



**STATEMENT BY
THE GOVERNOR FOR TRINIDAD AND TOBAGO
THE HONOURABLE PENNELOPE BECKLES, MP**

Salutations

- Chairman of the Board of Governors and Prime Minister of St. Lucia, the Honourable Phillip J. Pierre;
- Honourable Prime Ministers;
- Distinguished Governors,
- President of the Caribbean Development Bank (CDB), Dr. Hyginus ‘Gene’ Leon;
- Members of the Board of Directors;
- Vice-Presidents and the Management and Staff of the Bank;
- Distinguished Delegates, Observers, Representatives of the Media; and
- Ladies and Gentlemen.

On behalf of the Government of the Republic of Trinidad and Tobago, it is a great honour to participate in the 53rd Annual Meeting of the Board of Governors of the Caribbean Development Bank. The programme for the Annual Meeting, which commenced in April 2023, has stimulated much interest and has made for thought-provoking dialogue on critical topics among key stakeholders. The Management and Staff of the Bank must be commended for consistently marshalling a forum which brings into perspective the key development challenges facing the Region and advancing innovative solutions to address such challenges.

The Annual Meeting is occurring at a critical juncture in our region’s history as we continue to recover, albeit at varied rates and amid the lingering impacts of consecutive shocks, which continue to weigh heavily on our economies. Despite these challenges, our regional economies continue to advance and have experienced an improvement in economic performance. As reported in the CDB’s 2023 Annual News Conference, increased economic activity resulted in strong regional economic growth that averaged 10.3% in 2022 compared to 4.5% in 2021, with further forecasts of regional growth of 5.7 % in 2023. Closer to home, the IMF in their concluding statement of the 2023 Article IV Mission to Trinidad and Tobago, indicated that projected growth for 2023 is 3.2 per cent, following 2.5 per cent in 2022.

While this progress and positive outlook are welcomed, given the complicated global economic environment, we are still mindful of the multiple shocks faced by the region over the last three years. The protracted impact of these shocks continues to hinder our progress towards achieving the Sustainable Development Goals (SDGs) while simultaneously eroding many of our development gains and has signalled the need to revise our development trajectory. We are cognizant that advancing this revised trajectory will require significant resources to enable the achievement of the Sustainable Development Agenda and to tackle existing vulnerabilities post-pandemic. The CDB has estimated that the Region faced close to USD10 billion in Gross Financing Needs (GFN) in 2020. The questions we all seek to answer are; where will this funding come from over the short to medium term and how do we seek to mobilise additional resources considering our current capacities and elevated debt levels?

The answers may lie in the deliberations of this year's Annual Meeting, where the theme of *Marshalling Finance for Development: Access to Adequate and Affordable Financing* is most fitting and undoubtedly reflective of the requirements needed to navigate the current economic climate. Indeed, the first webinar of the Annual Meeting "Making Money Work for Better: Utilising International Financial Institutions' Reserve Finances for Sustainable Development", has provided a flavour of what is to come, outlining a menu of financing options that can be pursued to drive growth and to enable affordable financing to the region for sustainable development. As middle and high-income countries with great vulnerabilities and low resilience capacities, a critical factor which continues to impede the achievement of our development objectives is our inability to access concessional financing. To this end, with such high financing needs, the CDB is and must continue to be an eminent partner and driving force behind any mobilisation efforts to enable the requisite financial support for the region to mitigate these evolving challenges.

Trinidad and Tobago has by no means been immune to these global economic shocks and is conscious of the immediate challenges facing the Bank and its Borrowing Member Countries (BMCs) and the resultant pressures to ensure that both can achieve their respective development mandates. Our Government has embarked upon a course of action designed to enable recovery and to ensure transformation into a resilient nation. The events of the recent past have placed us on a revised pathway focused on the advancement of bold, transformative initiatives which seek to diversify the economy, ensure food security, protect the vulnerable, build climate and environmental resilience and increase productivity and competitiveness. Consequently, establishing innovative financing mechanisms to ensure the necessary resources are available to enable this transformation remains a central aspect of the national and regional dialogue. This can only be made possible through deepened partnership arrangements with the private sector and robust conversations with our development partners.

The CDB, as our longstanding regional partner, remains key to assisting Trinidad and Tobago and the region, by extension, in our transformation efforts and attempts to build this resilience while successfully achieving our development objectives. Collaboration with other Multilateral Development Banks (MDBs) and international agencies to seek out and provide affordable financing to support growth and economic recovery and to successfully address

resilience-related challenges, is imperative. The continued efforts of the CDB to solidify existing partnerships and forge new ones with key regional and international partners continue to redound to the benefit of the region. We acknowledge that since 2020, the Bank has been able to attract over \$550million from donors and contributors to advance regional development.

The Bank's continued thrust to augment its support capacity to BMCs has been demonstrated in its recent discussions with the Board of Directors on the proposals and recommendations arising from the Independent Review of Multilateral Development Bank's (MDB), Capital Adequacy Framework (CAF). There is certainly merit in the recommendations arising out of the G20 report, and I would go further to say; that while I appreciate at this point, the discussions are preliminary, the Bank must seek to garner perspectives and support from key stakeholders moving forward.

The CDB's newfound role as a prescribed holder of Special Drawing Rights (SDRs) as designated by the International Monetary Fund (IMF), will enable the Bank to increase its lending capacity to support sustainable development and augment climate financing across the region. Certainly, if we are to meet the region's development needs, the approach to financing must be done coherently and collaboratively. The mechanisms through which this can be effected must be carefully designed, and the CDB as a regional institution of longstanding is well poised to seize this opportunity.

The Bank has consistently advocated the importance of the private sector as a catalyst for realising growth and sustainability in the region. As regional governments, we must do our part to create the enabling environment and strengthen institutional capacities to improve the way we do business and facilitate the type of private sector-led development we desire. To this end, the Bank's plan to enhance the role of the private sector in driving and financing sustainable development in the region, is both timely and relevant as increased engagement with the private sector can serve to bridge the financing gap across critical sectors.

In terms of strengthening relations with BMCs, the Country Engagement Strategies (CES) must be leveraged as an instrument to intensify its engagement, specifically in relation to the Bank's drive towards portfolio diversification. At the heart of this recommendation is also a call for the Bank to conduct detailed assessments within each BMC and strategically design the CES's and resultant programming so that it is tailored to suit the unique needs of each country. The recent revisions to the Framework for Policy Based Operations is a good indication of the Bank's intention and further commitment to provide targeted support in the face of prevailing socio-economic challenges. It is also imperative that evaluations of existing CESs are strategically undertaken and focused on the extent of the progress in achieving outcomes and the factors that stymie the programme's implementation. Such an analysis will enable lessons learnt which can be employed to improve the relevance and effectiveness of the strategy and programming moving forward and to ensure the intended impact is achieved.

The effective implementation of projects and efficient disbursement of loans and grants are critical to measuring the development impact of CDB's interventions. There remains a concern that implementation issues continue to persist, despite continuous efforts by the Bank to strengthen the region's implementation capacity and the capacity of institutions to deliver results. A deeper analysis to determine the root cause of the issue, possibly at the sector level or within a specific BMC is recommended. Likewise, the Bank's intention to undertake an assessment to determine the elements which continue to hinder implementation efforts and to effect the necessary reforms to tackle this issue, is supported. I wish to go a step further to encourage partnerships with other MDBs operating in the region to leverage expertise and create synergies to tackle this persistent challenge.

The work of the CDB over the years in driving an agenda that is both transformative and sustainable must be recognised. To the President and the team at the CDB, I urge that you continue in the vein of providing support to BMCs towards building the resilience necessary to mitigate our vulnerabilities. The Bank's outstanding performance in the last year, as reported in the Development Effectiveness Report (DER), is evidenced in the implementation of interventions that continue to positively impact lives and livelihoods across key sectors in the region, namely: education and training; agriculture and rural development; water and sanitation; infrastructure development; citizen security; economic infrastructure; private sector development; and environmental sustainability.

Trinidad and Tobago looks forward to our continued relations with the CDB and reiterates our commitment to collaboration in ensuring the growth and development of our Region. I wish to express my sincerest gratitude for the support to Trinidad and Tobago over the past year and look forward to your continued support in key areas of national development.

To our hosts, the Government and the people of Saint. Lucia, I thank you for your warm welcome to this most beautiful island and for your gracious hospitality. Moreover, to the Management and Staff of CDB, congratulations on the excellent arrangements made for the hosting of this Meeting.

I thank you.