



PRESS RELEASE

EMBARGOED UNTIL FEBRUARY 7, 2019 AT 11:00 A.M. AST

CDB ramping up research to address Caribbean Region's challenges

February 7, 2019, BRIDGETOWN, Barbados – The Caribbean Development Bank (CDB) is ramping up its research activity to help regional Governments better tackle challenges related to environmental sustainability, economic and fiscal resilience, and implementation.

CDB's Director of Economics, Dr. Justin Ram, announced this today at the Bank's Annual News Conference, held in Barbados.

"Taking it a step further, this year, the Bank proposes to publish research that focuses on assessing and measuring the vulnerability and resilience of our Borrowing Member Countries. This work will improve the measurement and therefore the utility of the index as one of the tools CDB uses to allocate our most concessional resources," stated **Ram**.

The Director stressed the urgent need for reform and action to build macroeconomic resilience, environmental sustainability, productivity and competitiveness, and human capacity—a position outlined in the Bank's study, entitled [A Policy Blueprint for Caribbean Economies](#).

Reviewing the economic support CDB provided to help countries build resilient economies and societies, the Director highlighted investments in Anguilla and the British Virgin Islands (BVI) in the wake of Hurricanes Irma and Maria in 2017.

In Anguilla, CDB provided an initial USD5.6 mn hurricane recovery support loan to help the Government meet external debt payments. The Bank followed this with a USD9.3 mn exogenous-shock policy-based loan (PBL), which aims to restore fiscal sustainability and enhance the country's resilience against natural disasters.

The BVI benefitted from an emergency relief loan of USD67 mn which CDB approved in December 2017. The Bank expanded this support with a USD50 mn PBL in March 2018.

Ram noted that economic and financial volatility and uncertainties were at play in a number of BMCs.

"As such, building economic and fiscal resilience and the shoring-up of financial buffers were high priorities of the Borrowing Members and the Bank," he said.

One such intervention included a USD75 mn PBL to the Government of Barbados to support implementation of the Barbados Economic Recovery and Transformation Programme.

The Bank is also working to assist BMCs in improving their implementation rates, another issue underlying the Region's economic and social challenges. This challenge is outlined in [Implementation: Delivering Results to Transform Caribbean Society](#), a research product the Bank published last year.

"One reason why our development goals tend to be difficult to achieve is that transformation in this Region is usually a slow process. Implementation rates for public projects are as low



as 20% in some countries. In 2017, the Bank was keen to better understand, and propose solutions for addressing these implementation challenges. In doing so, we investigated regional and global best practices for achieving quicker and better development results,” stated Ram.

Subsequently, the Government of St Lucia approached CDB for assistance and is now benefitting from a USD5 mn project to support the establishment of an Implementation and Delivery Mechanism.

Dr Ram said the Bank’s research which includes forthcoming publications on digital transformation and regional energy markets, worked alongside the Bank’s economic interventions as tools in building stronger economies and accelerating economic transformation in the Region.

“Transformation requires, fiscal discipline, human development, environmental resilience and an improved business environment. Our publications seek to provide our policymakers with the tools needed to chart this transformational path,” he stated.

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About the Caribbean Development Bank

The Caribbean Development Bank is a regional financial institution established in 1970 for the purpose of contributing to the harmonious economic growth and development of its Borrowing Member Countries (BMCs). In addition to the 19 BMCs, CDB’s membership includes four regional non-borrowing members – Brazil, Colombia, Mexico and Venezuela and five non-regional, non-borrowing members; i.e., Canada, China, Germany, Italy, and the United Kingdom. CDB’s total assets as at December 31, 2017 are USD3.02 billion (bn). These include USD1.64 bn of Ordinary Capital Resources and USD1.38 bn of Special Funds. The Bank is rated Aa1 Stable with Moody’s, AA+ Stable with Standard and Poor’s and AA+ Stable with Fitch. Read more at caribank.org.

Contact:

Sueann Tannis
Head of Corporate Communications
Office: (246) 431-1882
Mobile: (246) 826-3343
Email: tanniss@caribank.org