

**PROCEEDINGS OF THE  
4<sup>th</sup> GROWTH AND RESILIENCE DIALOGUE  
WITH SOCIAL PARTNERS**

*Regional Transformation Through Innovation*



13 FEBRUARY 2020

EASTERN CARIBBEAN CENTRAL BANK  
SAINT CHRISTOPHER (ST KITTS) AND NEVIS

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## 1.0 Background

This marks the fourth meeting convened at the ECCB Headquarters to institutionalise the process to forge consensus through a Growth and Resilience Dialogue (GRD). This year's GRD was convened under the theme "***Regional Transformation Through Innovation***". The purpose of the GRD is to facilitate a meeting of the minds of public and private sector strategic partners with a view towards addressing growth, competitiveness and employment in the ECCU in a sustainable manner. The GRD is a critical component of the ECCU growth agenda, which is coordinated by the ECCB, OECS Commission and The World Bank Group. The document provides a summary of each component of the 4<sup>th</sup> GRD.

## 2.0 Objectives of Dialogue

1. To focus with greater intensity on two of the key thematic areas: Innovation and Technology.
2. To lead by example, the transition from fossil fuels to Renewable Energy.
3. To advance the use of technology, specifically the development of digital currency to broaden services offered while deepening the security and improving the efficiency.
4. To encourage the exchange of ideas while providing clarity from present and past implementers of methodologies and technologies of productivity.
5. To inform stakeholders about the international programmes available for financing renewable energy projects.

## 3.0 Opening Remarks

Governor of the Eastern Caribbean Central Bank (ECCB), Mr Timothy N. J. Antoine, welcomed the participants to the 4<sup>th</sup> Annual Growth and Resilience Dialogue with Social Partners. He began by assuring participants that the Dialogue was not intended to be a 'talk shop', but should result in serious action toward the growth and resilience of the Eastern Caribbean Currency Union (ECCU).

In reflecting on the theme, “Regional Transformation through Innovation”, he highlighted the following:

- We cannot change our history or our geography but we can change our trajectory.
- Socioeconomic transformation is a necessity for shared prosperity, the acceleration in structural reform is essential and socioeconomic transformation requires collaboration among all social partners.
- The ECCU growth has been on a downward trend over the past decades with an average growth rate of 2.35 per cent. The high debt ratios have been a binding constraint to ECCU growth. Notwithstanding exogenous challenges, progress is being made toward reducing debt levels as four member countries have already attained the debt to GDP target.
- Potentially high yielding structural reforms include enhancing human capital development, strengthening our financial system, improving the business climate and more sustainable debt levels. If these reforms are implemented, we could obtain our growth target of 5.0 per cent.
- Renewable energy accounts for only 8.0 per cent of ECCU electrical capacity with \$1.5 billion spent on fuel in 2019. Increasing renewable energy is important to enhance energy security, lower the cost of energy, and save foreign exchange. **The Governor therefore challenged ECCU member countries to triple the renewable energy mix over the next 10 years.**
- The modernisation of our payment system including the development of a digital currency will help to address the issue of financial inclusion in the ECCU.
- Youth account for 60.0 per cent of the ECCU population. It is therefore important to consider and involve them in the process of development.

H E Dr Didacus Jules, Director General of the Organisation of the Eastern Caribbean States (OECS) also welcomed participants. He emphasised that:

- Growth is the region's major challenge and an essential priority. The region can survive and thrive together. Separately however, we are too small to matter. This therefore requires a shifting of mind-sets and ideas, in order to effect change.

Ms Tasheen Sayed-Khan, Director for Caribbean Countries at The World Bank also presented brief opening remarks. While she acknowledged that small size could be an impediment to development, she highlighted the following opportunities:

- The blue economy, which she described as our biggest asset. She emphasised that the World Bank will be supporting the ECCU in harnessing the blue economy.
- Technological innovations can be harnessed to facilitate job creation and growth in the region.
- The regional agenda also presents an opportunity. There are tremendous benefits to collaboration.
- The World Bank plans to support the Caribbean in harnessing these opportunities and is willing to support the Caribbean on the youth agenda.

#### 4.0 Session I: Leveraging The Digital Economy for Growth and Competitiveness in the ECCU

*(Speakers Dr Boutheina Guermazi, Director of Digital Development Department, World Bank; Hon. Camillo Gonsalves, Minister in the Government of St Vincent and the Grenadines; Richard St John, Vice President of Sales and Marketing, Cizmic Consulting Inc; Cheryl Hector-Fontenelle, Director of Economics and Finance, ECTEL)*  
*(Moderator, Timothy N.J. Antoine, Governor, ECCB)*

##### 4.1 Presenter: Dr Boutheina Guermazi, Director of Digital Development Department, World Bank

Dr Boutheina Guermazi highlighted the following salient points:

- Research shows that digital technology improves inclusion, efficiency, innovation and competitiveness. The digital economy provides jobs and can enhance the quality of life for citizens and doing business.
- Opportunities for the digital economy are greater in the Eastern Caribbean because the region is already integrated in many areas. Stakeholders in the region however noted some of the following challenges: Cost, lack of efficiency, inability to pay for commodities online, and lack of digital skills.

- The World Bank is embarking on a digital transformation project in the Caribbean. It will focus on the digital eco-system, digital platforms and services, digital skills, and entrepreneurship.
- The thrust of the project is beyond technology, but should also focus on the mind-set of our people. Risks associated with the digital economy such as cyber security and data protection will also be considered. The project leverages the "region first" approach.
- It is important that due focus be accorded to the development of skills and the platform that will enable our people. In addition, access to internet services that is reliable and affordable will be necessary.

#### 4.2 Presenter: Hon. Camillo Gonsalves, Minister in the Government of St Vincent and the Grenadines

Hon. Camillo Gonsalves spoke from the perspective of policymakers. He emphasised that:

- The development of the digital economy ought to start with the end users (citizens and residents). Digital alternatives should be provided at the points where the citizen interacts with the state for life-changing events; for example, obtaining birth certificates, starting a business and obtaining a driver's license.
- There is need for focus to be placed on education/literacy in the digital space, while ensuring that skills delivered meet the needs of the market.
- The business community has been slow to adopt technology. This can be changed if businesses begin to broaden their scope of operations beyond national borders.

#### 4.3 Presenter: Cheryl Hector-Fontenelle, Director of Economics and Finance, ECTEL

Cheryl Hector-Fontenelle presented from the perspective of the regional telecommunications regulator. She noted that:

- The legal infrastructure was largely focused on providers and connectivity. ECTEL however recognises that the entire eco-system, including consumers, must be considered

and they intend to do so as they further develop the legal infrastructure and improve the ICT space in the region. ECTEL will propose free roaming in the Caribbean.

#### 4.4 Presenter: Richard St John, Vice President of Sales and Marketing, Cizmic Consulting Inc

Richard St John represented the private sector on the panel. He pointed out that:

- Digital Currency is an important development for the private sector that can enhance the ease of doing business for both the consumer and goods and service providers. Going paperless is also an important development for businesses in the Caribbean.
- Home-grown digital solutions are acceptable. An external model does not always need to exist.
- As we advance the digital economy, no segment of society should be excluded.
- Digital advancement requires a stable power grid and accessible and affordable broadband.

#### 4.5 Discussion

Participants noted the following during the discussion:

- Mom and Pop shops might be lost in this new wave of technology.
- The need for indigenous innovation instead of sole dependence on developed countries for technology.
- Educational institutions need to prepare persons to innovate rather than just adopting technology.
- Technology provides us an opportunity to refocus government toward service delivery to the citizens.
- How can ideas for technological advancement be financed?
- How do we address possible unemployment that can result from technological advancement?
- Avoid the adoption of technology that does not match our environment.
- Government records must be digitized to enhance resilience against climate change.

- The challenge is getting out of our comfort zone and embracing new technology. If this is not addressed, we will not realise the transformation we desire.

## 5.0 Session II: Leveraging Renewable Energy: Technology and Financing Opportunities for the ECCU

*(Speakers: Stephanie Gill, Practice Manager, Energy Global Practice, World Bank; Vermuelen Floris, Representative for the Eastern Caribbean, European Investment Bank; Dr James Fletcher, Managing Director, Soloricon Ltd; H E Dr Vince Henderson, Ambassador of Dominica to the United States)*

*(Moderator: Daniel Arthurton, Entrepreneurship and Agricultural Consultant)*

### 5.1 Presenter: Stephanie Gill, Practice Manager, Energy Global Practice, World Bank

Ms Gill highlighted the following:

- Tariffs in the region are high as electricity is mainly generated by fossil fuels. This increases the cost of doing business and places high demand on foreign currency reserves.
- Savings can be generated by reducing consumption, through energy efficiency methods. Consumption can be reduced by 12 to 25 per cent by implementing energy efficiency measures.
- The region has the resources to adopt renewable energy as a solution to sustainability and resilience.
- Scaling up renewable energy and energy efficiency can be achieved through collaboration among countries.

### 5.2 Presenter: Floris Vermuelen, Representative for the Eastern Caribbean, European Investment Bank

- As a representative of the multilateral lending community, Mr Floris emphasised that there are many opportunities available to the Caribbean for financing renewable energy projects.



- He recommended a regional approach in accessing these finances as fulfilling the requirements may be onerous for one country.
- Additionally, the EIB is also willing to connect the region with important partners.

### 5.3 Presenter: Dr James Fletcher, Managing Director, Soloricon Ltd

Dr Fletcher noted the following:

- Utility companies in the ECCU are heterogeneous and so one blanket solution cannot be applied to the entire region.
- Renewable energy transformation requires new electricity supply legislation, strong independent regulatory authorities, and stronger local institutional capacity.
- Port electrification provides an excellent opportunity to increase demand and export renewable energy.
- Climate Funds provide an opportunity to mobilise financial resources. A regional effort should be made to harness them.
- Care must be taken to avoid creating price distortions that affect vulnerable groups.

### 5.4 Presenter: H E Dr Vince Henderson, Ambassador of The Commonwealth Dominica to the United States

While the benefits and importance of renewable energy for transforming our economies were acknowledged, Dr Henderson cautioned participants by highlighting the following:

- We can learn valuable lessons from each other in the renewable energy transformation. We also need to consider local conditions when undertaking renewable energy projects.
- For renewable energy projects to be economically feasible in low population, low demand countries, the cost of financing must be low.
- Project risk, country risk, foreign exchange risk, political risk and other types of risk also need to be considered when undertaking renewable energy projects.
- The challenges and risks associated with renewable energy transformation must be acknowledged and carefully and dispassionately considered.

## 6.0 Session III: The Future of the Payment System in the ECCU

*(Speakers: Francis Fontenelle, Senior Banking Specialist, ECCB; Alex Straun, Managing Director, Genesis Innovation Management Inc; Livingstone Morrison, former Deputy Governor, Bank of Jamaica)*

*(Moderator: Jessel Gadsby, Managing Director, Credit Card Corporation Ltd.)*

### 6.1 Francis Fontenelle, Senior Banking Specialist, ECCB

Mr Fontenelle made the following salient points:

- A modern payment system supports growth and development. A modern payment system for the ECCU requires a modern legislative framework.
- Research shows that economies that are cash intensive tend to grow slowly and are financially rigid.
- Challenges of moving away from a cash based payments system include the reliability of telecommunication and electricity infrastructure, cyber security and increased importation, which could put pressure on our reserves.
- Payment system transformation in the ECCU requires collaboration among stakeholders.

### 6.2 Alex Straun, Managing Director, Genesis Innovation Management Inc.

Mr Straun highlighted the following salient points:

- Our reality in the region is an increase in cash crimes, climate change, high transaction fees, limited options for small businesses and stymied innovation.
- Policy objectives for a modern payment system should therefore focus on efficiency, reliability, security, cost effectiveness, financial inclusion, innovation and competition.
- Cultural issues are important to consider in the development of the payment system.

### 6.3 Livingstone Morrison, former Deputy Governor, Bank of Jamaica

Mr Morrison highlighted the following lessons that could be learned from Jamaica's experience with payment system transformation:

- Payment system development should be a continuous strategic priority.

- Central Bank leadership is critical in payment system transformation.
- Collaboration among stakeholders is important, and should be promoted.
- The primary objectives of payment system transformation should be to promote financial stability and wider access to financial services and instruments rather than the preservation of business models.
- For driving innovation, an accommodating regulatory framework is not sufficient.

## 7.0 Conclusion

The Governor concluded the Growth and Resilience Dialogue by summarising the key takeaways. In closing, Ms Tasheen Sayed-Khan, Director for Caribbean Countries, The World Bank announced that The World Bank would be collaborating with the OECS Commission on the growth agenda. She also echoed the Governor's sentiments that the Growth and Resilience Dialogue will go beyond just a discussion, as projects are already underway to support the growth objectives of the region. Key among these projects is the Caribbean Digital Transformation Project (CARDTP). The Project will contribute to increased access to digital connectivity, digital public services and the creation of technology enabled businesses and jobs across the participating Eastern Caribbean countries.

## 8.0 Appendix – Attendance List

<b>4th Growth and Resilience Dialogue</b>	
<b>Full Name</b>	<b>Organisation</b>
<b><i>Partners and Panelist</i></b>	
Dr the Honourable Vince Henderson	Ambassador, Government of Dominica
Dr Didacus Phillip Jules	Director General, OECS
Tahseen Sayed Khan	Director, Caribbean Countries, World Bank
Boutheina Guermazi	Director Digital Development, World Bank
Denis Boshkovski	Sr. Country Officer, World Bank
Cheryl Hector Fontenelle	Director Economics and Finance, Eastern Caribbean Telecommunications Authority (ECTEL)
Dr James Fletcher	Managing Director, SOLORICON
Honourable Camillo Gonsalves	Minister of Government SVG - Council Member
Stephanie Gil	Practice Manager for Energy, World Bank
Richard Adrian St John	Vice President, CIZMIC CONSULTING
Damien Reeves	CDB, Caribbean Development Bank
Floris Vermeulen	Representative for the Southern and Eastern Caribbean, European Investment Bank
Jessel Gadsby	General Manager, Caribbean Credit Card Corporation Limited
Rodinald Soomer	Chief Executive Officer, CARICOM Development Fund
Livingstone Burne Morrison	Former Deputy Governor, Bank of Jamaica/ Payment Systems Consultant
<b><i>Anguilla</i></b>	
Honourable Victor Banks	Premier, Anguilla
Dr Aidan Harrigan	Board Member, ECCB
Dawne Richardson	Senior Parliamentary Counsel, Attorney General's Chambers
Neil Gumbs	President, Anguilla National Youth Council
Rhina Merise Meade	Economic Planning Officer, Government of Anguilla
Vida C. Lloyd Richardson	President, Anguilla Chamber of Commerce and Industry
<b><i>Antigua and Barbuda</i></b>	
Mr Whitfield Harris Jr	Board Member, ECCB
Honourable L. Jamale Pringle	Leader of the Opposition
Andre Mascall Matthias	Electricity Manager, Antigua Public Utilities Authority
<b>Full Name</b>	<b>Organisation</b>

Harry Solomon Hobson	Office Claim Manager, Anjo Insurances
Luxmore Edwards	Director of Information, Ministry of Information, Government of Antigua and Barbuda
Russhell Ellis	Youth coordinator, Youth Affairs
Vanetta Rodgers	President, Rotary Club of Antigua
Vernest Mack	President, Antigua and Barbuda Trade Union Congress
Jeniece St. Romain	Crown Counsel, Antigua and Barbuda Ministry of Legal Affairs
<b><i>Commonwealth of Dominica</i></b>	
Honourable Gregory Rivierre	Minister of State, Ministry of Finance
Mrs Rosamund Edwards	Board Member, ECCB
Gloria Joseph	Permanent Secretary, Ministry of Economic Affairs, Investment, Planning, Resilience, Sustainable Development, Telecommunications and Broadcasting
Justina Alexander	Executive Director, Lifeline Ministries
Kenneth Green	President, Dominica Association of Industry and Commerce
Lynn A. Delsol	Web Developer, Government of Dominica - ICT Unit
Rhon Williams	Treasurer, National Youth Council of Dominica
Romualda B. Hyacinth	Retired Banker and Secretary - The Dominica Christian Council
Steve Michael Joseph	President, Dominica Public Service Union
<b><i>Grenada</i></b>	
Honourable Gregory Bowen	Minister for Infrastructure Development
Ms Shari Joseph	Head of Macro Economic Policy Unit, Ministry of Finance
Phillip R Alexander	Opposition Representative
Augustine Allister Bain	Senior Project Manager, Economic & Technical Corporation, Ministry of Finance
Gerard Andre James	IT Officer, Government of Grenada
Harold Alexander Andrews	Retired Pastor, Conference of Churches Grenada
Jude Bartholomew	Teacher, Grenada Union of Teachers - Grenada Trade Union Council
Petipha Lewis-Smith	Executive Director, Grenada Chamber of Industry and Commerce
<b>Full Name</b>	<b>Organisation</b>
<b><i>Montserrat</i></b>	

Honourable Joseph Farrell	Premier
Mr Paul Lewis	Leader of the Opposition
Mr Phillip Chambers	Deputy Financial Secretary
Carlisle Shakespeare Vyphuis	Priest, Anglican Church - Christian Council
Kenrick Burke	Director of Energy, Ministry of Communication, Works, Energy and Labour (Government of Montserrat)
Florence C Griffith	President, Montserrat Chamber of Commerce and Industry Inc
Kenya Lee	Director Economic Management, Ministry of Finance & Economic Management , Government of Montserrat
Keyola Greene	CARICOM Youth Ambassador
Lyston Evred Skerritt	Representative, Rotary Club
Nicole Samantha Duberry	System Administrator, Department of Information Technology and E-Government Services
Siobhan N N Tuitt	Member, Montserrat Civil Service Association
<b><i>Saint Christopher (St Kitts) and Nevis</i></b>	
Alex Straun	CEO, Genesis Innovation Management Inc.
Andrew Satney	Executive Director, Chamber of Industry and Commerce
Bertill Browne	Director, Energy Unit, Ministry of Public Infrastructure et al
Daniel Arthurton	Entrepreneur, Nevis Hydro Gardens
Deniece Alleyne	President, Rotary Club of Liamuiga (Lawyer)
Denise Garfield	General Manager, Caribbean Confederation of Credit Unions
E. Robelto Hector	Politician, Nevis Reformation Party
Ophelia Blanchard	E-government Coordinator, Department of Technology, Ministry of Justice, Legal Affairs and Communications
David Lake	Country Manager, Cable & Wireless
Colin Norford	Representative, The Cable
Versilie Francis	Director - Fiscal Affairs, Ministry of Finance
Telly Onu	Managing Director, Quintessence Consulting Inc.
<b><i>Saint Lucia</i></b>	
Moses Jn.Baptiste	Opposition Representative
Calixte Ivan Samuel Neil George	Councilor, Saint Lucia National Trust
<b>Full Name</b>	<b>Organisation</b>
Esther Rigobert	Acting Permanent Secretary, Ministry of Finance

Fiona L Hinkson	Director, National Competitiveness and Productivity Unit/Department of Finance
George Kamali C. Charlemagne	Crown Counsel, Attorney General's Chambers
Lisa Montelle Leslie Ann Goodman	General Secretary, Saint Lucia Trade Union Federation
Louise Mathurin-Serieux	Research Officer, Department of Public Service/ Division of Public Sector Modernization
Steffi P. Alfred	Treasurer, National Youth Council
Waltrude Dantes	Moderator, ECWI
Terrence Gilliard	Chief Energy Officer, Department of Infrastructure, Ports and Energy
<b><i>Saint Vincent and the Grenadines</i></b>	
Dr the Hon Ralph E Gonsalves	Prime Minister
Mr Edmond Jackson	Board Member, ECCB
Honourable Jaundy O R Martin	Attorney General
Honourable Godwin E L Friday	Leader of the Opposition
Anthony Michael Regisford	Executive Director, Chamber of Industry and Commerce
Claudius St. Michael Stewart	RC Cathedral Administrator, Christian Council
Donique Te' Farra Billiny	CARICOM Youth Ambassador
Jacintha Fergus	Acting Director, Information Technology Services Division (ITSD)
Jeanie Ollivierre	Development Practitioner, NGO Network
Joseph Burns Bonadie	President, National Labour Congress - Trade Union
<b><i>Eastern Caribbean Central Bank (ECCB)</i></b>	
Timothy N. J. Antoine	Governor
Trevor O B Brathwaite	Deputy Governor
D Tracy Polius	Chief Director (Policy)
Karen Williams	Senior Project Specialist/ Unit Head
Sybil Welsh	Senior Project Specialist
Emefa Sewordor	Senior Policy Analyst
Francis Fontenelle	Senior Banking Specialist
Patricia Welsh	Acting Director
Sherannel Thompson	Acting Deputy Director
Vanessa Francis-Pennyfeather	Senior Project Officer
Zanna Barnard	Senior Economist
Beverley Labadie	Senior Economist
Peter Abraham Jr	Economist
<b><i>Eastern Caribbean Central Bank (ECCB)</i></b>	
Leon Bullen	Economist

Beverly Lugay	Economist
Kevin Woods	Economist
Rochelle Harris	Economist
Jeanette Simon	Banking Officer
Imran Williams	Project Officer
Ella Willius	Bank Examiner