



**51st
ANNUAL
MEETING**

**INNOVATION,
TRANSFORMATION
& SUSTAINABLE
DEVELOPMENT**

**STATEMENT ON BEHALF OF THE NON-REGIONAL MEMBERS
TEMPORARY ALTERNATE GOVERNOR FOR ITALY
MS. STEFANIA BAZONNI**

Thank you Chair and good day to everyone. I am honored to be here to represent the Italian Governor for CDB, Mr Daniele Franco, Ministry of the Economy and Finance and deliver these remarks on behalf of the non-Regional Members.

At the outset, we wish to express our deepest sympathy to the Governor of Barbados for the unfortunate events that prevented her from joining us today and thank Mexico for standing in as Chair.

We welcome this Annual Meeting and wish to thank the Bank for the excellent preparation under challenging circumstances.

The numerous virtual events with experts and distinguished representatives from the region shed further light on the impact of the COVID-19 pandemic on the Caribbean countries, their response and needs going forward.

We also wish to congratulate Dr. Leon as new President of the CDB. His chat during this Annual Meeting with former President Dr. Bourne offered an excellent opportunity to look at and learn from the past and reflect on the CDB of the future.

Innovation is one of the leitmotifs of this Annual Meeting. Indeed, innovative, and bold policies are imperative to promote the recovery and build foundations for a resilient and sustainable development in the Caribbean countries.

Innovation is needed also from the side of the CDB for the Bank to become an even more trusted partner in the Region. An ambitious transformation program is ongoing to strengthen the Bank's effectiveness. It is essential to ensure that it delivers the expected results. At the same time, the Bank should remain flexible and adapt to the post pandemic environment to better meet the needs of its clients.

We commend the Bank for its response to the pandemic, including through additional finance and liquidity support.

CDB's achievements in 2020 reflected the dedication of its staff and Management, sincere thanks to all, and the leadership of CDB's previous President, Mr Smith, whose legacy we wish to acknowledge.

Safe and effective COVID-19 vaccines will be key for economic recovery going forward. We welcome CDB collaboration with other organizations, including the European Investment Bank, to facilitate affordable access to vaccines for its borrowing member countries.

As the Caribbean region emerges from the pandemic, we encourage the CDB to progressively shift its support from relief to build back better. Accelerating growth is paramount to bring the high debt level in most countries of the region to a sustainable path.

In line with the principles recently reaffirmed at the G20 level under the Italian presidency, we expect a reinforced coordination between MDBs, including CDB, and the IMF in case of countries requesting financing while facing macroeconomic instabilities.

The COP26, is just a few months away. We call on CDB to scale-up its financing for climate adaptation and mitigation and welcome the commitment to dedicate between 25% and 30% of its own resources to climate financing by 2024. We also urge the CDB to set a clear timeframe for Paris Alignment.

With its local knowledge, the Bank is best placed to assist Caribbean countries to enhance and implement their Nationally Determined Contributions. Moreover, the CDB can help them to create a supportive business environment and develop a pipeline of green and bankable investment projects to further mobilize private investments.

Private capital will be critical, since the needs are huge, and public resources are limited. The engagement of the private sector will be beneficial not only to achieve the transition to a low-carbon and sustainable development model, but also for the innovation and transformative growth it can bring.

As the Caribbean region is highly vulnerable to climate change risks and natural disasters, a robust Disaster Risk Management remains a necessity. The Bank has traditionally supported its borrowing members to recover from natural disasters. This role needs to continue. At the same time, we welcome the focus on prevention, and we encourage the Bank to swiftly implement the updated Disaster Risk Management strategy working effectively with regional organizations, other multilateral development banks and bilateral development partners.

We wish to congratulate the CDB for the successful outcome of the SDF negotiations. The size and composition of the SDF10 program will allow SDF to maintain its focus on poverty reduction in particular in less developed countries of the region, while increasing resources available to all BMC, including for disaster risk prevention and recovery.

Since a significant portion of SDF10 resources will be used to provide technical assistance, we look forward to proposals to strengthen TA strategic focus, improve its delivery and monitor the impact.

As recently reaffirmed by the rating agencies, CDB is well capitalized and can growth its portfolio while preserving its rating. We encourage the Bank to continue to strike the right balance between a prudent management of its balance sheet and the pursue of its development mandate. We call on the Bank to

develop a solid pipeline of investment projects to be financed with its own resources. We also ask the Bank, in consultation with BMCs, to address the issue of undisbursed loans taking into account that borrowers' priorities might have shifted because of the COVID-19 pandemic and adopt all the necessary measures to speed up project implementation, while maintaining high project quality.

Let me conclude, reaffirming Italy's support to the Caribbean Development Bank and its mission and the desire to work with you Mr. President, the Bank's staff and Management and all the CDB's members to continue to increase the value proposition of the Bank for the region.

Stay safe and look forward to when we will meet again next year, may be in person.