



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

**TEMPORARY ALTERNATE GOVERNOR FOR ITALY
MR SIMONE ALBERTO PLATANIA**

Honorable Chairman and members of the Board of Governors,
Acting President of the Caribbean Development Bank,
Distinguished Guests,
Ladies and Gentlemen,

On behalf of CDB's non-regional members, I wish to thank Canada and the City of Ottawa for its hospitality and the excellent facilities provided in this iconic Hotel.

The year ahead will be an important one for the CDB, as we develop a new institutional strategy and negotiate the Special Development Fund (SDF) replenishment.

These deliberations take place in a context of broader discussions within the international community to reform and strengthen multilateral development banks, to better address development and global challenges. MDBs have been called upon to work better as a system, to leverage their respective comparative advantages and to coordinate better to maximize impact. The CDB is an essential component of this system, and a partner of choice in the Caribbean region for other MDBs and International Development Partners.

The multilateral development banks reform processes have highlighted the need to address global challenges, including climate and biodiversity, fragility, and pandemics. The new institutional strategy of the CDB should aim to integrate this approach more deeply into operations

in the field. In this regard, we urge management to explore ways to incentivize and leverage investments in the provision and protection of regional and global public goods in the Caribbean, with a particular focus on the ever-increasing impacts of climate change, which disproportionately affect vulnerable country groups and communities.

The Special Development Fund is a vital tool in this regard. With respect to the SDF, several issues and challenges were identified in recent reviews. As donors, we concur with the need to improve the Fund's performance and make it more effective and impactful. Concerning the replenishment of the Fund, given that a sizable balance remains available, we should consider extending the current cycle or, at least, bring forward unused funds into the financing framework of SDF11.

Regarding resources, one of the key components of the ongoing MDB reform process concerns the G20-commissioned Independent Review of MDB Capital Adequacy Frameworks, which is unlocking substantial additional financing for development. We are pleased to acknowledge that CDB's risk management and balance sheet optimization efforts, such as the new Enterprise Risk Framework, the development of Exposure Exchange Agreements, and implementation of other G20 CAF recommendations, are pointing in the right direction. Over the past year, we have seen good progress in improving CDB's risk profile and maintaining its AA+ rating. We appreciate the regular updates to the Boards of Directors and Governors on the financial health and risk exposure of the Bank. Our common aim is to protect current lending conditions and volumes to borrowing countries.

Maintaining the highest standards of corporate governance is a necessity in this regard – for credit rating agencies, as well as for regional and non-regional shareholders, including our country group.

This year has been a challenging one for the Caribbean Development Bank. Today, we find the Bank at a crossroads. As Governors of this Bank, we are called upon to take key decisions to ensure that the CDB grows stronger from this experience.

We note the external, independent investigator has concluded its investigation of the President. We believe that a multilateral development bank that works to improve the living conditions of its recipients must lead by example. We expect the highest standards for integrity, ethics, and transparency.

Lessons will be learned in the aftermath. Going forward, we should review arrangements for strong governance and look at procedures and process. We should draw on best practice from

other development banks to ensure that the CDB is best in class. In this way, we have to maintain confidence in strong governance, which underpins the credit rating of the Bank and its ability to provide concessional support to its Caribbean members. The populations of the Caribbean deserve a Bank that will help transform the region and that will devote its energy to the wellbeing and prosperity of its people.