



ADDRESS

by

DR. W^m. WARREN SMITH

PRESIDENT

CARIBBEAN DEVELOPMENT BANK

at the

**VII CONFERENCE - ITALY-LATIN AMERICA AND CARIBBEAN
MILAN, ITALY**

JUNE 12 AND 13, 2015

I am very pleased to be present at this VII Italy-Latin America and Caribbean Conference.

The Caribbean Development Bank (CDB) is the only multilateral financing institution whose sole mandate is the development of the Caribbean region. Our borrowing membership spans 19 countries - from Guyana and Suriname in South America to Belize in Central America.

Italy, one of eight non-borrowing members, has been a long standing member and supporter of CDB. Since joining the Bank in 1988, Italy has played and continues to play a very active and important role in the policy-making and governance arrangements of our institution.

Italy has also contributed over the years to the capital of CDB and to its soft window, which targets the poorest communities and people in our Region.

We greatly appreciate your country's support for Caribbean development, working through our institution.

We feel that there are tremendous opportunities for greater collaboration and are anxious for Italian industry to become more active in winning contracts for projects which are financed by CDB.

This Conference provides an ideal opportunity for us to use both the formal sessions and the discussions in the margins of this meeting and the Expo to promote closer collaboration between Italian businesses and CDB.

Mr. Chairman, Italy is renowned for the dynamism of its small and medium-sized businesses. We are well aware of the profound impact which these enterprises have had on economic growth and employment in your country. We, at CDB, are working with our borrowing member countries to help them to create the enabling environment within which SMEs in the Caribbean can become engines of economic growth and development.

We, therefore, need to develop avenues whereby some of the successes and experiences of Italian SMEs can be transferred to our Caribbean environment. We would also like to see more of these dynamic Italian enterprises make direct investments in Caribbean SMEs to transform that sector and to generate faster growth in our economies and increased employment for our people.

CDB's current Strategic Plan has, as its principal thrust, building resilience to climate change. This emphasis recognizes the reality that the Caribbean is one of the regions of the world which is most vulnerable to climate impacts, with a probability that at least one Caribbean country has a 25 percent chance of being hit by a major climate event every year. As a consequence, we are committed to mainstreaming climate change across most of our work. To this end, we are also mobilising appropriately-priced financing for projects in our Region to adapt their natural and built assets to the effects of global warming.

CDB has collaborated with the European Investment Bank (EIB) in intermediating a climate-action line of credit for adaptation projects in our BMCs. This has been a good learning experience for both institutions in appraising projects of this genre which have their own unique features and challenges in identifying value for money.

We have also applied to both the Green Climate Fund and the Adaptation Fund for accreditation so that we can intermediate these resources to our borrowing members. This approach of accessing low-cost financing recognizes the reality of limited fiscal space and relatively high sovereign indebtedness in several of our countries. It also takes cognizance of the fact that the climate-financing institutions have set the bar for access to their resources very high, so that small countries will have difficulty gaining accreditation on their own.

This week, I had the distinct honor of signing a path-breaking agreement with the EU at the EU-CELAC meetings in Brussels. This represents a partnership between CDB, the EU and UK-DFID to enhance the adoption of renewable energy/energy efficiency (RE/EE) in both the public and private sectors in six small island States in the Eastern Caribbean. This groundbreaking initiative will allow us to combine grant resources from the EU and DFID with low cost loan financing and partial guarantees from CDB, with our Bank performing the role of implementing agency. This

facility will increase the human capacity for conceiving, managing and implementing RE/EE in the beneficiary countries and serve as a pilot for deepening the adoption of sustainable energy across the region. Equally important will be the provision of financing to ensure that the appropriate regulatory framework is in place to incentivize private capital to invest in this critical sector of the economy.

Mr. Chairman, we are aware that the Italian government has accorded a high priority to addressing climate change. We are also very much aware of the capabilities of Italian industry in renewable energy and other aspects of climate change. We, therefore, want to collaborate with the Italian public and private sectors to build a more climate resilient Caribbean economy which is also more internationally competitive, so that the growth and development of our region can be shifted to a higher and more dynamic trajectory.

Chairman, I thank you!