role in reducing energy cost and bolstering economic resilience by deepening and accelerating our green finance agenda. This, in my view, and as echoed by many Governors, holds the key to a potential transformational change in the Caribbean economic space.

STRENGTHENING INTERNAL PROCESSES

Governors commended CDB for the strides made in designing and putting in place the new governance architecture. They also urged the Bank to continue improving the way it works by streamlining business processes, focussing on results, and ensuring that it has the right people with the right skills within the organisation.

We assure Governors that throughout the ongoing reform process, and as we become more "fit for purpose", these issues will be accorded the highest priority.

MEMBERSHIP

Some Governors applauded the ongoing efforts by the Bank to expand membership and urged that the momentum be sustained. We know that we can rely on Governors to use their good offices, when necessary, to facilitate the early completion of the requisite formalities for prospective members.

We welcome the news about France's interest in the Bank, and wish to advise Governors that we have recently established relations with the French Development Agency (AFD). We are willing to explore this interest further, and remain open to discussions with the French authorities.

INNOVATIVE FINANCING MODALITIES

One Governor advised that "...[t]he post-2015 development agenda recognises that Official Development Assistance continues to be important but will not be enough to achieve our collective global ambitions".

We concur with this view. We are, therefore, determined to cement strategic partnerships with existing and new actors, including the Adaptation Fund and the Green Climate Fund. In this way, we can gain access to more concessional resources that can be deployed to regional development and poverty reduction needs.

However, it is likely that more still has to be done. Within this context, Mr. Chairman, we have to be willing to examine new and 'innovative' ways to raise additional and/or alternative sources of finance to support our Region's development. CDB, for its part, will work with its BMCs to undertake the supporting analytical work that will enhance the quality of their decisions and to avoid pitfalls.

PARTNERSHIPS AND COLLABORATION

Governors commended the Bank for collaborating with other development partners in the delivery of its programmes. They noted that given the enormity of the problems facing the Region and the relatively small size of the Bank, it was mandatory that CDB engage with both traditional and emerging partners to address the development challenges. We understand fully the importance of partnerships in leveraging our resources and deepening our development impact. There is a growing list of programmes made possible because of the solid relationships we have forged. During the margins of this meeting, we have had several fruitful discussions with our development partners and are optimistic that these engagements will result in far-reaching co-operation.

We also note the specific calls by Governors for collaboration in the areas of regional integration and private sector development. We are committed to working with our partners to prepare an appropriate strategy for stimulating significantly higher levels of investment in our Region.

REFUELING CARIBBEAN INTEGRATION

Mr. Chairman, the Caribbean integration project holds exciting possibilities for Caribbean people. While the discourse continues, progress has been limited; and the potential benefits of integration remain elusive. We will redouble our efforts to pool regional resources, to promote stronger linkages; and to realise our common objectives.

The Bank's involvement in this area will be championed, in part, by our policy-related work. Yesterday, for example, Governors participated in a seminar which reviewed the findings and recommendations of major research work on regional air transportation that was commissioned by CDB.

The exploitation and production of geothermal energy in the Eastern Caribbean for our own use and for export to third parties represent another opportunity for the integrated development of this resource and can offer sizeable benefits for all parties involved. CDB intends to finance the development of a master plan to guide implementation of this regional approach.

We need to move forward with great alacrity.

CONCLUSION

Ladies and Gentlemen, we have come to the end of the 45th Annual Meeting of the Board of Governors of CDB. The deliberations over the past few days have been conducted in a spirit of frankness and solidarity.

Let me once again reiterate our appreciation and gratitude to the Government and people of St. Kitts and Nevis for the hospitality extended to us over the past few days.

Mr. Chairman, I wish to thank you for taking the time to guide our deliberations whilst juggling the many commitments of your new administration.

A special thank you to Mrs. Hilary Hazel, Financial Secretary (ag) and St. Kitts and Nevis' representative on the CDB Board of Directors. Along with her supporting team, she did everything possible to make this event a memorable one; and she succeeded! I wish also to acknowledge the contribution of CDB staff here in St. Kitts and back in Barbados, without whom, the Annual Meeting would not have been the success that it has been.

Tomorrow, we continue our development work, knowing we have our Governors' full support. And we leave even more inspired to continue our work of reducing extreme poverty in our Region.

When we meet next year in Jamaica, we expect that we will be able to report, once again, that we have made even further progress.

Until then, Governors, Directors, observers, guests and staff of the CDB, I wish you all a safe journey home.

Mr. Chairman, I thank you.