



**REPLIES TO THE ADDRESS OF WELCOME  
ON BEHALF OF THE REGIONAL BORROWING MEMBERS**

**GOVERNOR FOR THE COMMONWEALTH OF DOMINICA  
DR THE HONOURABLE IRVING MCINTYRE**

Salutations

**The Challenges Facing the Region**

Friends, we gather here at a critical point in the history of our beloved region. The region continues to face tremendous headwinds. Indeed, while still recovering from the profound impact of the COVID pandemic, we are now being buffeted by the prospect of receding globalization and multilateralism and the rise of protectionism. Even before all of this, the region was way behind on many of the Sustainable Development Goals, or SDGs.

The growth of the region has been slowing consistently over the last four decades, largely because of the starts and stops associated with the shocks to which we are vulnerable. We continue to be overly exposed to the tourism sector and urgently need to diversify our export earnings. I believe that there is tremendous potential to do so, especially in areas such as agro-processing and sustainable energy. Our people have the creativity to generate products that can attract global market interest as we have done with our music and festivals. However, if that creativity is going to carry over to products such as agro-processed goods created in regional value chains, then we need to create the ecosystems that would facilitate our entrepreneurs in meeting the price, quality and supply reliability thresholds that would get these products into international markets. We therefore need to provide the supportive institutional and regulatory frameworks that bring ideas to become fruition and upgrade our logistics infrastructure in a coordinated way to better connect

ourselves internally and to international markets. I believe that we can do this, creating decent jobs and incomes for our people in the process.

The region continues to be threatened by natural hazard events. In my own country – Dominica – we have experienced a number of these hazards. Our experience has emphasized the need to build resilient infrastructure and social protection mechanisms to reduce the disruptions caused by these events, and more importantly, limit the disproportionate harm done to the most vulnerable among us. Doing so means that our infrastructure becomes more expensive. That notwithstanding, Dominica has set about becoming a fully climate-resilient country by 2030 through our National Resilience Development Strategy, because we have witnessed the importance of doing so. As part of this effort, we are also seeking to contribute to the reduction in greenhouse gasses by exploiting our potential for generating geothermal energy, with the intention of eventually exporting this to our neighbours and reducing and stabilizing energy costs.

This ambitious agenda requires resources, and the resource needs of the region are significant. However, the region is characterized by significant debt overhang, which limits the fiscal space available to undertake the expenditures that are critical to the development process. Our countries have been consolidating fiscal operations, especially by streamlining expenditures to focus on critical priorities that deliver maximum bang for buck. We are achieving this by improving public finance management systems to ensure greater linkages between activities and development outcomes; and greater value for money through improved procurement systems. For example, Dominica has received extensive support from CDB in building out a comprehensive procurement framework that began with new legislation in 2021 and new regulations in 2022, together with training for relevant officials.

### **The Role of the Bank**

The Caribbean Development Bank has been a loyal partner to its borrowing membership in meeting their development financing needs. This support is largely undertaken by mobilizing resources that are adequate and affordable to finance our development agenda. The Bank has also been a partner in helping us to determine what policies are in the best interest of our development.

The Bank is developing a new strategy at a critical time in the history of our region. The new President has articulated a vision for rebirth of the institution that is anchored on innovation and transformation, which will lead us to thrive. As the Bank builds out its new ten-year strategy, it will be critical that this vision anchors the new strategy in meaningful ways. Given the new global context, the Bank will have to do more faster and better to support the region in rising to the challenges presented by the new reality and those challenges that predated this new reality.

The Bank will have to adjust its structures to enhance the efficiency of its operations; and resource itself to support the conceptualization, design, finance and implementation of activities that are necessary to advance the development of the region. At a time when multilateralism is

receding, CDB's role will be even greater, the Bank will have to mobilize even more resources to ensure that the development momentum builds pace, while indebtedness does not. The Bank has committed itself to intensifying its resource mobilization efforts. They intend to do so by increasing capital, market borrowings and partnerships. The Special Development Fund programme – the largest of the Bank's partnerships – has been replenished at a record level. Commendable efforts have been made in optimizing capital through an historic exposure exchange agreement. Still, more resource mobilization will be needed, since the Bank's existing level of capital will constrain its lending ability during the prospective strategic period. Therefore, a General Capital Increase will have to be part of our conversation going forward.

Connecting the moving parts of development planning, financing and implementation will take some effort from all of us. However, our history has demonstrated that we are a resilient and creative people. We have recovered from countless natural hazards, including storms, hurricanes, earthquakes and volcanic eruptions. We have had to endure the impacts of global economic shocks that have tested our economic resilience. As we prepare to confront the extant challenges that we face and rebuild development momentum that would allow us to meet the aspirations of our people, that resilience, together with the creativity that is evident in all that we do, will allow us – together - to meet this moment.

Thank you.