

**As prepared for delivery**



**OPENING REMARKS**

**BY**

**DR. WILLIAM WARREN SMITH, CD**

**PRESIDENT**

**OF THE**

**CARIBBEAN DEVELOPMENT BANK**

**AT THE**

**2019 CARIBBEAN FORUM ON REGIONAL  
TRANSFORMATION FOR INCLUSIVE AND  
SUSTAINABLE GROWTH**

**LLOYD ERSKINE SANDIFORD CENTRE**

**NOVEMBER 6, 2019**

## **CDB President Opening Remarks at the 2019 Caribbean Forum**

### *Chairman*

The Honourable Mia Amor Motley, Minister of Finance, Economic Affairs and Investment, Minister of National Security and the Civil Service

Dr. the Honourable Timothy Harris, Prime Minister and Minister of Finance, Sustainable Development, National Security, People Empowerment and Constituency Development, Saint Kitts and Nevis

The Honourable Allen Chastanet, Prime Minister and Minister of Finance, Economic Growth, Job Creation, External Affairs and the Public Service, Saint Lucia

The Honourable Sharlene Cartwright-Robinson, Premier and Minister of Finance, Investment and Trade, Turks and Caicos Islands

The Honourable Peter Turnquest, Deputy Prime Minister and Minister of Finance, The Bahamas

Mr. Tao Zhang, Deputy Managing Director, IMF

His Excellency Irwin LaRocque, Secretary General of CARICOM

Representatives of the Donor Community

Ministers of Government

Members of the Diplomatic Corps

Other Invited Guests

Members of the Media

Ladies and Gentlemen

Good Morning

I join my colleague from the International Monetary Fund (IMF) in welcoming you to Barbados, and to the 9<sup>th</sup> Annual Caribbean Forum.

For us at the Caribbean Development Bank (CDB), it is an honour to be co-hosting this Forum with the Government of Barbados and the IMF.

If my memory serves me right, it is the first time the gathering is taking place in Barbados.

The theme of the Forum “*Regional Transformation for Inclusive and Sustainable Growth*” captures the essence of one of our Region’s biggest challenges over the next decade or so.

We are part of a global movement towards 2030, and fulfilment of the sustainable development agenda.

We have made a commitment that not a single member of the CARICOM family will be left behind when we complete that journey.

I am mindful that we should not underestimate the obstacle course ahead.

Indeed, unsustainable fiscal deficits; huge debt overhangs; high unemployment; rising poverty levels; and a predisposition to extreme vulnerabilities are hurdles we must overcome.

Time is of the essence. Almost five years have passed since we adopted the Sustainable Development Goals (SDGs).

But progress has been slow. In the next two months, we enter the final decade of the SDGs. It becomes even more an imperative, then, that we accelerate the pace towards the 2030 goalpost.

I am optimistic that achievement of the SDGs remains very much within our reach, and I shared that conviction with my Governors at the CDB Annual meeting, a few months ago.

Fora like this one present us with a unique opportunity to revisit our progress and to reformulate our strategies, where necessary.

I am, therefore, pleased that, today, we will be taking a more in-depth look at some of the critical elements of the transformation that is required, whether it be:

- (a) speeding up the regional integration movement and better leveraging of the arrangements of the integration project;  
or
- (b) developing a coherent strategy for building structural, financial, and post-disaster resilience in a fiscally sustainable way; or
- (c) maintaining a competitive tax system that also raises the revenue required to fund public expenditures.

This morning, I wish to draw your attention to one issue, in particular, that is common to all of these critical elements of transformation.

Poor rates of implementation and weak implementation capacity are ongoing concerns for Caribbean public sector managers.

Moving the needle on the solutions to our Region's perennial challenges requires a relentless commitment to implementation, starting with a cultural shift that encourages increased accountability.

We often joke about Caribbean people always being late. But time is money, undermining our capacity to deliver goods and services in a timely manner, and undercutting our ability to compete based on low cost and high quality.

Lateness is only one manifestation of our implementation problem. Public sector investment programmes (PSIP) are underperforming, with several countries reporting implementation rates below 35% and as low as 20%, in one case.

We attribute to the public sector, responsibility for creating an appropriate environment for the private sector to take over leadership for economic growth.

A PSIP that is performing effectively will stimulate private investment.

The reverse is also true. An underperforming PSIP will undermine private sector confidence and its willingness to invest.

Completion delays lead to postponement in delivery of the intended development benefits as well as cost overages, which can compound an already burdensome public debt.

World Bank's Doing Business Indicators give us an idea of some of the critical factors that impact business decisions, including starting a business, dealing with construction permits, getting electricity services, and trading across borders.

The speed with which these can take place provides a gauge of our Region's efficiency *vis-à-vis* the "best in class".

We should not regard the analyses of this data simply as criticisms of our shortcomings in these areas. More importantly, we should grasp the opportunity for targeted redress of those very things that hamper competitiveness.

Let us pull out, for priority action, those “*low hanging fruits*” that can bring significant benefit with minimal effort.

I must admit that implementation is a grave concern for CDB itself. The growing “*buckets*” of undisbursed balances on our books keep me awake at nights.

It is cold comfort that other development partners are facing a similar challenge. Bear in mind that none of us are delivering on our development mandate if the funds intended for these countries remain in our coffers.

Our goal should be for the intended beneficiaries to be able to access these resources for high priority development projects as quickly as possible.



At CDB, we are attacking the implementation challenge from several fronts. Internally, we are spearheading a major overhaul of our systems and processes.

This transformation is underpinned by an aggressive information technology strategy to get closer to our clients, improve responsiveness, and generate greater efficiencies.

We have also adopted a new Procurement Framework which should increase operational flexibility and accelerate project implementation.

At the country level, training is a major vehicle for addressing the implementation issue. We are currently completing a region-wide programme in Public Policy Analysis and Project Cycle Management training, targeted at enhancing skills in implementation and other areas of project management.

Over 2,000 public officials have been trained over the past three years. We will be launching e-modules to extend access to this training to an even larger number of public servants.

Training is also being provided through the CDB/World Bank-financed Caribbean Procurement Training and Consultancy Centre, the first permanent centre for procurement excellence in the Caribbean.

In addition to training, we are encouraging behaviour change through, for example, institutionalised delivery mechanisms or through project-by-project capacity and institutional building support.

We have also been working with other development partners to develop joint approaches to our common programmes.

On the margins of the recent World Bank/IMF annual meetings, I signed a new Procurement Procedural Framework with the European Investment Bank to harmonise our procedures for a range of climate-focused investments in the Caribbean.

We are in discussion with other development partners to similarly harmonise procurement and other procedures for enhanced implementation efficiency.

In closing, I wish to reiterate my optimism for our Region's future. Let us rally behind the clarion call of the Sustainable Agenda to "leave no one behind" and use our collective power to push forward, with determination so that all of the sustainable development goals can be achieved by 2030.