



AS PREPARED FOR DELIVERY

Statement

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President

Caribbean Development Bank

Commencement of the United Kingdom Caribbean Infrastructure Fund

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Beachcomber Hotel, St. Vincent and the Grenadines

Ladies and Gentlemen

I am pleased to be participating in this function marking the commencement of the UK-Caribbean Infrastructure Fund (UK-CIF). It was in September 2015 when UK Prime Minister David Cameron visited Jamaica and announced to the Parliament, for the first time, his Government's decision:

- (a) to provide a grant of £300 million to set up the UK-CIF through which ODA-eligible Caribbean countries would be able to access finance for infrastructure development; and
- (b) to appoint the Caribbean Development Bank as the Manager of

this Fund. I was overjoyed by the announcement.

Importantly, by targeting infrastructure development, £300 million would significantly expand the opportunities for economic growth in the eligible economies. £300 million would not close the huge infrastructure gap that Caribbean countries faced; but it would certainly make a noticeable dent in it!

It is widely known that infrastructure investments have a strong impact on growth and economic and social progress:

Improved transportation systems and safer roads have the potential to raise school attendance.

Better roads and telecommunication facilities can raise labor productivity, shore up rural incomes, thereby reducing poverty.

Also, enhanced access to electricity lengthens the time available to study, and raises female employment, thereby increasing overall productivity.

All of these will redound to the benefit of our BMCs.

It has been a whirlwind period for staff of DFID and CDB charged with operationalising the Fund.

Since that historic announcement less than 6 months ago, DFID and CDB signed the Memorandum of Understanding on February 8, 2016. And, I am pleased to announce that CDB's Board of Directors ratified that Agreement at its meeting yesterday.

We have already launched the Fund in Antigua and Barbuda and Dominica; and our plan is to complete the launches in all of the nine beneficiary countries by mid-April.

So, here we are today, marking the commencement of UK-CIF Fund.

We have good reason to be in a celebratory mood. The UK-CIF, no doubt, is a huge addition to the pool of concessionary resources available to St. Vincent and the Grenadines. Based on the formula agreed for allocating the funds, you are eligible to receive grants totaling approximately US\$41.4 million.

I must give full credit to the small core staff of DFID Caribbean and CDB who collaborated on putting the operational machinery in place quickly. They have truly demonstrated that partnerships can and do work.

But we must get right back to work tomorrow to make sure that St. Vincent and the Grenadines, and indeed, all of the beneficiary countries, do access these resources on a timely basis and that they utilise the funds well.

DFID and CDB teams plan to visit each beneficiary country to meet with and familiarise local officials with the requirements for access. To date, we have visited Antigua and Barbuda and Dominica; and we met with officials right here in St. Vincent and the Grenadines, only yesterday. Our next stops, this month, are Belize and Guyana. We will complete the list with visits to Grenada, Jamaica, Montserrat and St. Lucia, in April.

I am pleased that beneficiary countries are proactively preparing the list of priority projects they wish to be funded with UK-CIF resources. Based on visits by technical staff from CDB to both Antigua and Barbuda and Dominica, we are currently preparing one capital project and two technical assistance projects for consideration.

In-house, we are in the process of recruiting additional staff to increase the capacity of the Bank in order to implement the UK-CIF efficiently.

At CDB, we are committed to the successful implementation of the UK-CIF, and will continue to work with DFID and our country partners to execute the programme within the four-year timeframe.

Thank you