



CARIBBEAN DEVELOPMENT BANK

50th VIRTUAL ANNUAL MEETING OF THE BOARD OF GOVERNORS

WEDNESDAY, SEPTEMBER 30, 2020

STATEMENT BY THE TEMPORARY ALTERNATE GOVERNOR FOR THE UNITED KINGDOM, BARONESS SUGG CBE

The United Kingdom (UK) welcomes these Annual Meetings and thanks the Bank's management for its preparations under the current challenging circumstances. This is a significant moment as the Bank celebrates its 50th anniversary. The UK remains proud to have been one of the Bank's two founding non-regional members.

We commend the Bank for continuing crucial work during this difficult period. The UK will remain an active member and partner to the CDB. With the creation of the Foreign, Commonwealth and Development Office our commitment to the Caribbean region and its people continues. In combining the UK's diplomatic and development expertise, we will help to solve global challenges and support the region's work.

We welcome the CDB's response to the pandemic, including through additional finance and debt relief for members. As part of its next phase of the response, we encourage the Bank to ensure that it is making rapid, quality financing available and targeting this to the countries, individuals, and sectors where needs and risks are the greatest. The CDB should consider members' relative economic vulnerability and their access to alternative sources of finance.

Safe and effective COVID-19 vaccines will be key to bringing the pandemic under control. Loans and grants can secure access to future vaccines. They can support advance purchase agreements and contributions to the new international 'COVAX' facility, aiming to provide equitable and timely access to effective vaccines. The Multilateral Development Banks, including the CDB, must support countries to integrate vaccination and new tests and treatments into their national response. The UK encourages the CDB to develop its approach to providing countries with options to finance vaccines, partnering with other Multilateral Development Banks as needed.

As the Caribbean region navigates through the pandemic, and as we approach the UN Climate Change Conference (COP26) in November 2021, the UK encourages the CDB to work with regional countries to support a green, inclusive and resilient recovery. Such a recovery should

support the rebuilding of economies and securing of jobs, incomes, health and well-being, while accelerating progress towards international climate, environment and sustainability goals.

We recognise the CDB's 'Strategy 2020-2024' is increasingly climate and environment focussed, but we urge the Bank to go further. A more ambitious target for the level of investment in climate finance would send a strong message about prioritisation. The CDB can continue to help borrowers to develop and implement ambitious Nationally Determined Contributions (NDC) and set a clear timeframe for Paris Alignment.

As the impact of climate change is evidenced by increasingly volatile weather, robust Disaster Risk Management remains a necessity across the Caribbean. We encourage the CDB to step up its efforts on climate risk screening and management of projects, and to work with partners such as the World Bank and the Coalition for Climate Resilient Investment to develop regional systems.

The CDB should continue to grow its portfolio whilst ensuring debt levels remain sustainable. Increased private sector engagement will be a part of the answer. Business growth, providing jobs and taxes to governments can drive development. The CDB should support member countries to improve the region's business environment and invest in job creating sectors. The CDB can mobilise further capital and achieve returns on investment. As operations increase, the CDB should build its private sector skills and capabilities.

Beyond the pandemic, this remains a time of change at the Bank, with the upcoming election of a new President. We look forward to a strong field of candidates and a range of visions for the CDB. With change comes the opportunity to recommunicate the CDB's offer and comparative advantage. The CDB has technical and regional expertise and should ensure this is matched by responsiveness to borrowers. We urge the Bank to partner with them so robust and up to date country strategies are in place for all. We welcome quicker project approvals and disbursements as part of effective implementation.

The UK Caribbean Infrastructure Fund (UKCIF) remains a major opportunity to support the region in current times. We should utilise the UKCIF programme to reinvigorate economic growth after COVID-19 restrictions are lifted. Beneficiary countries have expressed this desire and would like to move ahead with projects. The UK looks forward to approval of the remaining capital projects, the enhanced management and monitoring formalised in June 2020 and to seeing all projects completed by the end date of March 2024.

The UK also looks forward to engaging the CDB during the ongoing negotiations for the 10th replenishment of the Special Development Fund (SDF). The impact of COVID-19 makes it even more important that resources are made available for the most vulnerable within the region. With ever sharper reporting of results to demonstrate impact, and with up to date country strategies representing Bank and borrower partnerships, we can be sure we are putting contributions and investments into the region to best effect.

The UK especially welcomes the Bank's focus on gender equality, girls' education, and supporting women in work. With a sound Gender Strategy and Gender Equality Action Plan, the challenge is for the Bank to deliver the results, and further increase the level of girls' educational attendance and attainment, and their later representation in work.

Finally, we thank President Smith for his leadership over the past decade. We wish him well in retirement. His legacy is a respected and well supported regional institution, continuing to strengthen and reform its operations, and work started under his clear direction.

We wish everyone a safe end to the year and look forward to when we can meet again in person.