



The President's Chat
The CDB: The First 100 Years

June 22, 2021

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4 **1. WELCOMING REMARKS: Ms Amanda Lynch-Foster,**
5 **Communications Specialist, Caribbean**
6 **Development Bank**
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10 **Downes, Moderator**
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14 **Dr Hyginus (Gene) Leon, President of the**
15 **Caribbean Development Bank (CDB)**
16
17 **and**
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19 **Professor Emeritus Compton Bourne, Former**
20 **President of the Caribbean Development Bank**
21 **(CDB)**
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23 **4. CLOSING REMARKS: Ms Amanda Lynch-Foster**
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1 **1. WELCOMING REMARKS:**
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3 **MS. FOSTER:** Hello, and a warm welcome to our distinguished
4 panelists: former and current Presidents of the Caribbean
5 Development Bank, Professor Compton Bourne, and Dr. Gene
6 Leon, and our moderator, Professor Andrew Downes. Welcome
7 to everyone watching from across the Caribbean and, indeed,
8 further afield.

9 I am **Amanda Lynch-Foster**, Corporate
10 Communications Officer at the Caribbean Development Bank
11 and we are thrilled to have you join us virtually today for
12 the very first **President's Chat**, a new addition to our
13 Annual Meetings calendar of events where our President, Dr.
14 Leon, will engage with regional and international thought
15 leaders on the most critical development issues facing our
16 Region.

17 I just wanted to give a brief explanation here at
18 the beginning, as we had originally been looking forward to
19 hosting all three of our living past presidents, along with
20 Dr. Leon; but, due to some unexpected eventualities, which
21 seems to be the theme of the 2020s, they were all unable to
22 participate today. But we do look forward to them sharing

1 the stage, whether virtual stage or otherwise, at some
2 other time in the future.

3 This new event is the third event for our 51st
4 Annual Meeting. And while we may be all feeling a bit
5 sensitive about cricketing metaphors right now, any
6 aficionado would know that the number three batsman is
7 usually the star. And so, it is only right that, for this
8 third event, we are bringing you the intellectual heft and
9 economic insights of two of those who have led the
10 Caribbean Development Bank (CDB).

11 **Professor Compton Bourne** served as the Fourth
12 President of CDB, from 2001 to 2011. He has had a
13 professional career focused on academic economics, public
14 policy, and institutional management, and previously served
15 as Principal of the St. Augustine Campus of the University
16 of the West Indies; as well as Pro-Vice Chancellor for
17 planning and development. He is a member of the Order of
18 Excellence, the highest honor of the Republic of Guyana,
19 and is currently Professor Emeritus of the Economics at the
20 St. Augustine Campus. Welcome, Professor Bourne.

21 And at the other end, we have our current and
22 sixth president, **Dr. Gene Leon**. Dr. Leon has over 30 years

1 of experience in economic development. Prior to CDB, he
2 worked at the International Monetary Fund (IMF) for over
3 two decades, serving as mission chief for countries
4 including Nigeria, the Bahamas, Qatar, and the United Arab
5 Emirates; as well as senior resident representative in
6 Jamaica. Prior to the IMF, Dr. Leon was an Associate
7 Professor at State University of New York; and he has also
8 served as Director of Research at the Central Bank of
9 Barbados.

10 Today's event will be moderated by **Professor**
11 **Andrew Downes**. Professor Downes is a former Director of
12 the Sir Arthur Lewis Institute of Social and Economic
13 Studies, SALISES, at the University of the West Indies. He
14 also served as Pro Vice Chancellor of Planning and
15 Development at UWI; and he is currently Professor Emeritus
16 of Economics at the Cave Hill Campus of the UWI.

17 And now, to get us started, I am pleased to
18 welcome Professor Andrew Downes.

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2. INTRODUCTORY REMARKS

1 **Prof. DOWNES:** Thank you, Amanda; and good
2 morning to all.

3 First of all, let me congratulate Gene on his
4 appointment and wish him all the very best. I know he has
5 a big task ahead of him, but I am sure he is very, very
6 capable, knowing him for several decades.

7 And I also would like to thank Compton and all
8 the previous presidents for the work that they've done over
9 the years in making sure that the Caribbean Development
10 Bank has reached the standard that it has reached, and that
11 it is a well-run and well-respected organization for
12 development banking and finance.

13 Now, the President's Chat has been designed to
14 discuss development issues facing the Caribbean Region in a
15 more informal, non-technical manner. So, despite the fact
16 that we are all high-level economists, we will try to speak
17 in such a way that the person in the street, so to speak,
18 or the general public can understand the nature of the
19 development issues that the Region faces.

20 While we all understand development issues can be
21 very complex, given the interacting nature of how various
22 components relate to each other, we need, however, to be

1 able to get the people of the Region to understand the
2 challenges of development that we face in a manner that
3 they clearly can understand their role in the whole
4 process. And the reason for this is that certainly the
5 **ends of development**, or whatever you do at the Bank and
6 elsewhere, relates really to the lives and livelihoods of
7 all individuals in the Region; and therefore, they need to
8 understand the means through which we achieve these
9 particular development ends.

10 So, in summary, therefore, we expect the series
11 President's Chat to be informal, as I said earlier, but
12 also to be informative and educational so that persons
13 would have a clear and better understanding of the
14 development challenges facing the Region, the nature of the
15 global environment within which these countries in the
16 Region have to operate, the various mechanisms, the various
17 policies and programs which have been proposed and
18 implemented to resolve these particular challenges and
19 issues. More specifically, to look at the role of the
20 Caribbean Development Bank and other regional institutions
21 in implementing these mechanisms, policies, and programs.
22 And finally, for people to understand their own role in the

1 development process, because although we have institutions
2 doing these things, people must understand that they have a
3 role to play in the development process, and it is clear
4 that they need to understand it.

5 So, thanks to Gene and Compton, we should
6 hopefully have a very good discussion to start this
7 particular series off, in the sense that we will get the
8 experience of a distinct period of time at the Bank.

9 Now, the theme for the first particular talk is
10 **"The CDB: The First 100 Years"**. And you may ask, well,
11 we don't look like a hundred years old, but certainly we
12 want to look back, at the current, and look forward in the
13 whole process. And this perspective gives us an
14 opportunity to reflect upon how the Bank has operated since
15 1970, to see how the changes have taken place, and how we
16 need to reimagine the concept of the Bank and also to
17 reposition the Bank's role in the Caribbean development
18 process. So, hopefully, this informal chat that we will
19 have will situate the Bank in the past, the present, and
20 future going forward, and we look at the whole hundred
21 years.

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3. DISCUSSION

1 So, the format is one in which we will have a discussion
2 for a short period of time; and then, we would open the
3 floor to questions from various parties involved. So,
4 let's start with the reflection part of the exercise. And
5 I always start on a personal level. I was lured into
6 economics when I first went to university in mid-70s, by a
7 statement to the effect that the President of the CDB is an
8 economist. I had set out to do accounting and the head of
9 the department at the time said to me, "Well, you know,
10 don't go on to do accounting. The President of the CDB is
11 an economist, so, come and do economics." Well, at that
12 time, certainly, I knew about commercial banks. I knew the
13 central bank had not long been established. But the
14 development bank, I had no idea. All I knew was an
15 economist is in charge.

16 So, we'll start with our first question. **What**
17 **distinguishes the development bank from a central bank and**
18 **a commercial bank, and what is the role of a development**
19 **bank in the Caribbean, such as CDB?** Compton, having been
20 there, can you start?

21 **Prof. BOURNE:** Okay. Well, I would say, Andrew,
22 first of all, **a central bank** has two main functions. **One**

1 is to ensure the stability of the financial system. The
2 **second** main function is to help, along with other agencies
3 of government, in ensuring the stability of the economic
4 system. So, it's a fairly narrow mandate, but a mandate
5 with, of course, tremendous importance to the livelihoods
6 of people in the various countries of the Caribbean.

7 **A commercial bank** can be distinguished from the
8 central bank and development banks in terms of how it gets
9 its funds for lending. Basically, it gets deposits from
10 the public. It can also be distinguished by its lending
11 operations themselves, both in terms of focus and
12 clientele. Its focus is essentially short-term loans, to
13 businesses for production purposes, and to individuals and
14 households for consumption purposes. And I would include
15 in that purchase of housing, that is, mortgages.

16 The **development banks** are really of two kinds in
17 this Region: They are the ***national development banks***,
18 which most countries have. They get their funds from
19 government, and with some small funding from multilateral
20 aid agencies. Their lending is primarily to businesses and
21 farms in their own countries. And that lending tends to be
22 longer term.

1 Now, the **regional development bank**, the CDB, is
2 quite different in many ways. First of all, it has a long-
3 term focus; it is very much concerned with socioeconomic
4 objectives, that is, improving the livelihoods of people;
5 and it also has taken on some broader mandates in terms of
6 disaster relief and revitalization of economies in the
7 aftermath of disasters. The CDB gets its funding from
8 shareholder capital, and the shareholders are both
9 countries of the Region that are borrowers from the Bank,
10 as well as countries outside the Region that are classified
11 as non-borrowing countries. It also goes to the
12 international capital market to raise funds. And the third
13 source of funds will be funds provided by various bilateral
14 agencies in various countries.

15 The CDB's recipients of its resources are the
16 governments, mainly. It does have a small engagement with
17 the private sector, but the principal recipients of the
18 funds are governments for a variety of purposes, including
19 economic and social infrastructure. So, those are the
20 essential differences between the institutions.

21 **Prof. DOWNES:** Thank you, Compton. So,
22 certainly, the general public can't just walk off the

1 streets and come into the CDB and borrow money; I mean,
2 that's clear. So, we can see a clear distinction between
3 the various banking operations.

4 Gene, do you have anything to add to the
5 distinction?

6 **DR. LEON:** Yes, I guess one can add a little to
7 this, which is, whereas the commercial bank, in general,
8 lends for any and every purpose, I think we should
9 underline in a very significant way the point Compton made,
10 that the CDB, as a regional institution, in essence, is
11 tasked to lend essentially for development purposes,
12 whether it be projects or, for example, improvements in
13 technology that have a positive impact on the national
14 income of states.

15 And so, I want to add one element to this, that
16 again distinguishes the CDB, namely that it has an **advisory**
17 **role** to play, whether it be in terms of helping governments
18 to design or think through development policies that it can
19 help facilitate. Because that would be a difference, as it
20 were, from the commercial space, where that alignment of
21 development and alignment of needs doesn't necessarily fit
22 in that same mode. So, I would add this as an element of

1 the development bank, that sort of advisory policy role,
2 development focus, and leadership for governments that a
3 commercial bank typically would not play.

4 And equally, we can add also **the capacity**
5 **development** side. The CDB, in essence, provides technical
6 assistance, helps to develop capacity in various member
7 states, and that's not something that you would get from a
8 commercial bank. It's a sort of public good that the CDB
9 would provide. And so, I think that also gives one a means
10 of seeing a difference in functionality and even in
11 responsibility that would differentiate commercial banks
12 from development banks.

13 **Prof. DOWNES:** Thanks. I think that
14 clarification is important, because we need to understand
15 that an agency such as the Caribbean Development Bank is a
16 completely different type of animal to what a commercial
17 bank is---what most persons would be familiar with. And
18 the focus is clearly different.

19 Compton, to you: You were President of the Bank
20 during the time of what economists call the "**Great**
21 **Moderation**" and then the "**Great Recession**". And therefore,
22 clearly, there would have been some major challenges with

1 the ups and downs of the economic activity during the two
2 period.

3 Can you outline some of the challenges of running
4 the CDB, given the definition that you've just used? Give
5 us a sense of some of the challenges involved in running a
6 development bank in the Caribbean, especially during the
7 early 2000 period. And certainly, following up from that,
8 are those challenges persistent to this day or have they
9 changed completely?

10 **Prof. BOURNE:** Okay. On reflection, I would like
11 to define a few broad sets of challenges.

12 **First,** given the experience of slow and lagging
13 economic growth in the Region, and given the diminished
14 interest of the international development agencies and even
15 among countries in the Caribbean, one challenge was to
16 ensure that the CDB helped to define the Region's economic
17 policy space. By that, I mean that the CDB had to make
18 special effort to rearticulate--help redesign the economic
19 approach by regional governments.

20 A **second** challenge, especially since development
21 aid had begun to shift its orientation away from the
22 Caribbean to the lesser-developed countries of Africa and

1 Asia, a challenge was to strengthen the commitment of the
2 Bank's non-borrowing member countries to the CDB and
3 especially to its special development program--social
4 development fund (SDF).

5 A **third** challenge was complementary, and that is
6 the development and maintenance of a good working
7 relationship with multilateral finance institutions, such
8 as the IDB and European Investment Bank, a relationship
9 based on equality and complementarity.

10 The **fourth** challenge, as I saw it, was adjusting
11 the Bank's operations in light of the more frequent and
12 severe occurrences of natural hazards such as, of course,
13 the hurricanes which are predominant.

14 **Fifth**, the Bank had to make some progress in
15 expanding its membership. There were discussions in train
16 for the accession of Haiti as a borrowing member country,
17 but during the period one also had to think not only in
18 terms of borrowing member countries but in terms of non-
19 borrowing member countries, and a significant initiative in
20 this respect was the starting of negotiations with the
21 Brazilian Government, headed by President Lula.

22 And then **finally**, I would mention the ongoing

1 challenge of maintaining the Bank's credit rating, which is
2 critical to a success in mobilizing funds on the
3 international capital market.

4 In terms of those that still persist, I would say
5 defining the Region's economic policy space is one; another
6 is maintaining and strengthening the relationship with non-
7 borrowing member countries; and the third, I would
8 emphasize, would be maintaining the Bank's international
9 credit status. So, those are things that would have come
10 to my mind.

11 **Prof. DOWNES:** Thanks, Compton. Very
12 interesting, because certainly managing the development
13 process in the Region is not an easy task, and listening to
14 the Barbados Prime Minister yesterday in a presentation
15 with Professor Jeffrey Sachs, it was clear she has a big
16 task on her hands, especially when you now have a COVID
17 environment to deal with. I mean, those particular issues
18 you have raised plus having to deal with the COVID
19 pandemic.

20 So, I wonder why, Gene, you want to take on a
21 position like that. So, you are here, you just joined the
22 Bank, you had a look at it. Do you see any initial

1 challenges ahead of you in relation to the list that
2 Compton has provided?

3 **DR. LEON:** Yes, I would want to highlight two.

4 The **first**, I think, is the point that Compton
5 made about **the rating of the Bank**. He labeled it an
6 ongoing issue, and I sort of remember a point made by Sir
7 Arthur Lewis, the first President of the Bank that says,
8 "For CDB to be a bank, it has to have the means, the
9 ability to borrow, because you cannot lend if you cannot
10 borrow." And I think that sums up the issue very, very
11 well. If you cannot borrow because your balance sheet is
12 weak or because you don't have the confidence, the
13 credibility of others, how they see you, then your ability
14 to lend to help the borrowing member countries
15 automatically goes down. And that is separate from whether
16 we grow the capital base, whether we extend membership.
17 There will never be enough resources for the tremendous
18 needs that our countries require. So, **our ability to**
19 **borrow is significant**. And so, I think the point of the
20 ratings being important and remaining on our radar is
21 still, for me, one of the singular things we cannot afford
22 to relax on.

1 The **second** is equally something Compton raised
2 that I'm calling the "**vulnerability drag**". And if we look
3 at our mandate, the mandate talks about the harmonious
4 growth of the member countries. Now, **growth**, for me,
5 defines starting at one point and going to a point that is
6 higher, better than where you were. And the vulnerability
7 drag, in my mind is, every time we have a vulnerability
8 that is realized, whether it is a hurricane or impact of a
9 pandemic or the global financial crisis that you mentioned,
10 we have double duty to perform.

11 The first part is really the **recovery phase**, back
12 to where we were before that event occurred. And we should
13 not lose sight of that fact: **Getting back to where we were**
14 **is not growth; it is simply recovery**. So that our role has
15 to be to push us beyond where we were before to allow us to
16 genuinely say that we have had growth, the growth that we
17 are talking about. And I think that is maybe the most
18 pivotal point that I'm seized with. The magnitude of the
19 effort to take our economies from the hit when a
20 vulnerability is realized to talking about growth is three,
21 four, five times what it would be without the
22 vulnerability. And so, given that we are so seized with

1 the vulnerabilities we talk about, whether it is natural
2 disasters or simply shocks from the outside, the reality we
3 face is we are always losing two steps that we have to
4 recover from before we can make that one step that we can
5 talk about as growth.

6 And so, consequently, the measure of how well the
7 Bank is doing in meeting that mandate, I think, gets raised
8 two notches, because we cannot talk about growth as
9 recovery. It has to be beyond recovery. And hence, the
10 bar, the effort, the amount of resources, the pure tenacity
11 with which we are going to undertake policy, I think, has
12 to be three, four times more than it would otherwise. So,
13 I see those as significant challenges that at least the
14 Bank faces now and will continue to face, especially in a
15 post-COVID environment.

16 **Prof. DOWNES:** I particularly like--and I
17 emphasize that point that you made about recovery versus
18 real growth. I mean, I think that a non-economist would
19 think that is just moving from A to B, where B is higher
20 than A. But certainly, it is moving that process out
21 further, in economics jargon, moving that "productive
22 frontier" outward. That is basically what we want to do in

1 the region.

2 And I say so because, in recent times, you've
3 been hearing about the vulnerabilities that you talk about
4 and the shocks that have occurred in the Caribbean Region,
5 where the recovery periods have been lengthening. I mean,
6 in the early days, when you had a shock, it would have been
7 two, three years, but now it's moving to six and even ten
8 for economic recovery. And in relation to COVID, we're not
9 sure exactly when the economies are going to get back up.
10 So, clearly, your point about recovery versus real growth
11 is something that needs to be emphasized, not only by
12 economists, but also by politicians and also by the general
13 public to understand we're seeking to expand the range of
14 goods and services, not only in terms of quantity, but also
15 quality. There is a quality dimension to this that we want
16 to emphasize, and at the same time an expansion that
17 provide us with reductions in poverty, increases in
18 employment, and so on.

19 Because I remember a statement by Sir Arthur
20 Lewis who said you should measure development by the level
21 of quality employment that one achieves, which means the
22 individual is able to improve his or her quality of living

1 by the process.

2 So, having said that, having looked at the
3 challenges that the Bank has experienced and probably will
4 continue to experience, the issue, therefore, is if you had
5 to identify some of the main achievements of the Bank over
6 the years, the question, what would those particular
7 achievements be in terms of enhancing the socioeconomic
8 development to the Region.

9 Compton, you are first. You have been there. If
10 you had to identify a number of major achievements that you
11 want to tell the public about, what would you say there?

12 **Prof. BOURNE:** My list--I guess because I have
13 always been concerned and motivated by the situation of
14 poor people in the Region, on my list is ***the expansion of***
15 ***basic services to poorer communities across the Region***, and
16 I would include Haiti in this, because we took special
17 initiatives in relation to Haiti after its membership, to
18 address problems of education at primary and secondary
19 levels.

20 The Bank was able to make great progress in this
21 area because both Caribbean governments and the governments
22 of the non-borrowing countries made major financial

1 commitments to the special development fund, which is the
2 vehicle for financing all those things.

3 The second achievement I note is the Bank's major
4 contribution to **building and strengthening the economic and**
5 **social infrastructure of the Caribbean.** You know, it made
6 a tremendous contribution to expansion of education
7 facilities, health facilities, transportation, water
8 supply, right across the range of economic and social
9 infrastructure facilities, which are critical to future
10 economic growth and development.

11 Thirdly, I think it engaged successfully in
12 **stabilization of Caribbean economies in times of crisis.**
13 And I think of several of these. You know, and it did so,
14 again, by pioneering some new instruments like the policy-
15 based lending or policy-based loans, which allowed it to
16 give budgetary support to governments at critical times.

17 I would also say an achievement was **inducing**
18 **development partners like the Inter-American Development**
19 **Bank and the European Investment Bank to expand their own**
20 **operations in the Caribbean.**

21 Fourth was the Bank's successes in **providing**
22 **relief and recovery finance in the aftermath of natural**

1 **disasters.** And I take fully Gene Leon's point that one
2 always has to go beyond recovery. One has to ensure
3 incremental growth.

4 So, those are the kinds of, you know--the things
5 I would say were achieved in the period, and many other
6 things, but I think those were the highlights.

7 **Prof. DOWNES:** Okay, thanks. I'm glad you have
8 mentioned those achievements, because certainly the
9 Caribbean Region has done well. And I keep saying this,
10 and I usually start off my discussions and papers by saying
11 that, from international perspective, the Caribbean Region
12 has very high profile on the economic and social front,
13 compared to other Regions, both in terms of the Human
14 Development Index, the Global Competitiveness Index, and so
15 on.

16 So, certainly, there have been a number of
17 agencies and institutions which have helped us to move from
18 what we would have seen, let's say, in the 1960s to where
19 we are now in 2020s. So, clearly, one can say that the
20 Bank has done a lot, particularly from the point of view,
21 as you said, of financing and also providing policy advice
22 and direction that is needed for going forward.

1 So, Gene, you would have applied to come to be
2 President, and you would have said, "Well, I want to go
3 further than that." Having looked at the Bank itself, do
4 you see any other achievements that you would want to
5 highlight beyond what Compton would have mentioned?

6 **DR. LEON:** I think Compton's summary--as he
7 called them, highlights--whether it's on the basic needs
8 trust fund, and the response to crises, clearly stand out.
9 But I think two areas that we should not lose sight of that
10 are incorporated there is ***the Bank has been adaptable***. I
11 think that's a point we should not lose sight of.
12 Adaptable in the sense that it has transformed, it has
13 recognized the need of the countries, and conducted its
14 entire policy focus to help the development of the Region
15 over time. So, I think that we should not downplay that
16 because we could easily well have had an institution that
17 was very rigid, that did not see the need to be responsive,
18 and we would not have been saying, I think, those very
19 points that Compton raised.

20 The second, I think, is--it falls within, in a
21 sense, adaptability, as well--is the Bank's seizing
22 especially in the second half of the period we are talking

1 about--***the Bank's seizing of the opportunity to grow***
2 ***partnerships***, whether it is with the IDB, with the EIB, or
3 with the UK in terms of the infrastructure fund as a means
4 of supplementing its reach, its resources, mobilizing that
5 to be able to help the Region more. There are areas I
6 think, clearly, we can do a lot more in, and areas I think
7 we would like to continue to focus on, but they should
8 stand out as achievements, that the Bank at least saw the
9 need, the rationale for doing this, pushing it, and being
10 successful at it. And I think if we can see that
11 opportunity of expanding our resource base through
12 strategic partnerships of all forms, then I think the Bank
13 will be even more successful in its adaptiveness with
14 regard to meeting the changing needs of the borrowing
15 member countries.

16 **Prof. DOWNES:** Right, thanks. I'm glad that
17 you've put it that way, because certainly--and I will come
18 to adaptability in a moment-- when we reflect upon the Bank
19 you can clearly see it's had its challenges, but certainly
20 it has been able to adapt to those and modify its workings
21 to those challenges over time and has been a major
22 achievement, certainly, for the Region.

1 In fact, one can argue that, in addition to other
2 regional institutions, one of which I was associated with
3 and so was Compton, there have been highlights of regional
4 integration and strong institutions that we've had, the
5 UWI, CDB, and others. So, that reflection gives us a
6 chance, an opportunity, even in the context of
7 adaptability, to look at the Region and also the world
8 which is facing new challenges. We have the COVID
9 pandemic, and everything that's associated with COVID,
10 taking place now. We have the issue of climate change. We
11 have, you know, major challenges.

12 And the question therefore arises, what are the
13 new challenges that you see that would force the CDB to
14 reimagine itself? That is, when in the 1970s, it was
15 conceptualized, there was a sort of thought process
16 involved, an imagination, that is, a view as to where the
17 Bank should go in terms of the issues at that time. You've
18 seen where it has made particular headway and achievements
19 in relation to poverty reduction, enhancing the social and
20 economic infrastructure of the Region, dealing with
21 governments in their economic and macroeconomic management
22 programs and so on. But now, we have a new set of issues,

1 development issues, confronting us.

2 And the question arises, out of the whole
3 mountain of development issues that we are currently
4 confronting, what do you see as the main ones that would
5 force the Bank to rethink or reimagine its view of things
6 and its operation, as part of that adaptability process?

7 Gene, you are in the hot seat, now.

8 **DR. LEON:** I think, Andrew, we can start from the
9 position that the Bank was set up to facilitate the
10 harmonious growth of the borrowing member countries. And
11 so, a natural starting point is to say, how much have those
12 countries grown. And I think despite the previous
13 question, where we see the Bank has had successes, I think
14 it would not be lost on anyone that we, as a Region, have
15 not grown as much as we ought to have grown. Part of this,
16 I understand, we can all say is this "**vulnerability drag**"
17 that we spoke of. Part of it is we have structural
18 deficiencies that we have not been able to overcome. Part
19 of it is we are not necessarily as productive as maybe
20 competitors out there are.

21 And so, I think, looking forward to me is, can we
22 sit back and say the growth that we have experienced is

1 sufficient, is adequate, is what we would want the legacy
2 for our grandchildren to have and own, and I think the
3 answer is, for me, at least, clearly no. And if that
4 answer is no, then the question really is, where would we
5 like to see us ending? And hence, while I think the idea
6 of the first--you talked of we are not yet a hundred years--
7 - but the first one hundred years, if we were to look back,
8 having been one hundred years, what would we think could be
9 the pivot, the anchor that we would like our countries to
10 be?

11 And I think a few things probably stand out to
12 me. One is we clearly would want to be **resilient**, that is,
13 resilient economies, and I'd like to come back to that.
14 The second is I think we want to have some sense of
15 **sustainable livelihoods**, where our people are not
16 struggling in excess poverty. I mean, that would have to
17 be a marker of success. I think we would equally want to
18 be at a point where we can strive as an external force.
19 And there, I think we can be **innovators** so that we can even
20 aspire to be exporters of capital, not the traditional
21 importers of capital.

22 The fourth, I think, I would want at the end of

1 the time is, could we really say we have bridged the
2 digital divide and talk about a **region of connectivity**.
3 Now, if we can think of those as markers where we could
4 say, if were in 2070, 100 years from inception of the Bank,
5 would those be things that we could have achieved? Then, I
6 think, if we can agree on that, then we have every reason
7 to start pivoting from where we are today to say what do we
8 need to do to get that vision going forward?

9 So, I think that would be my kind of opening
10 line, here. There is ample, ample room to say we need to
11 pivot, and what may be some of the desirable things we need
12 to pivot to? And then, there would be the bigger question
13 of how we actually get there.

14 **Prof. DOWNES:** Compton, any additions to that
15 view?

16 **Prof. BOURNE:** Yes. In fact, you know, they say
17 economists don't think alike, but I think in this case
18 there is close identity in thoughts.

19 Because top of my list in reimagining the future
20 is, in fact, **the economic growth issue**. You see, I think
21 that one will hope that the Caribbean, when we look at it,
22 you know, 20-30 years now, would be a Region in which the

1 growth -- the long run economic growth -- trajectories of
2 the countries are much higher, shifted higher. Because we
3 know that, for the last 30 years, we have had slow growth,
4 unsteady growth, and sometimes prolonged economic decline.
5 So, one at least would hope that when we look back 30 years
6 from now, that will not be the scenario.

7 And I also agree on the question of **resilience**.
8 I think there are two important dimensions to this, in
9 terms of the shocks that we experience. The Region's
10 economies experience external economic shocks and they
11 experience shocks coming from the natural hazards. In a
12 way, we cannot do much about the external economic shocks
13 in terms of preventing them, but we can build our economic
14 structures in such a way that we can moderate the impact of
15 those shocks.

16 For instance, ensuring that budgetary resources
17 contain provisions for ameliorating the harmful effects on,
18 let us say, the less-advantaged members of our societies.
19 With respect to the natural hazard shocks, I don't think
20 the Region has done a very good job. We are still too
21 heavily focused on relief and recovery, and not
22 sufficiently focused on building structures which minimize

1 our vulnerability to the shocks. One has to think in terms
2 of sea level rise or building codes or land settlement
3 patterns, and things like that. We have really not
4 significantly addressed those things. And I hope that, 30
5 years from now, one would not be making the same kind of
6 statement, and going around the world seeking funds for
7 disaster relief and recovery.

8 I also think that we need to ensure that 30 years
9 or even 20 years from now, we have **a more robust private**
10 **sector**, and a private sector that is more diverse in terms
11 of its composition. Instead of having just a few large
12 conglomerates within countries and across the Region, we
13 have a middle sector that is vibrant, and a small business
14 sector that is also vibrant. And I think that this is
15 something that the CDB can help to bring about.

16 The last point I would mention is that we need
17 our agencies, like CDB and the CARICOM Secretariat, for
18 instance, to do a continuous job in **brokering and**
19 **international intermediation** on behalf of the CARICOM
20 countries. Sometimes, institutions like the CDB, because
21 it stands a little apart from the policymaking arms of
22 governments, is well-situated to interpret the intentions

1 and constraints to international agencies and development
2 partners, and, of course, to do the same thing in the
3 opposite direction, and hopefully bring about a greater
4 concordance of views and action.

5 **Prof. DOWNES:** Okay, thanks, Compton. So, we
6 seem to be converging towards a set of measures that
7 certainly the Region would have to follow and seek to
8 achieve.

9 This raises the question, therefore, we've heard
10 of the Washington Consensus and the whole question of a set
11 of economic policy measures that countries should follow.
12 I don't want us to reinvent the Washington Consensus, but
13 certainly we want to get a sense from you, as Presidents
14 both past and current, what sort of key elements, key
15 advice you want to provide to the governments of the Region
16 to achieve those goals we just outlined of enhanced growth,
17 resilient economies, and so forth?

18 And I say so because writings by, say, Terrence
19 Farrell and DeLisle Worrell point to the same issues that
20 we've identified. The whole question at issue is the
21 Region has been underachieving or underperforming. I mean,
22 Terrence has written a book on that issue, on the under-

1 achievement of Trinidad and Tobago, and DeLisle has written
2 on the issue of Barbados' case of underperforming. So, we
3 seem to be well within the production possibility frontier
4 of development. So, the question arises, what sort of
5 policy measures would you identify--two or three key
6 things-- you would want the governments to follow as
7 development advice? What would you suggest?

8 Compton, do you want to start first?

9 **Prof. BOURNE:** Well, I was going to allow the man
10 in the hot seat to go first.

11 **DR. LEON:** I can go; it's okay.

12 **Prof. DOWNES:** No problem. I want to shelter him
13 from the wrath of the ministers.

14 **DR. LEON:** Let me probably just go back a little,
15 I think, to two points we have raised.

16 If we have to achieve **sustainable and inclusive**
17 **growth**, the metaphor that comes to mind is we need to be
18 able to continue to remain at a constant level as if we are
19 flying. We aren't going to fall; we need to remain flying.
20 Now, if we are to remain flying, it means we cannot afford
21 to drop--cannot afford to drop says we need to be
22 resilient. Because the moment we start to drop, we are

1 losing pressure, we need to be able to bounce back. So,
2 **resilience** is a key element that I think has to underlie
3 everything we do going forward.

4 The second is, if we are again sticking to that
5 same analogy we are looking at, a part of a plane cannot
6 fall. The whole plane falls. And so, we need to see this
7 as **a holistic concept**. You cannot slice it and say, I'm
8 only going to keep part of the plane flying. The whole
9 plane flies, or not! And so, what is coming out of this
10 for me, in terms of messaging, is we have to see that
11 **development focus as an integrated, holistic concept**. In
12 some cases, we have had the slogan "don't leave any child
13 behind", so we need "don't leave any country behind". But
14 thinking about it holistically, we also need "don't leave
15 any development focus behind".

16 And so, resilience for me is a bigger term.
17 Resilience in the social space, whether it's in health and
18 education; resilience in institutional building,
19 strengthening, for example, not just the way the private
20 sector operates but how the public sector operates;
21 strengthening our ability to withstand vulnerabilities,
22 whether it be on the building of reserves or mitigation or

1 prevention elements, if it is possible to be able to do
2 that; and equally, resilience in the overall economic
3 space, which is a policy issue that I think governments
4 have to be able to embrace.

5 But beyond all of that, maybe two words come to
6 mind. One is, I think, **collaboration**. We have to embrace
7 **the "Share to Grow" mentality**. That growth mindset that
8 says, we cannot continue to behave as little atoms. We
9 have to see the integration of the Region as a key element
10 of us going forward. And the corollary of that
11 collaboration is **integration** itself as a means to an end--
12 not an end, a means to an end has to be embraced, I think,
13 by all of our governments. I think it is only in that way
14 we can really talk about the sharing-to-grow, see the
15 benefits of the different synergies that can exist, how we
16 can learn and grow together as a means of advancing this
17 broad resilience that we are talking about and the
18 innovation that should go with it to allow us to actually
19 grow.

20 So, I would say those three words: **resilience,**
21 **collaboration, and integration**. I think to me are
22 three messages I would think, if we are to say how do we go

1 forward, these would have to be words that would resonate,
2 to me, with the entire political and broad societal mix.
3 Yes.

4 **Prof. DOWNES:** Thanks very much.

5 Compton, do you want to add any points to that?

6 **Prof. BOURNE:** Yes. I'm glad Gene brought up the
7 integration issue, because it's one of the things I'd
8 forgotten to mention as something the Bank had been very
9 much involved in.

10 And I think that it is important to **revitalize**
11 **regional integration**, and I think pointing to it or viewing
12 it as a means to an end is probably the best way to do
13 that, instead of positing it as a goal that has value in
14 its own right.

15 I have a couple of mundane--broadly mundane--
16 things, or maybe one is not so mundane.

17 I think that it is important that we talk about
18 collaboration across the Region. I would also speak about
19 the importance within countries of **building consensus on**
20 **major development policy strategies**. There will always be
21 differences on the specific means adopted in pursuit of
22 strategies, but I think if we could achieve a consensus on

1 the major policy strategies, I think we will be laying a
2 better foundation for the future. So, one of the things I
3 would suggest, then, to governments is that some more
4 attention be paid to this particular issue.

5 I think also a **better balance has to be achieved**
6 **between expenditures by governments on consumption type of**
7 **things and public investment.** One of the unfortunate
8 things throughout the Region is especially when there is an
9 economic shock, the adjustment takes the form of largely
10 reducing public investment, which had previously been
11 afforded a high importance, so that growth suffers, the
12 capacity to grow suffers, as a consequence in that
13 adjustment to the external economic shock. We have to
14 achieve a better balance between preserving the consumption
15 side of the elements of the budget and not sacrificing the
16 investment elements in the budget.

17 And I think also there has to be **a continuous**
18 **effort to achieve efficiency in public expenditures.** For
19 instance, we should not relent in seeking to achieve
20 greater efficiencies in delivery of social programs. One
21 accepts the goal of addressing the social issues, the
22 disadvantages of marginalized groups, but we can do so in a

1 much more efficient manner than we have tended to do. And
2 I think this requires careful and sustained attention.

3 So, those are the other micro-type things, if you
4 like, that I think of in addition to what Gene has said.

5 **Prof. DOWNES:** Beautiful, very good. I just want
6 to focus quickly on the whole question of **the repositioning**
7 **of the Bank.**

8 The question to you, Gene, is, given what you
9 have heard so far in terms of Compton's views and so on,
10 can you give us a synopsis of how would you want to
11 reposition the Bank to achieve and to do the things that
12 we've been hearing so far?

13 **DR. LEON:** I'd say two points, which we've made,
14 but maybe it's worthwhile repeating.

15 We do not have **a sufficiently vibrant private**
16 **sector** that's driving the Region, yet. And so, I think
17 that will be one repositioning, pivoting point that I think
18 the Bank should look at, and look at closely. How do we
19 facilitate that? How do we--it's not just a matter of
20 financing, but how do we encourage whether it's through
21 policy advice or through being an innovation, almost
22 incubator-type, function? How can we help governments

1 shape the environment within which that private sector can
2 function and function better? And that, I think, is a big
3 chunk of that repositioning.

4 And it is important because it is not so much
5 about government directing; neither, it is so much about
6 the private sector going into it alone. But the point that
7 Compton ended with, which is building that consensus across
8 society, beyond the political, including the private sector
9 and general public, is where we would like to be. And then
10 the public sector and private sector identifying jointly
11 specific initiatives, with that particular goal, such that
12 they can both do what they are supposed to do, and do it
13 with a common purpose in mind. Identifying and working
14 toward that common purpose, working on their own as
15 independent units, is what I think will facilitate and give
16 us a means to pivot toward that private sector development.
17 So, that's sort of one big chunk.

18 The second big area of pivot, I think, relates to
19 the whole **vulnerability/resilience** aspect. I think our
20 focus should be squarely on being literally a catalyst, a
21 facilitator of that repositioning towards resilience, and
22 resilience with a view to shifting the mindset away from

1 reactive firefighting to more structured planning,
2 structured mitigation efforts, as a means of not trying to
3 anticipate, we will never be able to do that; but
4 positioning us in a way that would minimize, reduce the
5 impact of the various vulnerabilities that have stymied our
6 ability to grow beyond this recovery that we are saying
7 we're stuck in.

8 And so, I think those two, for me, would be key
9 areas that I would like the Bank to see as repositioning,
10 pivoting toward, that we could focus on. Of course, the
11 details will flow from that, but if we could see those as
12 two key areas going forward, that, for me, would clearly
13 define a large segment of how we reposition ourselves going
14 forward.

15 **Prof. DOWNES:** Thank you very much, Gene.

16 We have some questions from the viewing audience,
17 and we'll take these in a moment, but I just wanted to
18 follow-up on an issue that was raised by both of you, and
19 this is a question of regional cooperation, the involvement
20 of regional partners, such as the University of West
21 Indies, CARICOM Secretariat, OECS, and so on.

22 How do you see these other regional institutions

1 working with the private sector and other development
2 partners in the Region, as part of CDB's repositioning
3 process?

4 **DR. LEON:** Sure. I think this is super, super
5 important, because it brings out the idea of **the Region as**
6 **an ecosystem;** first, in national space, but also in a
7 regional space. And it is that interaction of the
8 ecosystem which underpins my view of collaboration and
9 integration as means of getting us somewhere.

10 And in a sense, the collaboration that is
11 embedded in that statement touches on the point you made.
12 We have to forge a forum, not a talk shop, but a more
13 action-oriented group that will include CARICOM because of
14 the trade dimension; CDB, because of the focus on
15 development policy and on lending on key infrastructure-
16 type areas; it has to include the OECS Commission because
17 of now the broader political mandate for economic
18 cooperation among the small OECS region; we must have the
19 UWI as the educational element that will bridge the
20 skillsets required for the private sector to be able to
21 operate in the future; and we have to bring in the central
22 banks of the Region now as financiers, and custodians of

1 payment systems of the Region, that now can facilitate not
2 only the government side, but equally, the broader
3 arrangements that hold in keeping our economies ticking.

4 So, I think we have to include those institutions
5 at the minimum and we cannot forget the private sector. We
6 need to find a way of bringing in representatives of the
7 private sector into that mix, but a grouping of that nature
8 that can, in principle, begin to influence because of size
9 and mass, how the broader public, including the political
10 directorate, sees and acts on development going forward so
11 that it is not just CDB, not just CARICOM, maybe not just
12 the UWI, but all combined. I think we can benefit from
13 that strength of mass as a means of saying there is thought
14 leadership; there is advice; there is influence that can,
15 in principle, help drive the agenda going forward. So,
16 that I see as a key element that we would need to engineer,
17 put together, and start that process of moving the Region
18 into the next 50 years.

19 **Prof. DOWNES:** I'm glad you mentioned that,
20 because there are three questions that have come in which
21 all point to that sort of approach.

22 I will give you all three as they've come.

1 The first one is, we talk about mindset, and I
2 think that has to be first in the mind. I mean, those who
3 have done behavioral economics will tell you, well,
4 psychology of persons is critical. So, the first question
5 is, "**How do we change the mindset of our policymakers**
6 **towards economic integration?**" So, you can think about how
7 we change the mindset of policymakers.

8 Secondly, "**How do we integrate our efforts to**
9 **ensure economic growth?**" And I think we've tackled
10 elements of that, but you may want to re-emphasize that
11 particular point.

12 And the third related question is, "**In the**
13 **context of the need for deepening the integration of the**
14 **Region, Arthur Lewis was a proponent of the development**
15 **role of the Bank to treat with the failure of federalism.**
16 **What could be the current role of the Bank in this**
17 **process?**"

18 I think you've touched on elements of these
19 questions, but I think the central point here is, what role
20 can the CDB play in the economic integration process from
21 the point of view of changing mindsets, getting the growth
22 process going--not only the recovery process, getting more

1 people employed, and so on. And also, to help strengthen
2 the integration process, the collaborative process, the
3 partnerships that we've been talking about. Any response?

4 **Prof. BOURNE:** Let me begin with the CDB in
5 relation to integration process, because you know, Gene
6 will be thinking how to shape that role in the future, but
7 I can speak to how the Bank has tried to operate in the
8 past.

9 One of the ways which Lewis and others have
10 identified, and was particularly prominent during the time
11 of William Demas, was some preferential attention to the
12 so-called "lesser-developed" countries of the Caribbean,
13 basically OECS countries. And that was reflected in the
14 balance of the loan portfolio and several other things the
15 Bank did. So, it was trying to, if you like, equalize the
16 economic situation of countries in the Region. And the
17 larger countries, the so-called "more-developed" countries
18 were fully involved with that approach.

19 Another element was the Bank's participation in
20 the deliberative forums of CARICOM, producing reports and
21 memoranda for advice on major issues, like, for instance,
22 on the regional development fund, which has finally been

1 created; producing reports on stabilization, a
2 stabilization fund, in the times of acute economic crisis,
3 participating in the deliberations and preparing reports on
4 how best one might finance the CARICOM Secretariat itself.
5 You know, we did a report on the automaticity of financing
6 in CARICOM, and of course, the Bank's major involvement in
7 mobilizing funds for the Caribbean Court of Justice where,
8 in fact, the Bank took the lead in making sure that there
9 was a funding arrangement that was feasible and could be
10 operationalized.

11 So, there are a number of direct ways of
12 involvement in the past. And I would imagine that, in the
13 future, the Bank would continue to be an important part of
14 those deliberative forums, providing the benefit of its
15 specialized knowledge of both the wider international
16 environment in the economic and financial field, as well as
17 its regional--wide appreciation of the economic situations
18 of individual countries.

19 Now, on the mindset issue and whether this is an
20 explanation of slow progress on Caribbean integration. I
21 don't know. Partly because, obviously, governments respond
22 to present economic and political issues at the domestic

1 level, and this creates difficulties in operationalizing
2 things that they have agreed to in the past. Very often,
3 there is no less agreement on the principle of various
4 policies and actions to bring about closer economic
5 integration of the Caribbean. Very often, the difficulty
6 is getting a consensus with those at home and having the
7 bureaucratic capacity to put them into effect.

8 I mean, if one thinks of, for instance, the issue
9 of the movement of people and the question of university
10 graduates as being given preferential rights of entry.
11 This has encountered many, many obstacles in different
12 countries depending on bureaucratic capabilities. So,
13 that's a difficult question and as we know, it takes time
14 to massage our political differences and political
15 interests and considerations into common purpose across
16 countries.

17 I leave the economic growth issue to Gene.

18 **Prof. DOWNES:** Well, I've given Gene enough time
19 to think through the issues because he would be in the hot
20 seat going forward. How do we deal with these issues--the
21 challenging one, I think, is the mindset, because we've
22 heard in the Region, when it comes to economic integration,

1 the whole question is how do we overcome our Achilles heel,
2 the **implementation deficit**. We agree to the things and
3 then, somehow, years later on, they don't happen. So, how
4 can you deal with this particular problem as CDB President?

5 **DR. LEON:** I think the first part of doing this
6 is getting the mindset right. And the mindset, for me, is
7 one of acceptance. I don't know if we have accepted where
8 we should be. And when I say "accepted," I don't know if
9 we own that acceptance, so much so I would argue one of the
10 first points I think I would like the Region to embrace is
11 that **CDB is our bank, our institution**, not just an
12 institution that you have capital in; but an institution
13 that you believe is yours, there to assist, there to help
14 you, there to promote where you are going forward. And I
15 think if we don't start there, then you don't have the
16 basic trust; you don't have the confidence to implement the
17 bold leadership that is expected and required to move the
18 needle; and you don't have the confidence to say now is the
19 time. What we end up doing is we punt, we delay, we are
20 not sure, because we don't have that first **acceptance of**
21 **ownership**. So, I think that's the first hurdle.

22 How we do that, I think, in large part is going

1 to be a function of a **very strong communications program**, a
2 communications strategy that goes beyond just speaking to
3 the policymakers. It goes to the heart of communicating
4 with the wider Region, at all levels: the private sector,
5 the policy directorate, the civil society, the person who
6 just has a passing, fleeting interest on anything
7 Caribbean, anything regional, that they can begin to
8 identify, "I am Barbadian; I am St. Lucian; I am Guyanese;
9 but first and foremost, I am a regional person." We speak-
10 - the vernacular is still "I'm going foreign" if I'm going
11 from Trinidad to Grenada. Why should it be foreign? It's
12 not really going overseas in the same sense of going
13 foreign. This is the Region. We don't have that sense.

14 And if I can sort of look back, and Compton will
15 correct me, Andrew, if I'm wrong, the sense of pride that
16 we had at the time, let's say, pre-Federation; or the sense
17 of pride even on the cricket team; the sense of pride of
18 UWI and the time when UWI didn't have the three, four
19 separate campuses, in terms of definition. That was an
20 opportunity that bonded, that created this regional sense
21 that I don't think obtains today --at least not on the same
22 level of intensity that we had then.

1 And so that, for me, is the first starting point.
2 Because if we are there, we can begin to see how we forge a
3 political and private people consensus on the need for this
4 integration, on the need for an identity of the Region.
5 And that has to be our first starting point.

6 Now, if we start there and we make progress
7 there, then the economic setting falls into place, because
8 we can now make the link that this sustainable, inclusive
9 growth that we are looking at as our endpoint is going to
10 rely on resilience. And resilience can only come about if
11 we can innovate--if we can innovate. So, **innovation**
12 **becomes the driver in all dimensions of resilience** as a
13 means of taking us forward. And the moment you start
14 thinking innovation, you realize it is a process of
15 knowledge that is going to be reinterpreted and from which
16 strategies of change and improvement flow. And that
17 process of innovation is quite clear will be ten times
18 better if we can share, ten times better if we can harness
19 synergies, ten times better if we can get scale
20 efficiencies from a regional rather than an individual
21 perspective, and ten times better if we go it at the same
22 time. The power of unity, the power of togetherness, is

1 what will actually help us make that bridge of saying we
2 are moving from where we are to a stronger economic space
3 that we talked about as the end goal.

4 And so, I see the things as linked, but that
5 mindset has to be first. And if we get the mindset right,
6 then I think the rest can actually follow.

7 **Prof. DOWNES:** I think that is critical, I mean,
8 both in terms of communication and language, you know, what
9 it is--we're having a lot of submissions from the chat
10 coming into us. I'm not sure we can cover all of them.
11 But let me go back to some of the original ones.

12 Given the situation in most of the countries
13 today, technology, climate change, international trade,
14 ***should the Bank not take on the role of a mounting a***
15 ***Marshall Plan for the Region?*** That's one.

16 The second one, the distinction between
17 recovery and growth phases is an important one. Any
18 comments on what this implies for the segmentation of
19 funding to support these different phases--that is, support
20 recovery versus growth.

21 And there is one other I want to add to that
22 list. To achieve the critical consensus of which the

1 President speaks it is also critical that the regional
2 private sector be engaged in a structured manner. I think
3 that, as far as I'm aware, that is now in place within the
4 CARICOM setting. There is now a regional association to
5 deal with private sector. I think that's something that
6 was there before and seems to be coming back now.

7 So, those are the three issues: One, in relation
8 to the Marshall Plan; two, in relation to the segmentation
9 of funding, recovery versus growth; and thirdly, the one
10 common element which these have--engaging the private
11 sector.

12 **DR. LEON:** I think the Marshall Plan idea concept
13 is linked to a consensus vision of tomorrow. If we're
14 going to agree on a consensus vision, then you in a sense
15 have to know where your Marshall Plan ought to be
16 targeting. What are the anchors? What are the goalposts
17 that you are looking for? So, almost automatically, the
18 answer to that is maybe yes. We do need a good, strong,
19 clearly articulated consensus vision of where we want to go
20 as a people, as a Region. So, if you can call that a
21 Marshall Plan, I think the answer to that is categorically
22 yes.

1 But the second issue about segmentation of
2 financing, while it is useful--and I'm using that phrase
3 "useful"--to separate the reimagining component, which is
4 where we say we would like to be, from the literally
5 rebalancing element, the beginnings of recovery, and the
6 repositioning to the end goal of where that Marshall Plan
7 ought to end, we cannot separate them. They are not little
8 buckets that you do and, after you achieve one, you get to
9 the other. And the reason why you cannot separate them is,
10 whatever you do, for example, now, rescue mode on the
11 COVID-19, will have an impact on the recovery, and it will
12 equally have an impact on the repositioning post-recovery.
13 So, you have to keep in mind all three buckets as being
14 simultaneous, even if your focus is on one or the other.

15 So, you're always looking to adjust your
16 financing, adjust your priorities, adjust your focus, but
17 they have to be integrated always in the sense that they
18 flow one into the other, so that you end up with where you
19 would like to be, that anchor of the Marshall vision that
20 you're talking about, whatever the endpoint that you are
21 interested in.

22 **Prof. DOWNES:** Compton, any quick comments which

1 you want to make on that?

2 **Prof. BOURNE:** Well, just to say that I agree
3 fully with what Gene has said in his articulation of **the**
4 **integration of the relief, recovery, and growth elements.**

5 On the private sector, I do agree with the person
6 who raised the question, that the private sector engagement
7 in the Caribbean forums need to be a lot more structured
8 than it has been so far. Like you, I have seen the reports
9 coming out of recent meetings about engaging them. I would
10 hope that it turns out to be a lot more meaningful than
11 previous attempts at doing so. You see, I think many of
12 our countries still do not see the private sector as a
13 critical partner in the formulation of economic policies
14 and strategies.

15 And one clear example of this is when some
16 countries, plan international trade missions or actually go
17 on missions--it is not very usual for the private sector to
18 be invited to be part of those missions. And we need to
19 engage the private sector, make them formal members of the
20 various committees in the Region that we identify as
21 important for economic and social development.

22 **Prof. DOWNES:** Thanks, Compton. I think that

1 brings us to the end of the session, and there are still
2 one or two questions that have come in.

3 We can answer one in particular, this digital
4 question--**how can the CDB help with the regional financial,**
5 **and economic stability using new, innovative instruments**
6 **that act as shock absorbers?** And related, **what about**
7 **cryptocurrency?** Many banks are allowing these
8 transactions. Will it be the norm? Will we see many other
9 countries are embracing it?

10 So, these two questions relate to innovative
11 financial instruments and the whole issue of digital and
12 cryptocurrency. Any quick comments on these?

13 **DR. LEON:** I think the issue is more **innovation**
14 **of financing,** as opposed to innovation of financing
15 instruments.

16 And the reason why I say this is financing is, as
17 it were, a flow concept, but you inherit a stock, and you
18 develop and accumulate a stock from that flow. And
19 normally, when we talk of financing instruments and
20 innovation in those--and I think the question posed, the
21 question of buffers or, if you want, instruments that can
22 take care of certain, let's say, shocks, that can only at

1 best handle the shock change in stock component. But what
2 even if you did that, and you had an instrument that
3 eliminated, for example, the debt issue that you have now.
4 Does that solve your financing problem? It does not. It
5 gives you relief. It changes your numbers space. But it
6 still does not address the flow of financing.

7 And so, when I say innovation in financing, as
8 opposed to innovation in financing instruments, what I
9 think we need to be thinking of generally is innovation
10 across the space of how do I mobilize finance. How do I
11 manage the particular space I am in, for example if it is
12 one of high debt? How do I manage my reaction to or how I
13 manage shocks, disasters, relief, postponement, deferments
14 of payments? And how do I get access now to new financing
15 to meet all of the development needs that we are talking
16 about?

17 And if you focus on one slice, which is just that
18 relief component, absolutely, whatever we can come up with
19 is good. We should not--let's not -- diminish that, it's
20 good, but we cannot lose sight that we have a big problem
21 that you need to address under the banner of innovation in
22 financing.

1 **Prof. DOWNES:** Okay, thanks. I think that the
2 Bank will certainly be engaged in some degree of *innovative*
3 *financing*.

4 **DR. LEON:** Yes, absolutely. Absolutely.

5 **Prof. DOWNES:** Amanda, over to you.

6

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4. CLOSING REMARKS

9 **MS. FOSTER:** Well, that brings us to an end to
10 today's event, but definitely not an end to the discourse
11 on the engagement, and the questions have been really
12 heartening. So, thank you so much to everyone who watched
13 today, for your questions, for your engagement. We could
14 have gone on longer but, unfortunately, we have to come to
15 a close.

16 This has been a very enlightening and thought-
17 provoking discussion. Thank you so much to president, Dr.
18 Leon; to past president, Professor Bourne; and of course to
19 our moderator, Professor Downes.

20 We look forward to hosting other such fora in the
21 future and, in the meantime, you can join us on Thursday,
22 June 24th, for the second seminar of our Annual Meeting,

1 which will be entitled, "Climate Action in a Post-COVID-19
2 Environment," and we look forward to hosting you, then.

3 Have a good day.

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