



**Eastern Caribbean
Central Bank**

Annual Report

2021 - 2022



Report and Statement of Accounts

for the Financial Year ended 31 March 2022





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Transmittal Letter



Eastern Caribbean Central Bank

30 June 2022

Sirs

In accordance with Article 48(1) of the Eastern Caribbean Central Bank Agreement 1983, I have the honour to transmit herewith the Bank's Annual Report and Statement of Accounts for the year ended 31 March 2022, duly certified by the External Auditors.

I am,
Your Obedient Servant

A handwritten signature in black ink, appearing to read 'Timothy N. J. Antoine'.

Timothy N. J. Antoine
GOVERNOR

The Honourable Dr Ellis Lorenzo Webster
Premier
ANGUILLA

The Honourable Gaston Browne
Prime Minister
ANTIGUA AND BARBUDA

The Honourable Roosevelt Skerrit
Prime Minister
COMMONWEALTH OF DOMINICA

The Honourable Gregory Bowen
Minister of Finance
GRENADA

The Honourable Joseph E. Farrell
Premier
MONTSERRAT

Dr The Honourable Timothy Harris
Prime Minister
SAINT CHRISTOPHER (ST KITTS) AND NEVIS

The Honourable Philip J Pierre
Prime Minister
SAINT LUCIA

The Honourable Camillo Gonsalves
Minister for Finance
SAINT VINCENT AND THE GRENADINES

Mission Statement

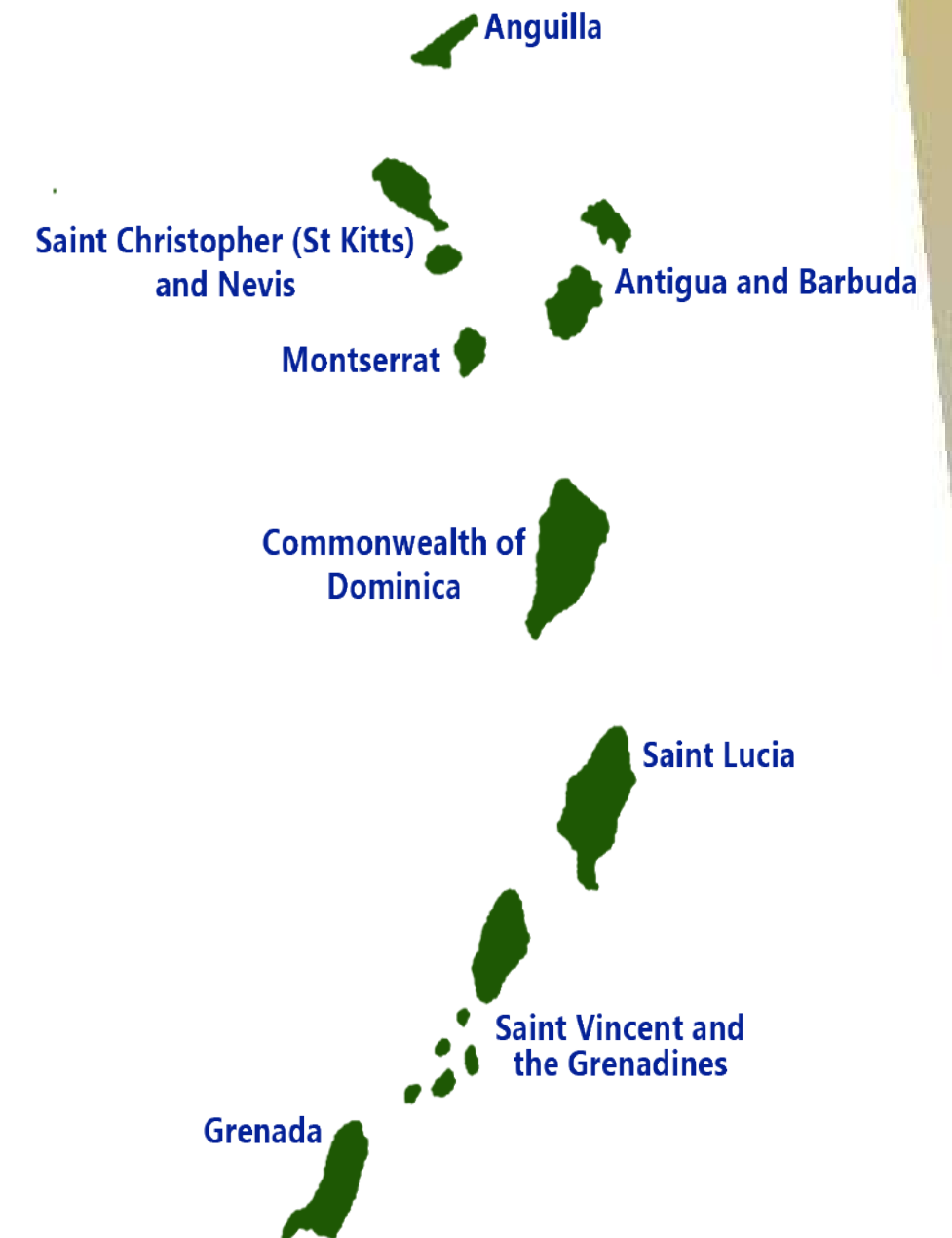
Advancing the good of the people of the currency union by maintaining monetary and financial stability and promoting growth and development.

Vision Statement

To be a model institution delivering exceptional service and influential policy advice to support the development of a thriving currency union.

Core Values

- Service Excellence
- Teamwork and Truth Telling
- Accountability
- Results



Monetary Council

As at 31 March 2022



Hon Joseph E Farrell
(Chairman)
Montserrat



The Hon Dr Ellis L Webster
Anguilla



The Hon Gaston Browne
Antigua and Barbuda



The Hon Roosevelt Skerrit
Commonwealth of Dominica



The Hon Gregory Bowen
Grenada



Dr The Hon Timothy Harris
Saint Christopher (St Kitts) and Nevis



The Hon Philip J Pierre
Saint Lucia



The Hon Camillo Gonsalves
Saint Vincent and the Grenadines

Board of Directors

As at 31 March 2022

Executive Directors

Timothy N. J. Antoine
**Governor
(Chairman)**



Dr Valda Henry
Deputy Governor



Appointed Directors



Kathleen Rogers
Anguilla



Whitfield Harris Jr
Antigua and Barbuda



Denise Edwards
Commonwealth of Dominica



Ophelia Wells-Cornwall
Grenada



John Skerritt
Montserrat



Hilary Hazel
Saint Christopher (St Kitts) and Nevis



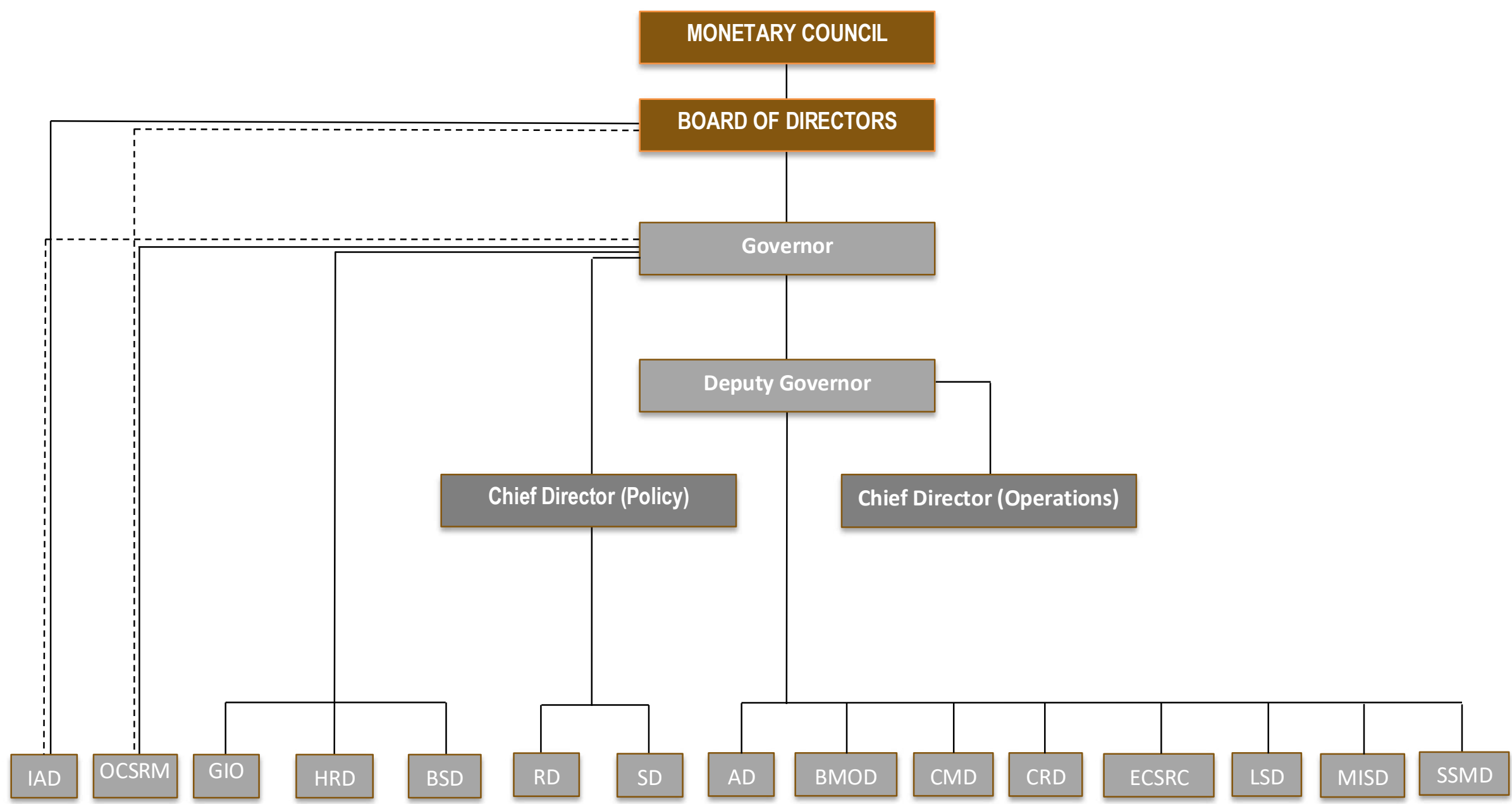
Esther Rigobert
Saint Lucia



Edmond Jackson
Saint Vincent and the Grenadines

Organisational Chart

As at 31 March 2022



KEY	
IAD:	Internal Audit Department
OCSR:	Office of Corporate Strategy and Risk Management
GIO:	Governor's Immediate Office
LSD:	Legal Service Department
AD:	Accounting Department
BMOD:	Banking and Monetary Operations Department
BSD:	Bank Supervision Department
CMD:	Currency Management Department
CRD:	Corporate Relations Department
HRD:	Human Resource Department
MISD:	Management Information Systems Department
RD:	Research Department
SD:	Statistics Department
SSMD:	Support Services Management Department

*Chief Director, Operations (vacant)

Management Structure

As at 31 March 2022

Executive Committee



Timothy N.J. Antoine
Governor



Dr Valda Henry
Deputy Governor



D Tracy Polius
Chief Director (Policy)

Senior Management Team



Wayne Myers
Senior Director
Support Services
Management Department



Senator Samuel
Director
Accounting
Department



Raquel Leonce
Director
Banking and Monetary
Operations Department



Christopher Louard
Director
Bank Supervision
Department



Rosbert Humphrey
Director
Currency Management
Department



Jolene Newton
Director
Human Resource
Department



Yvonne Jean-Smith
Director
Internal Audit
Department



Merlese O'Loughlin
Director
Legal Services
Department



Cindy Parris-Gilbert
Director
Management Information
Systems Department



Sharmyrn Powell
Director/Chief Risk Officer
Office of Corporate
Strategy & Risk Management



Teresa Smith
Director
Statistics
Department



Karen Williams
Senior Project Specialist/Unit Head
Project and Tech. Assistance Unit
Governor's Immediate Office



Dr Emefa Sewordor
Unit Head
Advisory Services Unit
Governor's Immediate Office



Shermalon Kirby
Director (Ag)
Corporate Relations
Department



Patricia Welsh
Director (Ag)
Research
Department

Management Team

As at 31 March 2022

Accounting Department

Shanna Herbert - *Deputy Director*

Banking and Monetary Operations Department

Allison Stephen - *Senior Banking Specialist*

Chay Grant - *Deputy Director*

Lynette Griffin - *Deputy Director*

Niall Pistana - *Deputy Director*

Gillian Skerritt - *Legal Specialist*

Bank Supervision Department

Humphrey Magloire - *Senior Information Systems Specialist*

Shawn Williams - *Senior Bank Supervision Specialist*

Allison Crossman - *Deputy Director*

Laurel Seraphin-Bedford - *Deputy Director*

Schwabach Caines - *Deputy Director*

Corporate Relations Department

Beverley Edwards-Gumbs - *Deputy Director*

Currency Management Department

Norman Sabaroche - *Deputy Director*

Governor's Immediate Office

(Projects and Technical Assistance Unit)

Kennedy Byron - *Senior Project Specialist*

Sybil Welsh - *Senior Project Specialist*

Human Resource Department

Merva Mallelieu - *Deputy Director*

Internal Audit Department

Alamina Trotman - *Deputy Director*

Management Information Systems Department

Aldrin Phipps - *Information Systems Specialist*

Lyle Mark - *Deputy Director*

Research Department

Beverley Labadie - *Deputy Director (Ag)*

Sherannel Thompson - *Deputy Director (Ag)*

Statistics Department

Seana Benjamin-Mack - *Deputy Director*

Juletta Edinborough - *Deputy Director*

Leah Sahely - *Deputy Director*

Support Services Management Department

Adaeze Matthew-Hanley - *Deputy Director*

Danny Caine - *Chief of Security*

Agency Offices

Country Managers

As at 31 March 2022

Shirmaine Lynch-Harrigan

ECCB Agency Office
P O Box 1385
The Valley
ANGUILLA
Telephone: 264 497 5050
Facsimile: 264 497 5150
E-mail: eccbaxa@eccb-centralbank.org

Karel Forde-Harrigan

ECCB Agency Office
P O Box 741
Sagicor Financial Centre
Factory Road
St John's
ANTIGUA AND BARBUDA
Telephone: 268 462 2489
Facsimile: 268 462 2490
E-mail: eccbanu@eccb-centralbank.org

Sherma John

ECCB Agency Office
P O Box 23
3rd Floor Financial Centre
Kennedy Avenue
Roseau
COMMONWEALTH OF DOMINICA
Telephone: 767 448 8001
Facsimile: 767 448 8002
E-mail: eccbdom@eccb-centralbank.org

Linda Felix-Berkeley

ECCB Agency Office
St Matthew and Monckton Streets
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GRENADA
Telephone: 473 440 3016
Facsimile: 473 440 6721
E-mail: eccbgnd@eccb-centralbank.org

Angela Estwick

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2 Farara Plaza
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MONTSERRAT
Telephone: 664 491 6877
Facsimile: 664 491 6878
E-mail: eccbmni@eccb-centralbank.org

Everton Sealy

ECCB Agency Office
P O Box 295
Ground Floor
Financial Administrative Centre
Point Seraphine
Castries, LC04 101
SAINT LUCIA
Telephone: 758 452 7449
Facsimile: 758 453 6022
E-mail: eccbclu@eccb-centralbank.org

Kozel Fraser

ECCB Agency Office
P O Box 839
Frenches House
Frenches
Kingstown
SAINT VINCENT AND THE GRENADINES
Telephone: 784 456 1413
Facsimile: 784 456 1412
E-mail: eccbstd@eccb-centralbank.org

Highlights of the Year

ECCB Wins Global Award for Dcash Project

The ECCB captured the 2021 Central Bank Digital Currency (CBDC) Infrastructure Award for its digital payments platform, DCash.

The accolade, presented by the Central Banking Publications FinTech and RegTech Awards, recognises the innovations and accomplishments of central banks and technology partners in the area of financial and regulatory technology.

DCash Pilot Extends to Saint Vincent and the Grenadines

The ECCB rolled out its digital payment platform – DCash to Saint Vincent and the Grenadines, making it the fifth ECCB member country to be part of the pilot.

The ECCB saw the introduction of DCash in Saint Vincent and the Grenadines, which occurred in the wake of the La Soufriere volcanic eruptions, as key to assisting the citizens and residents of that country with their rebuilding efforts.

The launch event, held 12 August 2021, was attended by key DCash partners and media and featured a live DCash transaction between the Honourable Minister for Finance, Saint Vincent and the Grenadines, Camillo Gonsalves and Governor of the ECCB, Timothy N. J. Antoine.

First Woman Deputy Governor of the ECCB Assumes Office

Dr Valda Henry, a native of the Commonwealth of Dominica, became the third ECCB Deputy Governor and first woman to assume the position. Dr Henry's appointment was announced in July 2021 following her selection by the ECCB Monetary Council.

Dr Henry succeeds former Deputy Governor, Trevor Brathwaite who demitted office on 15 September 2021 after 15 and one half years of service to the region.



ECCB Celebrates 38th Anniversary

The ECCB marked its 38th year of service to the people of the region under the theme: Service. Resilience. Strength. Stability.

In his commemorative remarks, Governor of the ECCB, Timothy N. J. Antoine said that the ECCB remained firmly focused on socio-economic transformation for the shared prosperity of the people of the Currency Union.

ECCB Monetary Council Convenes 100th Meeting

The 100th Meeting of the Monetary Council of the Eastern Caribbean Central Bank was held on 22 October 2021, via videoconference, under the Chairmanship of the Honourable Joseph Easton Farrell, Premier and Minister for Finance of Montserrat.

The inaugural meeting of the ECCB Monetary Council was held on 20 January 1984 and was chaired by the first Governor, the late Sir Cecil A. Jacobs. The meeting was held at the Fort Thomas Hotel in Saint Christopher (St Kitts) and Nevis.

The Commonwealth of Dominica and Montserrat Join DCash Pilot

A virtual launch event was held to mark the rollout of DCash in two additional member countries. The highlight of the event was the ECCB's donation to the President's Charity in the Commonwealth of Dominica and the Rotary Club Montserrat, processed in real time using DCash.

ECCB Launches First-ever Artificial Data Challenge

The Challenge, organised collaboratively by the ECCB, the OECS Commission, The World Bank and the University of the West Indies, provided a platform for persons to devise Artificial Intelligence (AI) digital solutions aimed at overcoming specific data challenges.

The initiative formed part of the programme for the 6th Growth and Resilience Dialogue.



Highlights of the Year

ECCB Becomes First Caribbean Partner of the Sustainable Banking and Finance Network (SBFN)

The ECCB joined the SBFN as its first member from the English-speaking Caribbean. Facilitated by the International Finance Corporation, the Sustainable Banking and Finance Network (SBFN) is a platform for knowledge sharing and capacity building on sustainable finance for financial sector regulators and industry associations across emerging markets.

2nd OECS-ECCB International Netball Series Held

The ECCB facilitated the hosting of the 2nd edition of the series from 12-18 February in the Commonwealth of Dominica, the first hosting done since the onset of the COVID-19 pandemic.

Team Saint Vincent and the Grenadines emerged as tournament champion from a field of five teams.

ECCB Captures International Award for Polymer Notes

The ECCB captured the Reconnaissance International Regional New Banknote Series Award for its family of EC Polymer Notes.

The ECCB is the first central bank in the Caribbean to introduce a full series of polymer banknotes, collaborating with its banknote development partner, De La Rue, to roll out the new family of polymer notes beginning in 2019. The final denomination in the series, the EC\$5, was issued in 2021.



Monetary Council Member, Commonwealth of Dominica, the Hon Roosevelt Skerritt (second from left) and Deputy Governor, ECCB, Dr Valda Henry (first from left) presenting winning trophy to team Saint Vincent and the Grenadines at the Closing Ceremony of the 2nd OECS/ECCB International Netball Series

Governor's Foreword

Overcoming Cascading Crises Through Innovation and Collective Action

"The value of an idea lies in the using of it."

~ Thomas Edison

Unprecedented.

Complex.

These are just two of the characterisations of the current state of the global economic and geopolitical environment. The economies of the Eastern Caribbean Currency Union (ECCU), like the rest of the world, felt the weight of this difficult environment during the 2021/2022 financial year.

The ECCU economies rode several waves of COVID-19 infections, including from new variants of the virus, in the past year. The 942 lives lost in the ECCU to COVID-19 (as at 31 March 2022) are deeply saddening. Undoubtedly, member governments' considerable efforts to vaccinate their populations helped save many lives and contributed to safeguarding livelihoods. With vaccination programmes progressing, and the infections waning, ECCU countries, like many other countries, began a cautious re-opening of their economies to commence the economic recovery. Green shoots of recovery emerged in the latter half of the 2021/2022 financial year. Alas, the long-awaited and nascent recovery from **COVID-19** is now being curtailed by **conflict**. Yet another shock not of our region's making. To say nothing of the perennial threat to the region from **climate change**. A recent report released in May 2022 by the World Meteorological Organization paints an ever escalating picture of climate risk, predicting a 50 per cent likelihood that, in the next five years, global temperatures would surpass the 1.5 degrees Celsius ceiling necessary to contain the worst effects of climate change.

After the deepest downturn on record for the ECCU economies, where the economy contracted by 17 per cent in 2020, our region had an uptick in economic activity in 2021, at an estimated rate of 3.9 per cent. This upturn in the region's performance reflected developments in the wider global economy, to which the ECCU is so inextricably linked. Before the war in Ukraine, in January 2022, the International Monetary Fund (IMF) projected global economic growth of 4.4 per cent for 2022. Just three short months later, in the IMF's April 2022 edition of the World Economic Outlook, that figure had been revised downward to 3.6 per cent - shaving off almost a full percentage point from the initial projection - largely due to the impact of the war in Ukraine. This lower projection also represents a significant slowdown from the outturn of 6.1 per cent realised in 2021. The Eastern Caribbean Central Bank's (ECCB's) initial forecast for ECCU growth of 6.7 per cent for 2022 will, with great disappointment, most likely have to be revised downward in light of the current global realities.



Governor's Foreword

The humanitarian consequences of the war in Ukraine are devastating and distressing. Similarly, the conflict's economic consequences have been devastating and continue to spill across the borders of Ukraine, engulfing the entire globe. The food, fuel and fertiliser crises triggered by the conflict have further exacerbated the effects of the supply chain disruptions experienced at the height of the pandemic. The FAO's monthly real food price index climbed 31.7 per cent from 118.6 in March 2021 to 156.2 in March 2022. The increase in the cereals price index was equally dramatic, rising from 123.3 to 166.5 over the same one-year period. Just as analysts were predicting a normalization of supply chains that would mitigate price pressures, the world must now contend with a further stoking of inflationary pressures. By the end of 2021, there was an uptick in the ECCU's inflation rate to 2.0 per cent (on a period average basis) after the 2.2 per cent rate of deflation in 2020. Given recent global price developments, a further acceleration in domestic prices is anticipated. This has real and troubling implications for the most vulnerable households in the Currency Union, particularly with respect to their food and nutrition security. Global policymakers now face the challenging task of balancing risks to avert stagflation, while regional governments face a fiscal dilemma.

Given the turmoil and instability in the global environment, the ECCU continued to benefit from a strong and stable EC dollar. As at 31 March 2022, the foreign reserves backing to support the exchange rate peg at EC\$2.70 to US\$1.00 for the EC currency stood at 93.9 per cent. Throughout the current crisis, the backing has remained far above the statutory requirement of 60.0 per cent. Despite the weak global financial environment that resulted in the first loss-making year in six years (\$49.1 million), our Central Bank continues to manage the reserves prudently thereby maintaining the strength and stability of the EC dollar.

In the current complex economic and policy environment, creative thinking, innovative solutions and urgent collective action are needed to overcome the obstacles to recovery, resilience and transformation. This growth mindset imbues the ECCB's strategic approach to supporting the ECCU region. The approach has come to be known as the ECCB Transformation Model – **ICAR** – whereby we **Ideate, Create, Advocate** and **Replicate**. This model of transformation encapsulates a dynamic process for strategically transforming the region, commencing first in the internal transformation theatre at the Bank and ultimately expanding to the external theatre of the wider region. The model informed the development of the Bank's sophomore strategic plan, styled "**Transforming the ECCU through Innovation and Collective Action**," which is slated

for a public launch early in the 2022/2023 financial year. The model was also seen in full force over the 2021/2022 financial year in several initiatives championed and implemented by the Bank, under the five key strategic themes of the new strategic plan for 2022-2026.

With respect to the Bank's **financial stability** mandate, which is also the first of the strategic themes under the 2022-2026 plan, the Bank oversaw the successful wind down of the regional financial support programme – the loan repayment deferral programme. Given the strong liquidity and capital positions of the commercial banking sector going into the pandemic, the licensed financial institutions (LFIs) were able to provide this much-needed lifeline to the region – on tens of thousands of loan facilities valued up

to five billion dollars. The LFIs did this without needing to access the Central Bank's liquidity support facilities. Nevertheless, the Central Bank's efforts to further strengthen the financial sector continued apace. Work advanced on the implementation of Basel II/III. Efforts were also focused on shoring up financial integrity and amplifying surveillance activities, in light of recent mergers and acquisitions.

Under the **payments modernisation and financial inclusion** strategic theme, the Bank continued its thrust towards addressing payments frictions and expanding financial inclusion by rolling out DCash in the Commonwealth of Dominica, Montserrat and Saint Vincent and the Grenadines. In June 2021, the Bank's

pioneering work on DCash was recognised when it became the recipient of the 2021 Central Bank Digital Currency (CBDC) Infrastructure Award for its digital payments platform. Innovation is not without risks. Since the launch of DCash in March 2021, the platform experienced its first and only service interruption in January 2022. The Bank seized the opportunity presented by the downtime to undertake a number of upgrades and explore new features to enhance the user experience by the time service was fully restored in March 2022.

Recognising that payments innovation must be undergirded by a sound legislative and regulatory framework, the Bank delivered the draft Payment System and Services Act (PSSA), which was approved by the Board of Directors for submission to the Monetary Council. Also noteworthy is the critical work to bring deeper understanding, through empirical evidence, to the challenges surrounding individual-level financial challenges. This was articulated through the drafting of a Financial Inclusion and Financial Literacy Survey.

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In the current complex economic and policy environment, creative thinking, innovative solutions and urgent collective action are needed to overcome the obstacles to recovery, resilience and transformation. This growth mindset imbues the ECCB's strategic approach to supporting the ECCU region.
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Governor's Foreword

In March 2022, another payments innovation by the Bank - in the form of its more secure and durable family of EC polymer banknotes - received Reconnaissance International's Best New Banknote Series Award.

As an institution, the Bank is committed to becoming a centre of excellence in sustainability. To that end, a key initiative under the **environmental, social and corporate governance** thrust of the Bank is the Greening of the Campus Initiative for attaining our net zero target by the end of 2022. This is an example of a tangible demonstration project to illustrate what is possible when it comes to tackling the energy dependence and climate risk challenges in the region. Efforts to expand such initiatives across the region are underway through the Renewable Energy Infrastructure Investment Facility that is being developed in partnership with the World Bank and others. The Bank showed its commitment to sustainability on the international stage by becoming the first Caribbean Partner of the Sustainable Banking and Finance Network (SBFN).

As part of the **digital transformation** agenda, the Bank hosted its 5th Growth and Resilience Dialogue with Social Partners in April 2021 under the theme, "**Building Resilience in the Post-Pandemic Era,**" with a focus on digital skills and jobs and food and nutrition security. The focus on digital skills continued with the launch of the **Artificial Intelligence Data Challenge** in January 2022 to tap the pool of talent and digital skills to crowdsource solutions to the region's climate issues. Internally, the Bank sought to further leverage its SAS software for data management, visualisation and analytics.

In September 2021, the ECCB team welcomed its third Deputy Governor in the person of Dr Valda Henry - its first female Deputy Governor. Dr Henry brings a wealth of experience and expertise that is adding value especially to the Bank's **organisational effectiveness and development** goal. Other significant developments under this strategic theme are the approval of several key internal policies that are integral to an effective modern human resource function at a model institution. The Bank also conducted its third round of the Emerging Leaders' Programme and undertook a timely assessment of the impact of the three rounds to date, to provide insights to guide decision-making regarding the programme going forward. The thread of focus on staff development continued with the implementation of a Learning Management System (LMS), a centralised, internal learning platform.

Throughout the pandemic, the Bank's mantra as it relates to operations could be summed up as "safety and service": keeping staff safe and continuing to serve our region well. This was accomplished through a massive undertaking that facilitated 70 per cent of the Bank's staff working remotely for a period of two years. As the Bank considered a safe return to Campus, it drew insights from an internal survey study on the remote working experience of the staff. The cross-departmental collaborative study showed the potential of digital tools and connectivity for safeguarding operational resilience and business continuity in the face of crisis. The study's results also showed that the remote work modality brought unexpected additional benefits to staff in the form of flexibility and improved work-life balance to support staff wellbeing

– all without compromising productivity or performance. It also revealed staff preference for the remote experience to continue in some form. These insights have informed the Bank's return to Campus strategy which has embraced a hybrid approach: combination of in office work and remote working for most staff.

The 2022/2023 financial year opens with even more challenges than the previous year did. This reality shapes the Bank's direction for the new year. The focus on innovation, experimentation and reforms will be ramped up. The Bank will move proactively on several initiatives, including the following:

Financial Stability

- Advance research on a Regional Standards Setting Body for the Non-Bank Financial Institution (NBFI) Sector of the ECCU;
- Launch the operations of the Credit Bureau; and
- Implement enhanced reporting for licensed Non-bank Financial Institutions, the Eastern Caribbean Partial Credit Guarantee Corporation, and the Credit Bureau.

Payments Modernisation and Financial Inclusion

- Launch DCash in Anguilla;
- Launch the Financial Inclusion and Financial Literacy Survey;
- Develop new data protection legislation for the region; and
- Facilitate direct access by credit unions to the Eastern Caribbean Automated Clearing House (ECACH).

Environmental, Social and Corporate Governance

- Complete the battery storage component of the Greening of the Campus Initiative

Digital Transformation

- Institutionalise a data analytics function across the Bank; and
- Launch the ECCB Knowledge and Innovation Hub.

Organisational Effectiveness and Development

- Resume the Country Outreach Missions to member countries after a two-year hiatus;
- Launch a new ECCB website and
- Adopt a new social media strategy.

Governor's Foreword

Several of the highlighted initiatives are potentially transformative innovations for the region. Accomplishing the Bank's goals would require the support of partners across the region and internationally. An African proverb admonishes that "If you want to go fast go alone. If you want to go far, go together." At the Bank, we desire to be able to go both fast and far. We go fast, and sometimes that means failing forward to learn the lessons from innovation quickly. Armed with these lessons, we and our partners together can go farther, bringing life-changing benefits to the people we serve in the region. That is the legacy we strive for at the ECCB.

The Monetary Council continued to provide steady and strong leadership to the Central Bank and the region throughout this past turbulent year. I thank the Board of Directors for their tireless efforts and support in steering the Bank through the turbulence towards the achievements outlined in this Report. I thank my colleagues on the Executive Committee - Deputy Governor, Dr Valda Henry, and Chief Director (Policy), Ms Tracy Polius - for their diligence and support throughout the 2021/2022 financial year. The management and staff of the Bank were reinvigorated this year after my challenge at the end of last year to be competent yet caring; prudent but proactive; and imaginative and industrious. Team ECCB brought focus, commitment and energy to serving the region this past year.

Even as we continue to be buffeted on all sides, let us hold fast to the assurances given by Almighty God, whose grace has already brought us through so much, and press on: ***"But as for you, be strong and do not give up, for your work will be rewarded"*** (2 Chronicles 15:7, NIV).

Financial Stability

A regulatory architecture that delivers complete and effective oversight of the financial system; reduces systemic risk; and enhances resilience of financial institutions, markets and infrastructure

Financial Stability

During 2021/2022, the financial system of the ECCU continued to be buffeted against the shocks associated with the COVID-19 pandemic and the impact of the eruption of the La Soufriere volcano in Saint Vincent and the Grenadines. The Bank worked with the regulatory authorities in Saint Vincent and the Grenadines to mitigate against any potential fallout on the financial sector associated with these events. Consequently, those efforts ensured that the financial system remained stable and relatively unaffected by the events. The region was also spared the impact of tropical cyclones in the 2021/2022 period. These climatic events remain a serious and annual risk event for the financial system.

The ECCB continued its efforts at supporting and ensuring financial sector stability and systemic risk mitigation while continuing its efforts at enhancing the regulation of the financial sector. To this end, the Bank continued its work on several key areas and policies including;

- The Optimal Regulatory Framework,
- The Regional Standard Setting Body, and
- A Crisis Resolution and Deposit Insurance Framework

These key policies will aid in establishing an explicit financial stability mandate within the ECCB and facilitate the drafting of financial stability legislation in the 2022/2023 reporting period. It is expected that upon finalising this process, this new framework will contribute significantly to systemic risk mitigation and macroprudential regulation within the financial system of the ECCU.

Deposit Insurance

The ECCB commenced work towards incorporating crisis resolution funding under the Deposit Insurance Project. The draft Deposit Insurance Bill will be amended accordingly, prior to consultations with ECCU stakeholders.

ENHANCE RISK-BASED SUPERVISORY AND MANAGEMENT FRAMEWORK

During the year, the ECCB maintained its surveillance of the financial sector with a special emphasis on licensed financial institutions such as commercial banks – while collaborating with the Single Regulatory Units (SRUs) of the region on surveilling other financial sector institutions such as credit unions and insurance companies. While risks emanating from the system may have increased during the period, they have not increased to levels which are unmanageable and which are likely to cause disruption to the rest of the financial system. Some of these risks include: (i) Operational risks, (ii) Credit risks, and (iii) Concentration risks.

The Bank undertook the following activities in pursuing its mandate to effectively regulate and supervise institutions licensed under the Banking Act 2015, towards maintaining financial stability of the banking sector in the ECCU:

Anti-money Laundering, Combating the Financing of Terrorism and Combating Proliferation Financing (AML/CFT/CPF) Supervision

Significant progress was made in the execution of its AML/CFT/CPF Supervision Framework. The Bank conducted six remote examinations of licensed financial institutions (LFIs) and continued its surveillance and monitoring activities, to ensure that

LFIs were implementing remedial action items and other corrective measures to address deficiencies. Ongoing monitoring was critical, particularly in light of the Caribbean Action Financial Task Force's 4th Round Mutual Evaluations (MEVAL) and follow up assessments of member countries. One member underwent an assessment during the fiscal year, and a follow up review was conducted on another.

The supervision framework was updated in March 2022 to include proliferation financing, in keeping with the Bank's proactive approach to supervision, and in response to addressing new and emerging risks to the ECCU. The updated framework is published on the ECCB's website. The AML/CFT/CPF Risk-based Supervision Framework describes the principles, concepts and core process the ECCB utilises to supervise LFIs.

ENHANCED PRUDENTIAL SUPERVISION OF LICENSED FINANCIAL INSTITUTIONS (LFIs)

The Bank augmented its surveillance activities in light of recent mergers and acquisitions and deficiencies noted from the examinations of LFIs. The banking sector in the ECCU underwent significant changes during the fiscal year, with the transfer of the assets and liabilities of Royal Bank of Canada to a Consortium of ECCU national banks on 1 April 2021; the sale of Bank of Nova Scotia (Antigua and Barbuda) to the Eastern Caribbean Amalgamated Bank on 1 September 2021; and the transition of the National Commercial Bank of Anguilla Ltd from a bridge bank to a licensed commercial bank.

As part of the Bank's risk-based supervision approach, keen attention was paid to the implementation of remedial action items and other risk mitigating strategies by LFIs, to ensure that banks remained adequately capitalised, maintained sufficient liquidity for daily operations, and satisfied other stipulated requirements. The Bank also kept abreast of emerging risks, particularly cyber/Information Technology risk, and climate-related financial risks, towards developing the right policy prescriptions.

The Bank resumed examinations of LFIs. The examinations were suspended in 2020, due to COVID-19 travel restrictions. Seven prudential examinations of LFIs (five were done remotely and two were done using a hybrid of remote and onsite), and two remote information technology examinations were conducted.

“
The Bank conducted six remote examinations of licensed financial institutions (LFIs) and continued its surveillance and monitoring activities, to ensure that LFIs were implementing remedial action items and other corrective measures to address deficiencies
 ”

Financial Stability

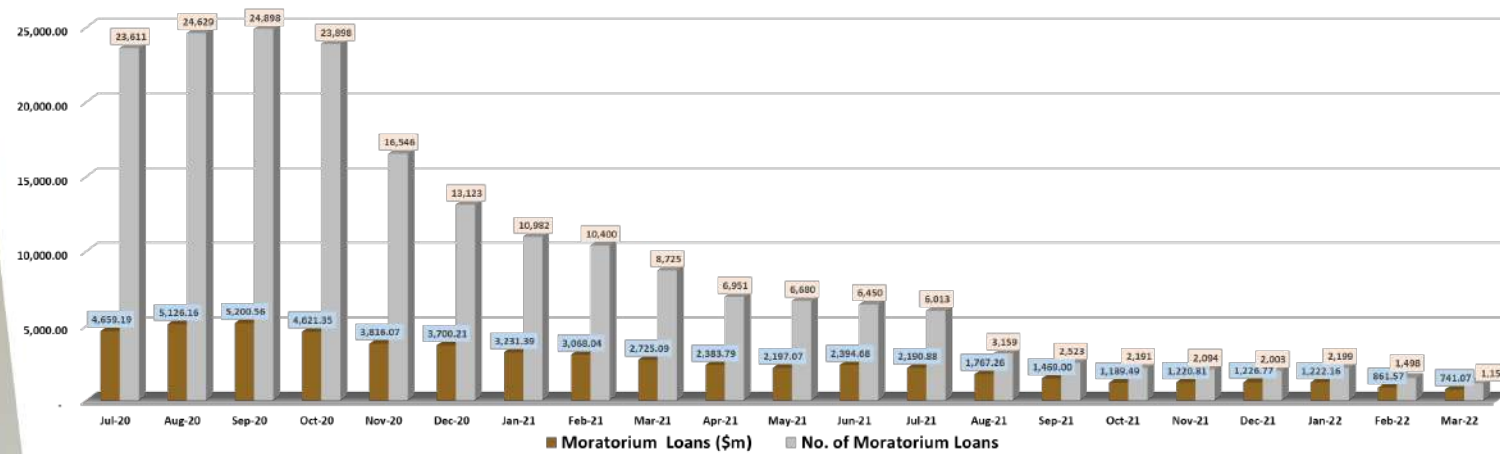
OTHER SUPERVISORY ACTIVITIES

The Bank continued to provide oversight of the Receiverships of National Bank of Anguilla Ltd (NBA), Caribbean Commercial Bank (Anguilla) Ltd (CCB) in Anguilla, and ABI Bank Ltd in Antigua and Barbuda.

LOAN MORATORIA AND RESTRUCTURING PROGRAMME

The ECCB agreed to a further extension to 31 March 2022, in support of loan payment moratoria and restructuring, for borrowers who continued to be impacted by the COVID-19 pandemic. In this regard, the ECCB continued to provide regulatory guidance to LFIs and provided member governments with updates and typologies in relation to moratoria and restructuring programmes in their respective territory.

Chart I - ECCU Moratoria Trends as at Months Ended July 2020 - March 2022



DEVELOP REGULATION AND STANDARDS

Development and Issuance of Prudential Standards

The ECCB continued to update its suite of prudential standards towards building financial sector resiliency and maintaining a safe and sound operating environment for LFIs. The following prudential standards were implemented during the 2021-2022 financial year: Credit Risk Management and Credit Underwriting (effective 1 October 2021), Treatment of Impaired Assets (effective 1 January 2022), External Auditing (effective 1 March 2022), and Consolidated Supervision (effective 1 April 2022). Issued prudential standards can be accessed via the link - <https://www.eccb-centralbank.org/p/regulations-and-standards>.

The ECCB finalised the Capital Measurement Standard and Internal Capital Adequacy Assessment Process (ICAAP) Standard as part of its Basel II/III implementation framework for issuance to the industry. The Central Bank is finalising other prudential standards, following industry consultation: Related Party Transactions, Electronic Banking and Information Technology Risk Management.

Work commenced towards the development of prudential standards in the areas of Stress Testing, Liquidity Risk Management and Climate-related Financial Risk. The issuance of the Fit and Proper Standard and the Prudential Standard on Corporate

Governance, which were previously approved, is contingent on the passage of the Banking Act amendments in all member countries.

Deliver New Risk Management Infrastructure to Support the ECCU Financial Sector

The Bank attained significant milestones with its implementation of Phase 1 of the Basel II/III framework, which seeks to strengthen the capital positions and capital reporting framework for LFIs.

Credit Bureau Supervision and Regulatory Framework

The ECCB is authorised to supervise credit reporting in the Currency Union and is provided with the requisite legal power to effectively regulate credit reporting. The ECCB completed the development of an ECCU credit reporting regulatory framework, via preparation of credit reporting supervisory manuals and tools to accompany the Credit Reporting Bill and Regulations. Work continued with outstanding member countries concerning the passage of the Credit Reporting Bill and issuance of the Regulations. The ECCB Credit Reporting Communications Strategy was also revised during the financial year.

The relevant staff received comprehensive training in the regulation and supervision of credit bureaus, including compliance and reporting requirements.

Basel II/III Implementation

The ECCB undertook the key activities listed below, as part of its Basel II/III implementation efforts:

Implementation of Pillar 1 (Minimum Capital Requirements): The ECCB finalised the Capital Measurement Standard and executed a Quantitative Impact Study (QIS). Efforts are ongoing towards integrating the new Basel II/III prudential return into the existing prudential reporting framework, to facilitate Basel II/III reporting by LFIs, to whom the framework will apply. The way forward includes continued engagement with the industry, testing of the new reporting template by conducting two parallel runs before the go live reporting, and issuance of the Pillar 1 Capital Standard.

Implementation of Pillar 2: The approved ICAAP Prudential Standard will be issued early in the 2022/2023 financial year and will become effective on 1 January 2023. This approach is in order to facilitate the LFIs preparation for reporting. Additionally, the ECCB will complete a Supervisory Review and Evaluation Process (SREP) guideline for Pillar 2 activities.

Technical Assistance Training: The ECCB continued to benefit from the Caribbean Regional Technical Assistance Centre (CARTAC) technical assistance (TA) programme for the implementation of Basel II/III. Over the period 21 February 2022 to 25 February 2022, CARTAC provided training to build supervisory capacity in consolidating the progress made towards Pillar 1 implementation, and to assist with preparations for Pillar 2, including the SREP and the Liquidity Coverage Ratio. CARTAC also continued its technical assistance to support the ECCB with its development of prudential standards.

Meetings of the Basel Working Group (BWG): The ECCB continued to convene monthly meetings of the BWG, which comprises the ECCB's Basel Implementation Team, and representatives from the LFIs to which Basel II/III apply. These meetings served as a medium for sensitisation and training of licensees and fostering greater collaboration with the banking industry on Basel II/III implementation issues.

Financial Stability

PSS-IOSCO Principles for Financial Market Infrastructures (PFMIs)

The ECCB continued its work in observance of the CPSS-IOSCO Principles for Financial Market Infrastructures (PFMIs) by Payment Systems across the ECCU. To date, the initial first-level review of the PFMI Self-Assessments for the designated Financial Market Infrastructures (FMIs) including the Real-Time Gross Settlement (RTGS) System, Eastern Caribbean Automated Clearing House (ECACH) and Caribbean Credit Card Corporation (CCCC) Ltd have been completed.

OTHER FINANCIAL STABILITY INITIATIVES

In line with its thrust to ensure a robust, diversified and resilient financial sector, the ECCB conducted an assessment of the institutional framework to further support the Non-Bank Financial Institutions (NBFIs) licensed under the Banking Act. To this end, the ECCB will consider allowing NBFIs to expand their range of services offered. The NBFIs were encouraged to seek membership in the Eastern Caribbean Automated Clearing House (ECACH) in an effort to improve efficiency in the processing of payments through the use of Electronic Funds Transfer (EFT). In line with those efforts, the ECCB approved an application from the Saint Vincent Cooperative Bank Ltd for participation in the ECACH.

The ECCB continued to assist the indigenous commercial banks with operational transition activity following the purchase/acquisitions of branches of Bank of Nova Scotia and Royal Bank of Canada/Royal Bank of Trinidad and Tobago.

As part of its Financial Stability mandate, the compilation of Monetary and Financial Statistics based on international standards were made available. Banks have begun to report on approved new loans, Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) supervisory data and security appraisals data.

Shared Services

The ECCB continued to provide support to participating domestic banks with its initiative on sharing of rights and obligations of technologically-advanced Risk and Compliance functions. The High Level Design phase was completed during the financial year, and the Risk and Compliance Shared Services Implementation Plan is being finalised prior to commencement of the final phase, Deploy and Sustain. The project will be completed during 2022/23.

Eastern Caribbean Asset Management Corporation (ECAMC)

The ECCB continued to provide technical advisory support to the ECAMC concerning its asset acquisition mandate. Although the ECAMC continued to explore funding solutions, it was successful in acquiring assets from four of the ECCB-approved LFIs.

The ECCB also continued to assist the ECAMC with preparatory work for assuming the role of receiver for two additional financial institutions. The ECCB expects to appoint the ECAMC as receiver for those two institutions during the 2022/23 financial year.

Mutual Evaluation Assessments

The ECCB continued to play an integral role in assisting member countries with their 4th Round Mutual Evaluation (MEVAL) process. The Bank was instrumental in facilitating the completion of the relevant technical questionnaires and providing comments on the draft MEVAL reports for Saint Lucia, Saint Christopher (St Kitts) and Nevis and Grenada. The ECCB also provided technical support with the follow up review process for Antigua and Barbuda. The Bank continued to provide guidance and support to the National Anti-Money Laundering Oversight Committees on which it serves.

ECCU Renewable Energy Infrastructure Investment Facility Initiative

Greening the ECCU Financial System

Green financing innovation is critical to mobilising finance for climate resilient development in the ECCU. As part of the ECCB's ongoing initiatives for strengthening the financial system and development of markets, the Bank embarked on the Greening of the ECCU Financial System Initiative which:

1. Is geared towards enabling innovative financial solutions and sustainable finance frameworks for unlocking green and responsible private investments to finance the region's green and inclusive recovery;
2. Explores avenues to mobilise private capital (regionally and internationally) to support green investments that will accelerate the renewable energy transition and create green jobs;
3. Will facilitate the mainstreaming of climate into financial and investment decisions, regulatory and supervisory responsibilities, and overall risk management strategies in the region;
4. Provides for the development of frameworks, strategic roadmaps and implementation of strategic solutions at the regional, country and institutional levels to tackle climate risk exposures, investment barriers and advance green finance in the region; and
5. Provides for training and strengthening capacity of all stakeholders to develop and execute various sector-specific interventions that address the adverse effects of climate change, contribute to reduce greenhouse emissions, and improve the region's ability to attract climate finance.

In support of the three main focus areas of the initiative which include green finance, climate risk assessment and stress testing and renewable energy financing, the Bank:

1. Arranged various targeted and coordinated technical assistance support from The World Bank Nationally Determined Contributions (NDC) Partnership Readiness Support for Greening Central Banks, NDC Support Facility and the French Development Agency, to pilot the initiative. Over the next 3 years, the Bank will work with financial institutions, Ministries of Environment, Energy and Sustainable Development and Ministries of Finance to strengthen the ECCU financial system architecture by promoting alignment with the Sustainable Development Goals (SDGs) and optimising the mobilisation of private capital regionally and internationally;
2. Launched the Request for Proposal (RFP) and recruitment process in September 2021 in partnership with the World Bank and the NDC Partnership Support Unit, to secure the services of embedded advisors to support the work of the ECCB;
3. Administered surveys and commenced regional stakeholder consultations on climate risk assessments and stress testing in partnership with the French Development Agency, Licensed Financial Institutions, development banks, single regulatory units and the Eastern Caribbean Securities Regulatory Commission;

Financial Stability

4. Participated in onboarding sessions with the International Finance Corporation (IFC)-facilitated Sustainable Banking and Finance Network (SBFN) since becoming a new member in November 2021; and
5. Continued to affirm its commitment to supporting NDC implementation within member states and promote current green and renewable energy initiatives being deployed to safeguard financial stability in the region at various events organised by the NDC Partnership.

ECCU Money and Capital Market Development Initiative (MCM 3.0)

The Bank commenced a process of consultation with various development partners to secure technical assistance for the ECCU Money and Capital Market Development Initiative (MCM 3.0), which provides for the development and implementation of the ECCU Capital Market Development and Literacy Master Plan (CapLit Masterplan). The ECCU CapLit Masterplan is to serve as a cohesive regional development tool, featuring a roadmap and action plan, to promote the strengthening and innovative transformation of the regional money and capital market for financing sustainable growth, green and inclusive development.

Improving the Integrity and Financial Transparency of the Eastern Caribbean Currency Union

The ECCB, in collaboration with the CDB, implemented a technical assistance project towards: “Improving the Integrity and Financial Transparency of the Eastern Caribbean Currency Union”. The project is funded by the Caribbean Development Bank (CDB) and Global Affairs Canada (GAC). A fundamental component of this project was ensuring that member countries were supported in the application of their risk-based AML/CFT/CPF supervision programme.

The project entails three broad components:

- *Association of Certified Anti-money Laundering Specialist (ACAMS) Scholarship:* A total of 50 scholarships towards Certified Anti-money Laundering Specialist (CAMS) certification were issued to regulators across the ECCU, all of whom were onboarded by ACAMS. The progress of the scholarship recipients will be monitored via monthly reports from ACAMS.
- *Mentorship Programme:* This component is designed to build on the ongoing risk-based assessment toolkit training being delivered by The World Bank. Hence, the mentorship programme offers practical training on the conduct of risk-based AML/CFT examinations. To date, eight of the Single Regulatory Units (SRUs) in the ECCU have responded to the offer letter. Preliminary meetings were executed with the eight member states, and a work programme specific to the needs of each member state is being developed.
- *PwC SRL:* The contracted firm submitted and received approval for the inception report, which laid out the technical approach towards the expected deliverables. The firm has commenced stakeholder consultations across the ECCU.

The scope of services of the engagement are to:

1. Assess and understand the AML and CFT risks in the Eastern Caribbean;
2. Assess the effectiveness of the existing AML and CFT control and reporting system in the ECCU, particularly the asset freezing mechanisms, data collection practices and statistics on the proceeds of crimes and illicit financial flows;
3. Assess the gaps between the existing AML and CFT legal and regulatory framework and the requirements under the revised (2012) Financial Action Task Force recommendations;

4. Propose measures to improve the AML and CFT control and reporting systems;
5. Prepare, in coordination with the ECCU member countries and ECCB, the draft national risk assessment framework, and the implementation of National Action Plans (NAPs) that are sensitive to the specific gender issues in financial criminality;
6. Advise on the appropriate tools, laws and regulations to reduce institutional and societal vulnerability to transnational financial crime associated with AML/CFT risks. This is to include demographic data (for example by sex) on the most vulnerable to the impacts of money laundering and terrorist financing;
7. Review the scope of training received by relevant stakeholders in the AML and CFT system over the last 2 years, and propose topics to be included in training or workshops, including ways to integrate practical cases;
8. Deliver training and workshops to national regulators, financial-sector officers, investigators, prosecutors and judges (including staff of other relevant agencies) on AML and CFT related issues; and
9. Engage in stakeholder consultations to include but not limited to the role of civil society in financial crime prevention and monitoring, and the national impact, inclusive of the development challenges created by financial criminality.

Growth and Resilience Dialogue

The Growth and Resilience Dialogue, held in partnership with the OECS Commission, The World Bank and The University of the West Indies (UWI), provides a platform for sharing challenges, analysis, experiences, lessons learned, and innovative solutions based on domestic and global trends to address fragility and build lasting resilience in the OECS region. The forum forms a critical part of the growth agenda of the ECCU through a coordinated approach by the ECCB, The World Bank Group and the OECS Commission, and is designed to promote the economic development of ECCU member countries.

“

The ECCU CapLit Masterplan is to serve as a cohesive regional development tool, featuring a roadmap and action plan, to promote the strengthening and innovative transformation of the regional money and capital market for financing sustainable growth, green and inclusive development.

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Financial Stability

Over the period 2020/2021, significant work was undertaken to plan and prepare for the 5th Growth and Resilience Dialogue, held 14-15 April, 2021. This was the first time the Dialogue was convened virtually, cognisant of the lingering effects of the COVID-19 pandemic and social distancing protocols.

The 5th Growth and Resilience Dialogue focused on Digital Skills and Jobs, and Food and Nutrition Security. In addition to the Dialogue's inspiring, energising and intellectually stimulating panels, 14 masterclasses were offered to expand the capacity development platforms provided. Participants were immersed in discussions on various innovative technologies and the digital skills and jobs that could empower the region to be more competitive and resilient.

The 6th Growth and Resilience Dialogue is scheduled for 6 April 2022 and will focus on climate resilience.



Read presentations from the 5th Growth and Resilience Dialogue

GROWTH AND Resilience Dialogue

THEME
**Climate Resilience:
 Securing the Future of Small
 Island Developing States**

**APRIL
 6TH WED 7TH THU
 2022**

Key Areas of Focus

- Accelerating the transition to renewable energy to drive Climate Change Resilience and Mitigation.
- Climate Resilience and Health & Nutrition.
- Global Climate Change and Tourism – The Way Forward for Mitigation and Resilience.

Payment Systems Improvements and Financial Inclusion

A modern, safe and efficient payments system which increases access to affordable financial services thereby promoting inclusive socio-economic development



DCash

An ECCB Initiative

Connecting Our Region...
Transforming Lives

Since the 31 March 2021 launch of the DCash pilot project, the user base of the DCash payments platform has grown to more than 4,000 wallet holders. The pilot project seeks to develop, test and deploy a digital version of the Eastern Caribbean (EC) dollar throughout the ECCU region. The initiative focuses on how a digital currency can improve the areas of payments system efficiency, financial inclusion of the unbanked and underbanked populations, and resilience and competitiveness.

Initially launched in Antigua and Barbuda, Grenada, Saint Christopher (St Kitts) and Nevis and Saint Lucia, the DCash pilot was extended to Saint Vincent and the Grenadines in August 2021, and the Commonwealth of Dominica and Montserrat in December 2021. Complete roll-out to Anguilla is expected by June 2022.

Within the past year, DCash has obtained participation in the pilot from more than 20 of the region's Financial Institutions and 11 Agencies. Both groups being key channels for customer onboarding. Additionally, the pilot has seen steady increase in the merchant base, a vital group in the DCash ecosystem, as DCash can also be used to purchase goods and services directly from participating businesses.

In January 2022, the platform went offline due to a technical outage, which resulted in service interruption to all users. In response, critical platform upgrades were undertaken, along with extensive internal testing and stakeholder testing, to restore full functionality. Full functionality of the platform was restored on 9 March 2022.

As a result of stakeholder feedback, and as part of the ongoing feature development of the DCash platform, wallet holders now benefit from several additional enhancements, including application status notifications, increased wallet application security, and the ability to add accompanying notes to transactions - the latter of which facilitates enhanced recordkeeping and reconciliation for consumers and merchants.

The second phase of the pilot will see the introduction of government-to-consumer (G2C) payments and an e-commerce functionality to support wider use of DCash. This phase will also see public education and consumer and merchant acquisition efforts increased significantly in each of the participating pilot countries.

[View DCash launch events](#)

Payment Systems and Financial Inclusion

Commonwealth Meridian Debt Tool

The Bank continued to collaborate with the Commonwealth Secretariat (COMSEC) to rollout the Commonwealth Meridian Debt Tool to the ECCU member countries. New versions of the software were released in April 2021 (V1.4), August 2021 (V1.5) and February 2022 (V1.6), in order to optimise the software.

The ECCB also resumed work with the Eastern Caribbean Securities Exchange (ECSE) on a Securities Upload Facility that was developed by COMSEC. The Securities Upload Facility automates the process for recording Regional Government Securities Market (RGSM) securities in Commonwealth Meridian. The Upload Facility was successfully rolled out to Saint Lucia in August 2021 and will be rolled out to the ECCU member countries that issue securities on the RGSM once they complete the implementation of the Commonwealth Meridian.

During the year, the Bank provided technical support to Anguilla as it implemented the Commonwealth Meridian. In Saint Christopher (St Kitts) and Nevis, work also restarted with an implementation mission in January 2022; the validation exercise is ongoing. The Bank continued to extend its invitation to host the Commonwealth Meridian server on behalf of ECCU member countries.

Eastern Caribbean Automated Clearing House (ECACH)

In pursuing its modernisation agenda, the Bank sustained its efforts to expand access to the Eastern Caribbean Automated Clearing House (ECACH) which necessitated an amendment to the ECACH Rules. This amendment will allow other classes of institutions, including Credit Unions, to gain membership and access ECACH services directly. To date, the Rules have been gazetted in Anguilla and Montserrat. The second phase of this initiative, onboarding of the Eastern Caribbean Securities Exchange and the Saint Vincent Co-operative Bank Limited, is in progress.

Financial Inclusion Initiatives

The Bank held extensive consultations across the ECCU with key stakeholder groups in the payment system landscape, including participants in both the retail and large value payments space to enhance its developmental and modernisation agenda, and specifically to inform a Payment System Strategy for the ECCU.

The ECCB also continued to explore opportunities to increase the availability and access of financial services for individuals in the ECCU, while promoting and maintaining financial stability. To ascertain the extent to which the public and businesses are aware of, and have access to, financial products and services that meet their needs, the ECCB began development work on a Financial Literacy and Financial Inclusion survey for the ECCU.

The Bank enhanced its reporting on Financial Stability and the Monetary, Credit and Financial Conditions by integrating key reports on the payments infrastructure into its flagship publications.

The Bank expanded collection of payments systems data and onboarded the Caribbean Credit Card Corporation (4CS) and ECACH with respect to the online submission of Monthly Payment Systems Activity (PS01) to the ECCB.

FINANCIAL INCLUSION AND FINANCIAL LITERACY SURVEY

Consistent with its strategic objectives, the ECCB continues to explore opportunities to increase the availability and access of financial services for individuals in the ECCU; while promoting and maintaining financial stability. The Bank, therefore, has commissioned a Financial Literacy and Financial Inclusion survey for its eight member countries.

The survey is expected to gauge and provide a benchmark of the extent to which the public is aware of, has access to, and uses financial products and services.

The joint survey of Financial Literacy and Financial Inclusion will be executed with the financial support of The World Bank-funded Caribbean Digital Transformation Project, which is being coordinated by the OECS Commission. Data Point Solutions Inc., has been contracted to execute the Financial Literacy and Financial Inclusion survey. The contract duration is six months, 1 June to 30 November 2022.

The initial survey is intended to provide a baseline analysis, relevant to the ECCB member countries, which is internationally comparable, and will:

- Capture information about financial behaviour, attitudes and knowledge on individuals in the ECCU;
- Ascertain financial awareness and access to financial services and products; and
- Help define targets that are realistic and can be monitored to measure progress over time.

Among other things, the survey will gather information on:

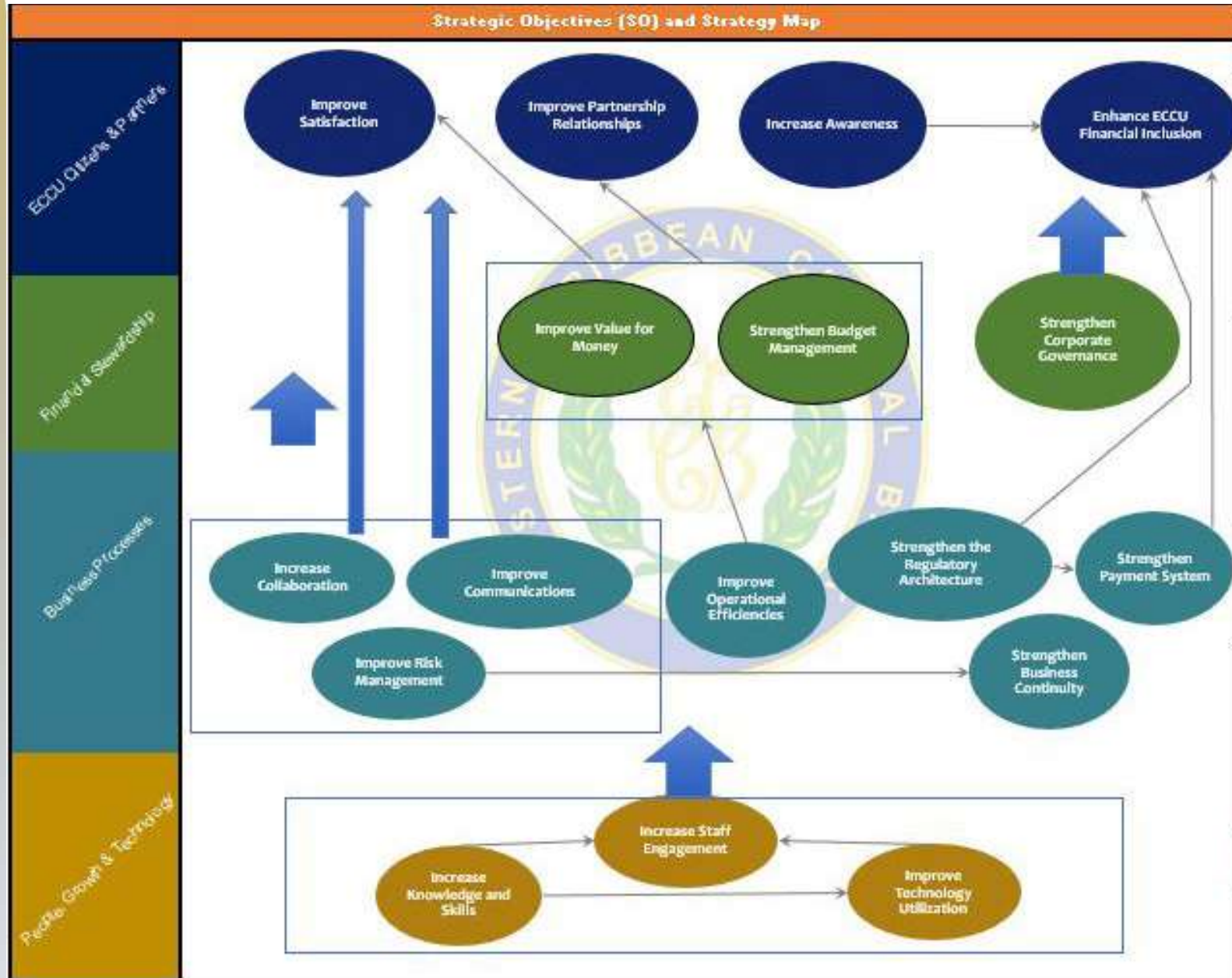
- socio-demographic data;
- general financial access; and
- payment flows based on payment types, access points and use cases.

Environmental, Social and Corporate Governance

*A model, advocate and influencer for environmentally and socially responsive action
for sustainable development*

Environmental, Social and Corporate Governance

The Bank advanced the development of its 2022 - 2026 Strategic Plan utilising the Balanced Scorecard framework under the theme: *Transforming the ECCU Through Innovation and Collective Action*. It highlights the Bank's strategic objectives and initiatives for the five-year period, as well as the key performance indicators to gauge the success of the plan. The 2022 – 2026 Strategic Plan will be officially launched during the new financial year.



Development and Review of Policies

The Bank continued to craft and review key policies to maintain robust and sustainable corporate governance. The ECCB Code of Ethics and Professional Conduct and Whistle Blower Policies were two critical policies that were developed to guide the desired conduct of the Executive and staff and to strengthen accountability.

Given the virtual environment in which the Bank operated during the year, it was also imperative that the necessary safeguards were put in place to ensure that optimum safety standards were maintained. The Digital Signature Policy is one such tool which guides the standards for choosing and operating a third-party software aimed at ensuring secure practices for the electronic signing of documents.

Financial Information Month (FIM) October 2021

The FIM Planning Committee continued to work assiduously in 2021 to engage the people of the Eastern Caribbean Currency Union (ECCU) in spite of the persistence of the COVID-19 pandemic. The focus for 2021 was *Innovation in the Face of Financial Adversity – Respond! Recover! Rise!* The activities, which included a regional virtual business symposium, centered on the following topics:

- *Let's Get Digital: Equipping Yourself for the Digital Way of Life* – Discussions addressed: cyber security, online banking and payments; using existing tools such as cell phones and taking advantage of virtual platforms.
- *Make Saving, Budgeting and Investing a Habit for a More Comfortable Tomorrow* – Effective personal finance management is fundamental to one's financial success. As such, innovative ways to save, budget and invest, were highlighted throughout the month.
- *Minding Your Business: How Your Small Business Can Stay Afloat in Tough Times* - Many small businesses continued to be adversely impacted by COVID-19 pandemic and business owners were wary of what the future might hold. The activities sought to provide advice and tips that could help small businesses bounce back in the post-pandemic environment. Topics addressed included: fundamental business principles and practices; managing business finances; seeking new opportunities; and adaptation and innovation.

One of the highlights of FIM 2021 was the regional Virtual FIM Business Symposium. The ECCB collaborated with the Bankers' Association of Saint Lucia and FIM partners across the ECCU to host the symposium on 27 October. The topic was: *Minding Your Business: How Your Small Business Can Stay Afloat in Tough Times*. A panel of experts from across the ECCU with several years of experience in banking, entrepreneurship, funding options and finance management, shared their expertise and perspectives on the topic. Executive Director of the St Kitts and Nevis Chamber of Commerce, Kevin Hope, moderated the session.

The areas examined were: (i) Adaptation and Innovation, (ii) Fundamental Business Principles/Practices, (iii) Funding Assistance Options, (iv) Managing Your Business Finances, (v) Risk Management: Physical and Financial and (vi) Seeking New Opportunities.

 [View 2021 FIM activities from across the ECCU](#)

Environmental, Social and Corporate Governance



ECCB/RSS-ARU Creative Youth Competition

The ECCB/Regional Security System – Asset Recovery Unit (RSS-ARU) Creative Youth Competition, is part of the ECCB’s Community Outreach Programme. The competition aims to encourage critical and innovative thinking and raise the awareness of secondary school and community college students aged 13-19, in the eight ECCB member countries, on issues of economic and social development.

The 2021 Competition focused on visual art. Students who participated in the competition created pieces on one of the following topics:

1. Evolution of Payment Methods: How Will the Use of Money Transform in the Future;
2. Women, the Forgotten Resource: Equal Opportunities for Women in the Workplace and Society; and
3. The Rise of Domestic and Social Ills in the Face of COVID-19.

The winners of the competition, were announced in July 2021. In the age 13 – 16 category, Janessa Durham of the St Vincent Girls’ High School in Saint Vincent and the Grenadines captured first place with her piece on the topic: Evolution of Payment Methods: *How Will the Use of Money Transform in the Future*. Raven Gabriel of the Castries Comprehensive Secondary School in Saint Lucia placed second with her work on the topic: *Women the Forgotten Resource. Opportunities for Women in Society and the Workplace*, while Leeya Alexander of the St Andrew’s Anglican Secondary School in Grenada walked away with third place for her piece on the topic: *The Rise of Domestic and Social Ills in the Face of COVID-19*.

In the 17 – 19 age category, Melanie James of the Sir Arthur Lewis Community College in Saint Lucia and Shemiah Humphreys of the Antigua State College in Antigua and Barbuda were adjudged first and second respectively with their depiction of the

topic: *The Rise of Domestic and Social Ills in the Face of COVID- 19*. Ashley Wilson of the Charles E Mills Secondary School in Saint Christopher (St Kitts) and Nevis placed third with her interpretation of the topic: *Women the Forgotten Resource: Opportunities for Women in Society and the Workplace*.

In September 2021, the ECCB and the RSS-ARU launched the 2022 ECCB/RSS-ARU Creative Youth Competition with a focus on poetry. Secondary schools and community college students in the ECCU were afforded the opportunity to showcase their talents, not only through the written word, but also using dramatic presentations of their poems. The enhanced submission process allowed students to submit their entries electronically through a web portal. The winners will be announced by the second quarter of the new financial year.

ECCB Connects: Who we are. What we do. How we serve you.

ECCB Connects forms part of the Bank’s Public Education programme and is aired on its social media platforms and on a number of regional television stations. At the close of the 2021-2022 fiscal year, 18 seasons and 243 episodes had been released since the programme commenced in 2016. The topics covered during the year included:

- Social Security Systems in the ECCU;
- International Women’s Day: Equity for the Region’s Girls and Women;
- The ECCU Payment System;
- Climate Related Financial Risks in the ECCU; and
- Corporate Governance.

 [View 2021-2022 ECCB Connects Programmes](#)

Environmental, Social and Corporate Governance

ECCB Children's Connection Radio Programme

The ECCB Children's Connection Radio Programme was rolled out in September 2021 throughout the eight ECCB member countries. The programme is aired once per month on 10 radio stations and targets children aged 5-12.

The 30-minute live radio programme, which was shortlisted for a 2022 Central Banking Award for Communication, comprises a principal lesson, a value lesson and a learning and retention segment where the children are allowed to call in and answer questions based on the principal lesson.

The objectives of the ECCB Children's Connection Radio programme are to develop the youth's understanding of everyday financial and economic issues; and to help with their overall personal development.

For the period under review, the following topics were covered: Money Matters – Definition and Forms of Money; The ECCB and the EC Currency; Needs and Wants; Budgeting; Saving for the Future and Goods and Services.

The call-in segment of the programme featured quizzes to gauge the children's understanding and retention of the material.

ECCB Blog and Digital Dialogues

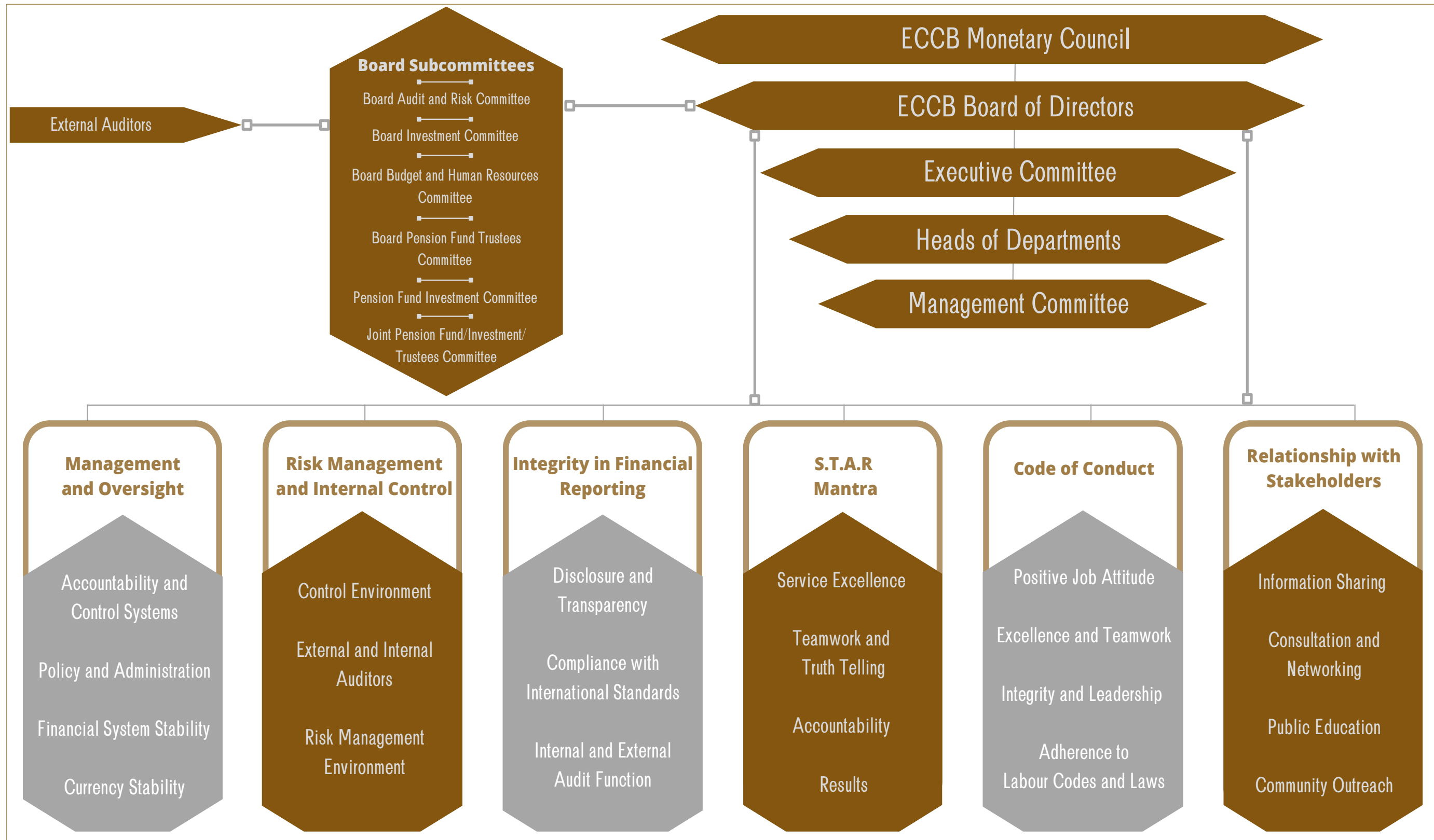
The ECCB Blog and ECCB Digital Dialogues initiatives, which were launched during the COVID-19 pandemic, continued to serve as important vehicles for the Bank's engagement with the public on its strategic objectives and issues affecting the Currency Union.

During the year, the Bank completed its first season of blogs which focused on key initiatives and priorities including: the digital economy, food and nutrition security, renewable energy and the lessons learnt from the pandemic with respect to health care and public finances. The Bank undertook a review of the first season of the ECCB Blog which included conducting a survey to gain insights from viewers and readers. The findings of the review will be used to enhance the Blog publications and extend its reach. [Read ECCB Blog](#)

The ECCB Digital Dialogues remained an important platform for sharing views on the threats and opportunities presented by the pandemic. During the year, the Dialogues featured distinguished panellists who spoke on a range of topics including health care, small businesses and education.



Corporate Governance Framework



Environmental, Social and Corporate Governance

CORPORATE GOVERNANCE FRAMEWORK

The Bank remains cognisant of the importance of good corporate governance and is committed to ensuring that this attribute is preserved in its operations.

The Bank's Corporate Governance Framework is upheld by the following pillars:

1. Firm foundation for management and oversight;
2. Proactive and sound risk management and internal controls;
3. Integrity in financial reporting;
4. Code of Conduct that endorses ethical values; and
5. Reciprocal relationship with stakeholders.

The Corporate Governance Framework is guided by the following:

1. The ECCB Agreement Act, 1983 (as amended) and the Banking Act, 2015;
2. The Corporate Governance Principles for the Organisation of Eastern Caribbean States (OECS);
3. The legal and regulatory framework of the ECCU member countries; and
4. Best practices in the local and international arena.

The framework seeks to promote accountability; ensure appropriate control systems are developed and are operationalised to address associated risks; and to foster innovation through critical thinking and problem-solving in pursuit of the Bank's objectives.

ADMINISTRATION AND MANAGEMENT

Monetary Council

The Monetary Council comprises the eight Ministers for Finance of the ECCB Participating Governments, and is the highest decision-making organ of the Bank. Provision is made in the ECCB Agreement, Article 7 (1) for each Minister to designate an Alternate, who must also be a minister of government, to serve on the Council in his/her absence.

Chairmanship of the Monetary Council

The tenure of the Chairmanship of the Monetary Council is for one year and is rotated among member countries in alphabetical order. The current Chairman is the Honourable Premier and Minister for Finance, Montserrat - Joseph E Farrell, who assumed the Chairmanship on 23 July 2021.

The Ceremony to Mark the Change in Chairmanship was held virtually for the second time. Following the ceremony, the Chairman, Honourable Premier Farrell, engaged regional media personnel at a media conference and presented the Communiqué of the 99th Meeting of the Monetary Council.



Chairman of ECCB Monetary Council
Hon Premier and Minister for Finance, Montserrat
Joseph E Farrell

The Honourable Premier for Montserrat will hand over the Chairmanship, to the Council Member for Saint Lucia, in July 2022 during the official Ceremony to Mark the Change in Chairmanship of the Council.

New Monetary Council Member Assumes Office

The Honourable Philip J Pierre assumed office as the Prime Minister and Minister for Finance, Economic Development and the Youth Economy for Saint Lucia on 30 July 2021. By virtue of holding the portfolio of the Minister for Finance, and in keeping with the Articles of the ECCB Agreement Act, Prime Minister Pierre was appointed as the new Monetary Council Member representing the member country of Saint Lucia. At the 100th Meeting of the Monetary Council held on 22 October 2021, Prime Minister Pierre was introduced to the Council membership.



Council Member for Saint Lucia
Hon Prime Minister and Minister for Finance
Philip J Pierre

Meetings of the Monetary Council

Article 7 (2) of the ECCB Agreement states, "The Council shall meet not less than twice each [calendar] year to receive from the Governor the Bank's report on monetary and credit conditions and to provide directives and guidelines on matters of monetary and credit policy to the Bank and for such other purposes as are prescribed under this Agreement."

Whilst observing the strict protocols which guided operational and administrative processes within the COVID-19 environment, the Monetary Council continued to deliver on its mandate to provide the necessary monetary and credit directives to the region. The three requisite meetings of the Monetary Council for 2021 were convened virtually:

- 98th Meeting of Monetary Council 12 February 2021
- 99th Meeting of the Monetary Council on 23 July 2021
- 100th Meeting of the Monetary Council held on 22 October 2021

In 2021, the Monetary Council held two Special Meeting; the first on 8 January and the second 9 July. Both meetings were transmitted via virtual platform. The meetings were convened to receive and approve recommendations on addressing the British American Insurance Company (BAICO) and CLICO International Life (CIL) Resolutions and allowed for Council to discuss and reach consensus on the way forward relating to payments due to Eastern Caribbean policy holders.

Ministerial Subcommittee on Insurance Meetings

The Ministerial Subcommittee on Insurance supports the Monetary Council. The Committee held meetings on 27 August 2021 and 19 November 2021. The meetings focused on review of the proposed CLICO and BAICO Resolutions; consideration for the plans to effect payments to affected policy holders; and efforts to advance diplomatic efforts to bring closure to the matter.

The members of the Subcommittee are: the Council Members for Antigua and Barbuda (Chairman); Commonwealth of Dominica, and Saint Vincent and the Grenadines.

Environmental, Social and Corporate Governance

Monetary Council Policy Sessions

To further sustain the work of the Monetary Council and given the significant challenges facing the ECCU region, the Council introduced a series of monthly Monetary Council Policy Sessions in 2021. The sessions were convened in an effort to provide detailed context and to create an avenue for in-depth discussion and deliberation on specific focal areas of critical importance to the region. They also allowed for the deepening of collaboration with the OECS Authority and the OECS Commission on matters of similar regional interest.

Each of the seven sessions held in 2021 focused on a specific regional issue. The first two sessions focused on a Review of the Fiscal Anchor. The subsequent sessions examined: (i) Tourism, (ii) Renewable Energy, (iii) Food and Nutrition Security, (iv) Digital Transformation, and (v) Social Security.

The Board of Directors

The powers of the Bank are vested in the Board of Directors. The Board of Directors is responsible for the policy and general administration of the Bank. According to the ECCB Agreement Act Article 8 (2), "The Board shall have power to make, alter or revoke regulations, notices and orders for the purpose of giving effect to the provisions of this Agreement."

The Board of Directors is responsible for submitting recommendations to the Monetary Council on such matters as the external value of the EC dollar; the denomination, composition, form and design of the currency to be issued; the terms and conditions; and interest rates for temporary advances to participating governments. Appointed Directors are required to consider the interests of all the participating governments in their decision-making process.

Composition of the Board of Directors

The Board consists of the Governor, Deputy Governor and one Director appointed by each participating government. The Appointed Directors are installed for terms not exceeding three years and are eligible for re-appointment. The Governor and the Deputy Governor are appointed by the Monetary Council for a period not exceeding five years and are eligible for re-appointment.

The Governor

The Governor serves as chairman of the Board of Directors. As Chief Executive Officer of the Bank, the Governor is responsible to the Board for the implementation of policies and the day-to-day management of the Bank. The Governor is required to attend all meetings of the Monetary Council.

The Governor has the authority to act, contract and sign instruments and documents on behalf of the Bank, and may by resolution of, and to the extent deemed appropriate by the Board, delegate such authority to other officers.

The Deputy Governor

The Deputy Governor provides support to the Governor in his duties, and exercises the powers, duties and responsibilities of the office during the absence of the Governor. The Deputy Governor also serves on the Board of Directors.

In July 2021, the Monetary Council announced the selection of Dr Valda F Henry as the new Deputy Governor of the Eastern Caribbean Central Bank. Dr Henry is the first woman to assume the position and will serve as the third Deputy Governor of the ECCB. Her five-year term began in September 2021. Dr Henry replaced Mr Trevor Brathwaite who demitted office on 15 September 2021.

Meetings of the Board of Directors

The Board is required to meet as often as the business of the Bank may require; but not less than once every three calendar months. During any given year, the Board convenes four meetings. Five Directors at any meeting constitute a quorum.

Within the Governance Framework, six subcommittees assist with the work of the Board:

1. Board Audit and Risk Committee
2. Board Investment Committee
3. Board Budget and Human Resources Committee
4. Pension Fund Trustees Committee
5. Pension Fund Investment Committee
6. Joint Pension Fund and Investment Committee

NEW DEPUTY GOVERNOR - DR VALDA F HENRY

A native of the Commonwealth of Dominica, she is a Chartered Financial Analyst with a PhD in Industrial Relations and Business, a Master's in Business Administration, a Bachelors in Management and a Bachelors in Law. She holds formal qualifications in Financial Analysis and Planning, Governance and Business Management.

Dr Henry is a Certified Global Professional in Human Resources, Society for Human Resource Management Senior Certified Professional (SHRM-SCP) and an Accredited Director. She is also a Certified ProNet Trainer and a Myers Briggs Type Indicator (MBTI) Practitioner and a Certified "Train the Trainer" for InfoDev and the Woman Innovators Network in the Caribbean (WINC).

Dr Henry brings a wealth of experience to her role with over twenty (20) years' experience in the public, private and financial sectors. She is the Founder, CEO and Principal Trainer of VF Consulting Inc, an HR consulting firm which she started in 2005. She served as a Senior Investment Officer at the ECCB from 1994-1998 and played an instrumental role in the restructuring of the Investment Unit and the development of the Investment Management Framework of the Bank.



Environmental, Social and Corporate Governance

In accordance with Article 13 (1) of the ECCB Agreement Act, the Board of Directors convened the statutory number of meetings as well as a sequence of Special Meetings of the Board and Subcommittees during the calendar year 2021. All meetings were convened virtually using web-based conferencing facilities. Those meetings included the 179th, 180th, 181st and 182nd along with the first Special Meeting of the Board of Directors; and Regular and Special Meetings of the Board Audit and Risk Committee, Board Budget and Human Resources Committee and Board Investment Committees.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board Audit and Risk Committee (BARC) provides guidance to the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process. The BARC is also responsible for a system of internal control, risk management, and compliance monitoring with laws and regulations, and the code of conduct. Specific to the work of the Committee, consultations are conducted, as deemed necessary, with the external auditors, the Bank's directors and officers, and the Bank's Internal Audit Department. The current Committee comprises: (i) John Skerritt, Chairman; (ii) Hilary Hazel, Deputy Chair; (iii) Esther Rigobert, Appointed Director; and (iv) Edmond Jackson, Appointed Director.

External Auditors

The audit firm KPMG, was re-engaged as the Bank's external auditor for a three-year period, 2021 - 2023. The external auditor reports to the Board Audit and Risk Committee on its findings and recommendations.

INTEGRITY AND FINANCIAL REPORTING

Disclosure and Transparency

In keeping with international best practices, and in accordance with statutory requirements, the Bank publishes its statement of assets and liabilities on a monthly basis and the audited annual financial statements by the end of June each year.

CODE OF CONDUCT

The Bank's overriding code of conduct is encapsulated in its value statement which states: "The Bank values a results-focused approach in delivering timely, relevant and high quality output for the benefit of the people of the ECCU."

The behaviour of management and staff is governed by various policy documents including the:

1. ECCB Corporate Governance Charter
2. Conflict of Interest Policy
3. Media Relations Policy
4. Information Systems and Security Policy
5. Eastern Caribbean Central Bank Staff Regulations
6. The ECCB's Guide – Protocol, Diplomacy and Etiquette
7. Energy Management Policy

8. Financial Regulations
9. Whistle Blower Policy
10. Code of Conduct

Human Resource Management

The Bank is governed by the labour codes and laws of each of its participating member territories. The oversight of the Bank's human resources is delegated to the Human Resources Department. The management of human resources is informed by policies and guidelines which conform to international conventions and standards pertaining to human rights, equal employment opportunity and working conditions. The Bank's Internal Audit Department helps to maintain the integrity of the human resource management process by ensuring that the Bank complies with stipulated policies and procedures.

RELATIONSHIP WITH STAKEHOLDERS

Stakeholder Involvement

Due to the ongoing dynamic environment presented by the COVID-19 pandemic, the Bank continued to engage its stakeholders virtually. The anticipated networking and consultative meetings were convened as scheduled. Some of these meetings are held biannually while others are held on an annual basis. The virtual platform created the avenue for a more productive stakeholder engagement, allowing for participation from a wider cross-section of institutions, and presented the opportunity for participants to share their updated responses on measures taken one year into pandemic. The networking and consultative meetings met participants at an individual institution level, allowing for institution-based lessons learnt to be shared; and framed responses that could be used at both the national and regional levels.

Meetings were convened with the following stakeholders in 2021:

Consultative Meetings

1. Regulatory Oversight Committee
2. ECCU Financial Secretaries
3. Licensed Financial Institutions
4. Attorneys General and Chief Parliamentary Counsels
5. ECCU Development Banks

Networking Meetings

1. Comptrollers of Inland Revenue and Customs
2. ECCU Directors of Social Security Systems
3. Accountants General, Directors of Audit and Directors of Budget
4. ECCU Directors of Statistics
5. Regional Debt Coordinating Committee
6. ECCU Chief/Commissioners of Police
7. ECCU Heads of Policy and Economic Units

Environmental, Social and Corporate Governance

The ECCB remained connected with its stakeholders through a variety of media over the year, in order to enhance the awareness and involvement of the people of the region in relevant economic and financial matters.

CORPORATE SOCIAL RESPONSIBILITY

Now more than ever, the ECCB recognises its corporate social responsibility to the people of the region, a responsibility that is preserved in its mandate to promote a sound financial structure conducive to the balanced growth and development of its member states, Article 4 (3), ECCB Agreement, 1983. The Bank’s execution of, and continued efforts to expand its public relations and community outreach programmes, embody this corporate social responsibility. During the period under review, the Bank continued to demonstrate its corporate social responsibility through its public education and community outreach programmes and the delivery or sponsorship of the OECS/ECCB International Netball Series; ECCU Bank of the Year Awards; and Student Programme for Innovation in Science and Engineering (SPISE).

OECS/ECCB International Netball Series

After a two-year hiatus due to the COVID-19 pandemic, the 2nd OECS/ECCB International Netball Series was held from 12 to 18 February, 2021 at the Windsor Park Sports Stadium in Roseau, Commonwealth of Dominica. Teams from five ECCB member countries: Antigua and Barbuda, the Commonwealth of Dominica, Saint Christopher (St Kitts) and Nevis, Saint Lucia and Saint Vincent and the Grenadines vied for the Gloria Ballantyne Championship Trophy. A team from Barbados also participated in the tournament for ranking purposes. Team Saint Vincent and the Grenadines, unbeaten during the tournament, captured the title. The Dominica Netball Association in collaboration with the Caribbean Netball Association hosted the tournament.



*The Champions: 2nd OECS/ECCB International Netball Series
Team Saint Vincent and the Grenadines*

ECCU Bank of the Year Awards

This ECCU Bank of the Year Awards afford the commercial banks which operate within the ECCU, the opportunity to share their contributions to the overall development of the people they serve through everyday business practices.

The ECCB hosted the 3rd ECCU Bank of the Year Awards Ceremony on 16 December 2021 via virtual platform. A panel of judges assessed the commercial banks’ submissions in the following categories: (i) Customer Service; (ii) Financial Education and Empowerment; (iii) Pandemic and Banking; and (iv) Technological Innovation.

Student Programme for Innovation in Science and Engineering (SPISE)

The ECCB continued to provide support for the Student Programme for Innovation in Science and Engineering (SPISE). The 2021 ECCB SPISE scholar was Ajonte Josiah from Antigua and Barbuda. Through the ECCB’s sponsorship, 11 students from the ECCB member countries have participated in the programme since 2016. The goal of SPISE is to help increase the numbers of Caribbean students pursuing advanced degrees in science and engineering.

3rd ECCU Bank of the Year Recipients



*Pandemic and Banking
& Technological Innovation
1st National Bank St Lucia Limited*



*Financial Education and
Empowerment
Bank of Saint Lucia Limited*



*Customer Service
CIBC/FCIB (Barbados) Ltd
Antigua and Barbuda*

 [View more about the ECCB’s contribution to the SPISE programme](#)

Greening of the ECCB Campus

The ECCB's Greening the Campus Project commenced in 2016 with the objective of seeing the ECCB becoming carbon-neutral in its operations. Two avenues were devised to help the Bank achieve this goal of carbon neutrality: (i) Generating renewable energy; and (ii) Reducing the consumption of electricity.

Renewable Energy Generation

The ECCB's award-winning Solar Canopy Project is a direct response to the Bank's quest to reduce its reliance on fossil fuels. The Solar Canopy design features a series of canopies over the Bank's parking lots at its Headquarters in St Kitts. It is the biggest solar power generator on the island and is considered as the largest solar-power system in the Eastern Caribbean operated by any entity other than a power company.

The Canopy Project was commissioned in December 2019 and is now in its third phase. This third phase involves the implementation of a battery storage system to house the excess renewable energy generated from the solar canopy. The battery storage units will allow the ECCB to harness the excess energy, approximately 30.0 per cent of the total being generated, for use during the night hours. This will help to further reduce the Bank's reliance on energy generated by fossil fuels and decrease its carbon footprint.

At present, the ECCB is at about 70.0 per cent carbon neutrality. The goal is to achieve 100 per cent of this carbon neutral target by the end of the 2022 calendar year.

Reducing Consumption of Electricity

The reduction of electricity consumption is the Bank's second avenue of achieving carbon neutrality. In an effort to reduce consumption, the Bank first assessed the areas of highest energy consumption and devised strategies to realise decreases in those areas.

The Bank now utilises LED lighting and has upgraded its air conditioning units to a more efficient system. The Bank is also exploring plans to replace its existing fleet of fossil-fuel vehicles with electric ones.

Digital Transformation

A model central bank optimising digital technologies to enhance resilience and responsiveness and supporting the buildout of a digital economy in the ECCU

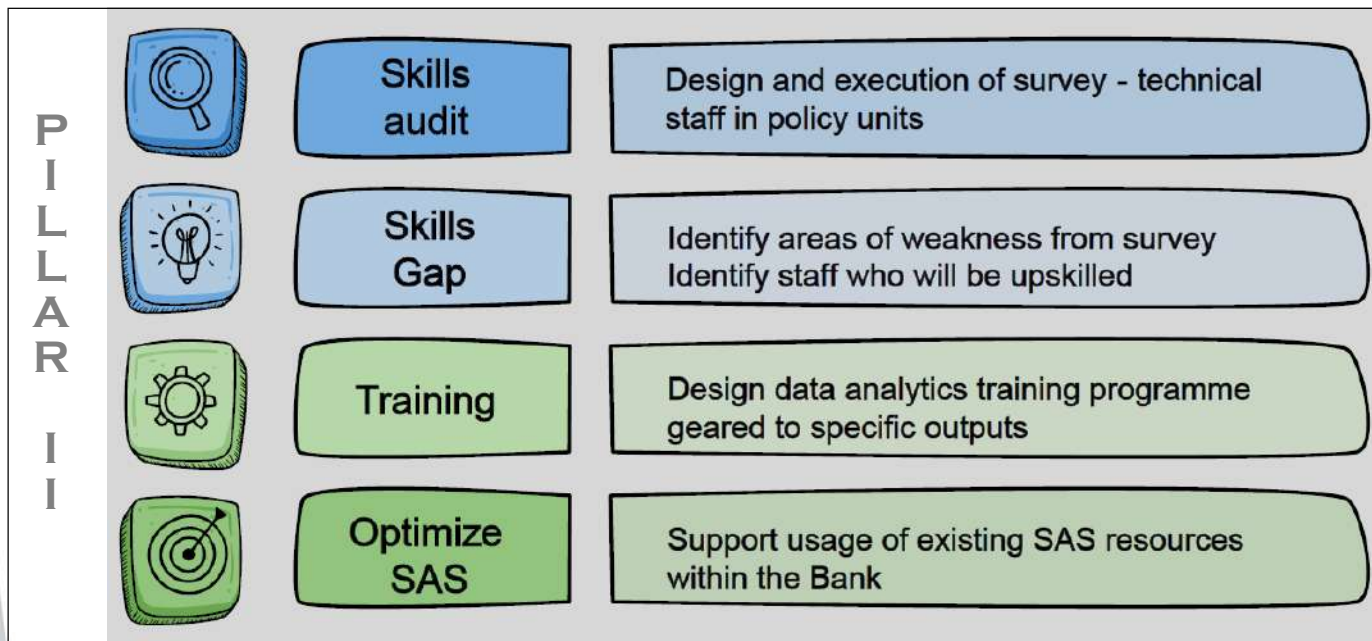
Digital Transformation

Data Analytics Project

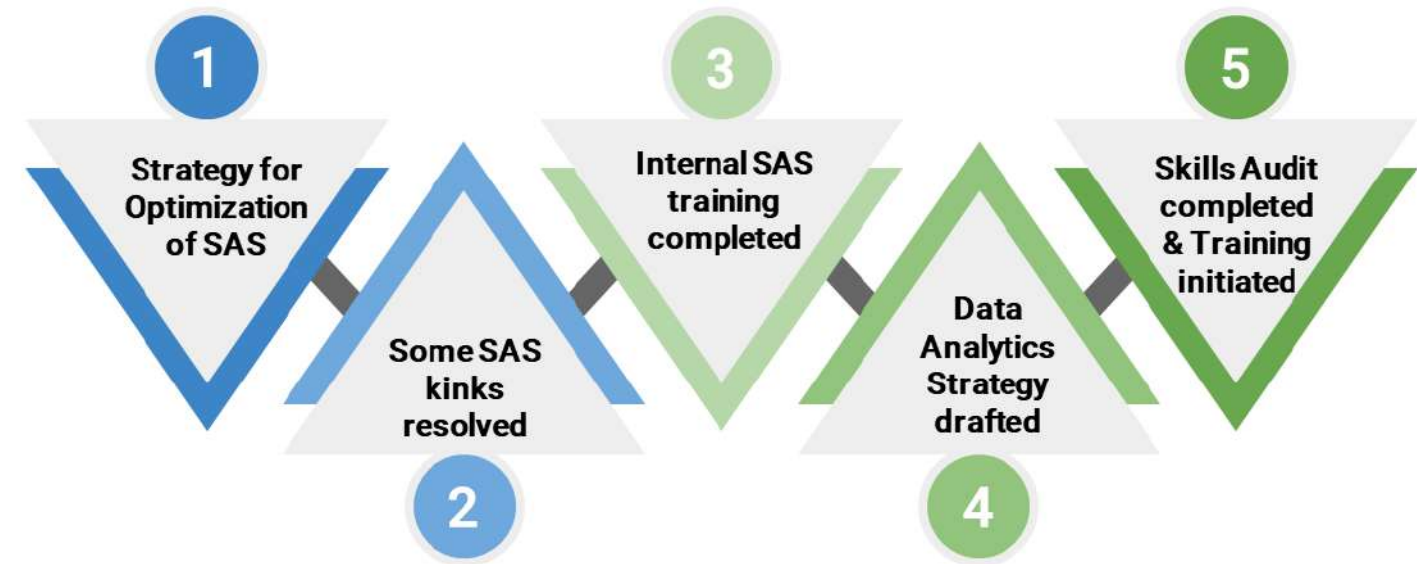
During the year, the Bank focused on developing a strategy to integrate data analytics into the work programme to allow for improved operations and more data driven policy insights. The strategy focused on the following pillars:

- Pillar I - Upgrade of the cadre of tools to be deployed within the Bank to ensure effective execution and replication of Data Analytic Projects;
- Pillar II – Assessment of the talent pool within the Bank that can be deployed to support the data analytics strategy;
- Pillar III – Evaluation and upgrade of key statutory outputs; and
- Pillar IV – Attract, retain and improve the talent pool.

With respect to Pillar II, an internal survey provided information on existing data analytic skills within the Bank. The results of the survey informed the approach to training, where the Bank supported professional certificates in Data Science for six core staff within the Research and Statistics Departments. Further, Bank-wide training will be implemented during the new financial year.



Under Pillar III, the Bank conducted an evaluation of the Reports on Money and Credit Conditions and the Banking Sector. Given the significant overlap between the two reports, a decision was taken to merge the reports into the Money, Credit and Financial Conditions Report. This report has since been upgraded to include better quality charts and improved analysis. Further, upgrades to the report on Money, Credit and Financial Conditions are planned to include a shift away from the traditional point-to-point analysis to more trend analysis for greater insights to support policy and decision making. Upgrade of other statutory outputs will continue into 2022-2023.



Status of Integration of Data Analytics into Work Programme

Statistical Enterprise Solution

The Bank advanced work to include economic data in its new statistical enterprise solution which uses the SAS software, to ensure a centralised data warehouse. SAS was updated to accommodate mergers and acquisitions of banks, to ensure so that there were no gaps in the datasets. As part of its transition from its legacy system to SAS, old and new datasets were bridged to automatically capture a time series of key indicators. The indicators included those for monetary and financial statistics and financial soundness indicators according to international standards. In addition, as part of its digital transformation, the Bank utilised an Application Programming Interface (API) to pull data from SAS directly to an external database, which can transfer data to the ECCB’s website directly.

SWIFT Customer Security Programme (CSP)

The ECCB engaged an external service provider to perform an assessment of the Bank’s implementation of the Society for Worldwide Interbank Financial Telecommunication (SWIFT) Customer Security Programme (CSP) recommended controls, for effective defenses against cyberattacks and to protect the integrity of the payment systems. The assessment included performing test procedures over the 31 SWIFT CSP controls and the end-to-end transaction chain beyond the SWIFT local infrastructure. Based on the results of this independent assessment, the Bank successfully attested to SWIFT CSP 2020 requirements in advance of the 31 December 2021 deadline.

Digital Transformation

ERP Replacement Project

The Bank will replace the Enterprise Resource Planning (ERP) application that was implemented in 2012. The new ERP solution will deliver significant operational efficiency improvements across the Bank. On 10 December 2021 a new ERP Vendor was chosen. Implementation of the new solution will start in the 2022-2023 financial year.

Other IT Projects Undertaken During the Year

1. ECCB procured equipment to enhance streaming capacity and enable simultaneous live streaming on different platforms including Facebook and YouTube and eliminates the need for different pieces of equipment to achieve same.
2. ECCB implemented Prezi to enhance the visual quality of presentations given to internal and external stakeholders.
3. The Remote Access Solution was scaled up to effectively meet the telecommuting needs of the Bank.
4. ECCB refreshed its Server Infrastructure to meet the computing needs of the Bank with room for foreseeable growth.
5. ECCB replaced its cabling infrastructure with a more reliable, industry standard capable of meeting the computing needs of the Bank into the foreseeable future.
6. The IT UPS was replaced to better support the Bank and improve resilience.
7. The ECCB Bright Sparks Internship programme was initiated in 2017. It provides students graduating from Information Technology programmes at regional tertiary institutions with an opportunity to gain entry-level professional experience in the field of Information Technology. In 2021 ECCB recruited three students to participate in the Bright Sparks Internship: Trehdel Lake from the Clarence Fitzroy Bryant College, Saint Christopher (St Kitts) and Nevis, and Nahshon Wiltshire and Jahres Peters from the Dominica State College, Commonwealth of Dominica.
8. An upgraded Currency Management Solution went live on 29 November 2021.
9. A Learning Management Solution went live on 28 February 2022.

Caribbean Digital Transformation Project

The Caribbean Digital Transformation Project (CARDTP) is a World Bank funded initiative being executed in select Eastern Caribbean Countries. The objective of the project is to increase access to digital services, technologies, and skills by governments, businesses and individuals in the participating Eastern Caribbean countries of the Commonwealth of Dominica, Grenada, Saint Lucia and Saint Vincent and the Grenadines.

The project comprises three components:

- Digital Ecosystem;
- Digital Infrastructure, Platforms and Services; and
- Digital Skills and Technology Adoption.

At the country-level, the project follows an ecosystem-based approach to build the digital economy foundations simultaneously across government and various economic and social sectors. The OECS Commission is the agency responsible for implementing the regional aspects of the project. During the financial year, work progressed under the umbrella of the individual project components including the following activities.

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Eastern Caribbean Telecommunications Authority (ECTEL) Activities

Component: Telecommunications: Legal and Regulatory Environment, Institutions and Capacity

1. The selection of Axon Partners Group Consulting S.L.U. to provide “Consulting Services to Develop a Methodology for Quality-of-Service (“QoS”) and Quality of Customer Experience (“QoE”) Monitoring and Enforcement; and Capacity Building for the Implementation of QoS and QoE Framework”
2. Passage of the Electronic Communications (EC) Bill in Saint Christopher (St Kitts) and Nevis. ECTEL will continue to work with the remaining member states to encourage passage of the EC Bill. The CARDTP seeks to review and where necessary update the existing EC Bill and produce a suit of regulations, in keeping with international best practices.

ECCB Activities

Component: Digital Financial Services: Legal and Regulatory Environment, Institutions and Capacity

1. Work progressed toward the selection of a consultant to provide services towards updating the Payment System Act and corresponding regulations and creating an oversight framework for digital financial services, with corresponding support for adoption and implementation of the harmonized regional legislation and regulations at the national level. The first draft of the Payment System Act is with the respective Attorneys General chambers.
2. A home grown demand-side survey instrument covering financial access and usage; financial literacy has been developed. The project is in the process of establishing a contract with a regional firm for the execution of the survey.
3. The engagement of a consultant to provide services to development of an overarching Payment System Strategy for the region is well on the way. The first draft of the contract is being reviewed by the ECCB.

Digital Transformation

CARICOM Implementation Agency for Crime and Security (IMPACS) Activities

The establishment of a contract with a Cybersecurity Expert who will be responsible for working along with IMPACS to execute a number of activities is in its final stages.

OECS Commission Activities

The selection process is in the final stages to procure the services of firm which will be charged with conducting an assessment to identify the technical and soft skills in greatest demand in the regional and global market among digitally enabled industries and conducive to remote working arrangements.

Organisational Effectiveness and Development

- *A highly skilled, competent, caring and engaged staff focused on service excellence; teamwork, accountability and results*
- *An operating environment that supports staff wellbeing, development, creativity and innovation*
- *A responsive central bank that meets the needs of the people of the ECCU with alacrity*

Organisational Effectiveness and Development

During the year, the Bank, as part of its targeted people management strategy, maintained a strong emphasis on leadership growth and development, focusing on building talent, a robust succession pipeline, good governance, employee health and wellness and relevance.

In its quest for best fit employees to advance the Bank's strategic goals, 30 new staff members joined the ECCB team following a selective recruitment and selection process. The Bank also made history; the ECCB's first woman Deputy Governor, Dr Valda F Henry commenced duties on 20 September 2021. The Bank also warmly welcomed nine interns who served in three departments, providing opportunities for mutually beneficial learning and development while hosting and honing burgeoning young talented ECCU citizens. All staff members and interns were onboarded utilising an internally developed virtual approach.

The Bank also continued to demonstrate its commitment to the ongoing development of its workforce through assessment and alignment of staff to ensure sustained organisational effectiveness.

Strategic staffing actions included opportunities for upward mobility through promotion for approximately 6.0 per cent of staff. Additionally, to motivate and encourage holistic development amongst staff, a Promotion and Transfers Policy was implemented in October 2021. The policy outlines the protocols that guide the professional advancement of staff within the organisation.

The ECCB experienced a turnover ratio of 2.5 per cent for the year 2021 inclusive of its 30 new hires and 16 exits during the review period. This represented almost a 1.0 per cent decline (from 3.3 per cent) year on year.

Over the past year, the Bank made intentional efforts to build and support a learning culture, successfully piloting a Coaching for Engagement and Performance Programme, which focused on pairing select leaders with a certified coach for a period of six months. Following the success of the pilot programme, further steps were taken to enhance the scope of the coaching programme. A wider cadre of departmental leaders subsequently engaged in a foundational coaching workshop in preparation for a full-fledged roll out of their participation in the coaching programme.

Twenty-four members of staff participated in the third cohort of the Emerging Leaders Programme (ELP). The ELP focused on developing high performing ECCB professionals with demonstrated leadership capabilities or exceptional potential for future leadership roles.

One major achievement during the review year was the successful implementation of a Learning Management System (LMS), which will allow the Bank to provide even more development opportunities to staff through a robust and centralised platform.

In July 2021, the Bank successfully hosted the XXIII Annual Conference of Human Resource Managers of Central Banks in the Caribbean Region under the theme "Reshaping the Future of HR. Wellness. Innovation. Flexibility. Inclusion (W.I.F.I)". Given the ongoing pandemic, the conference was held virtually for the first time. The new format, which accommodated the attendance of 103 delegates from 10 central banks - the largest delegation of the Conference to date, provided the

opportunity for increased engagement and shared learning.

The ECCB remained committed to staff wellness in very tangible ways. Notwithstanding the remote working conditions, opportunities for wellness initiatives were fostered and supported with team ECCB participating in and winning the inaugural Healthy Business Challenge (HBC). The HBC is an initiative of the Ministry of Health, Government of Saint Christopher (St Kitts) and Nevis to promote wellness and healthy lifestyles in the workplace.

In order to maintain a competitive advantage to attract and retain top talent, the Bank engaged the global consulting firm Korn Ferry to undertake a fulsome assessment of its compensation and benefits package based on international standards with consideration for the regional context and circumstances. The three-year cycle of triennium salaries review was also conducted for consistent comparison of our regional markets and competitors.

The Bank advanced the implementation of its Business Continuity Management System with emphasis on revamping the Business Continuity Plans for various business disruption scenarios. The impact of the COVID-19 pandemic and the continuation of telecommuting for most of the Bank's staff was very instructive in the development of appropriate solutions to be deployed in the event of a business disruption.

Effective risk management continued to be a priority area, particularly given the uncertainties surrounding the COVID-19 pandemic and its impact on the operating environment. During the year, in accordance with best practice, the Bank conducted a comprehensive review of its Enterprise Risk Management (ERM) Policy. This included a revision of the Bank's Risk Appetite Statement to reflect any changes in the Bank's posture towards specific risk types and inclusion of the Bank's appetite towards emerging risk areas that were not previously highlighted. Further, to add greater clarity to the risk management process, a Key Risk Indicator (KRI) Framework was developed and approved for implementation. The KRI framework aims to foster the development and implementation of key risk indicators across the Bank based on international standards and best practices which would in turn improve risk oversight and strengthen the Bank's risk management practices.

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Organisational Effectiveness and Development

Reserve Management

In July 2021, following a due diligence process, the Bank onboarded a new global custodian, Northern Trust, to provide global custody services in relation to the management of its foreign reserves. The review of the Bank's custodian is a requirement of the Investment Policy for Foreign Reserves.

Foster A Culture Of Continuous Learning And Professional Development

As part of its efforts to strengthen the supervisory framework for AML/CFT, and in keeping with its thrust to ensure a strong, diversified and resilient financial sector, the ECCB facilitated the AML/CFT/CPF Related Activities and The World Bank Risk Based Approach Toolkit.

The ECCB continued to facilitate training for national regulators, in partnership with the World Bank, as part of an initiative which was launched in April 2020. National regulators continued to strengthen their capacity in AML/CFT risk-based supervision, towards the maintenance of an enhanced regulatory environment.

The programme includes seven modules. Modules 1 and 2, which dealt with basic AML/CFT concepts and risk-based design, respectively, were concluded in 2020/2021. During the 2021/2022 financial year, Module 3 which focused on the legislative review of member countries, and Module 4 which focused on risk based onsite and offsite supervision processes and procedures, were conducted concurrently.

Over the period 22 – 23 September 2021, the World Bank hosted virtual training on the Assessment of Legal Persons, Legal Arrangements, and Beneficial Ownership-related Risks. This training was geared towards building expertise in the assessment of the risks posed by different types of legal persons and corporate vehicles. Key focus areas included exploring tools and resources to help the authorities map the legal persons and arrangements that could be incorporated in their jurisdictions and abroad; and understanding how the Legal Person and Arrangement Risk Assessment Module connected to overall National Risk Assessments.

During the period under review, the Bank's Internal Audit Department exceeded its key performance indicators related to continuous professional development. In line with best practice, the department set a goal of 40 hours of continuous learning sessions for the team; staff exceeded that goal. Sessions included the Statistical Enterprise Solution, the ECCB Agreement, Credit Bureau and Data Privacy.

The team members also participated in external training sessions which included: Risk-based Auditing, Disruptive Leadership Conference, RAMP: Effective Internal Audit of a Central Bank's Foreign Exchange Reserve Management Operations, Data Analysis for Internal Auditors, Teammate User Forum, the Institute to Internal Auditors General Audit Management Conference and the ECCB Emerging Leaders Programme. This was in keeping with the Bank's thrust to develop talented and effective auditors who will provide assurance services which will add value to the Bank's operations.

ECCB/ACAMS Enterprise Membership

A key component of the Mutual Evaluation process is an assessment of the effectiveness of the Supervisor's engagement with

the industry, which included providing ongoing guidance and training in AML/CFT/CPF matters to LFIs. To ensure a high level of effectiveness, the ECCB partnered with the Association of Certified Anti-Money Laundering Specialists (ACAMS) to extend its Enterprise Membership Programme to LFIs, Financial Intelligence Units and other AML/CFT Supervisors/Regulators in the Currency Union. The programme provided access to unlimited webinars offered by ACAMS. Participants were exempted from the annual ACAMS membership fees while maintaining continuing professional development credits, and being able to benefit from discounts on certifications, seminars and conferences. The programme came into effect on 7 February 2022.

Training at LFIs

The ECCB delivered specific training to its LFIs Board of Directors and Senior Management in Grenada and Antigua and Barbuda, as part of its AML/CFT supervisory remit. The training was aimed at strengthening the AML/CFT governance and compliance framework of the participating institutions.

Caribbean Development Bank (CDB) Mentorship Programme

Under the project, the ECCB initiated its AML/CFT/CPF Supervisory Mentorship Programme, which seeks to build on the World Bank Risk-Based Toolkit training, through the practical application of the risk-based toolkit. The mentorship programme will include pre-onsite assessment and scope memorandum planning; conduct of the AML/CFT/CPF onsite examination, including transaction testing; preparation of the onsite examination report and draft remedial action documents (where applicable); and post examination assessment review. All six eligible member countries have opted to participate in the mentorship programme.

Integrating Climate-related Financial Risks in the Eastern Caribbean

The Adapt'Action Facility project, which focused on "Integrating Climate-related Risks in the ECCU", was completed over the period March to October 2021. This project was a joint collaboration among the ECCB, United Nations Environment Programme – Finance Initiative (UNEP – FI), the Agence Française de Développement Group (AFD and Expertise France), and the Organisation of Eastern Caribbean States (OECS) Commission. This technical assistance provided insight on how national regulators, development banks and the ECCB should monitor and supervise climate-related financial and environmental risks. The region is now better poised to implement risk mitigation measures to lessen the burden of the impact of climate-related financial and environmental risk, from the knowledge gained in relation to building strategic roadmaps, monetary policy implementation, stress testing, and disclosure and reporting.

On 29 October 2021, the ECCB signed a Letter of Understanding with the afore-mentioned partners, for the continuation of integrating climate-related risks in the ECCU. The main focus of this phase will be to finalise and implement the required roadmaps. Meetings were held in February 2022 with the national regulators and development banks, on the way forward with the project.

The ECCB has also collaborated with the NDC Partnership to host capacity building and institutional strengthening sessions with LFIs over a two-year period. Resident Advisers will provide technical assistance in areas such as building a strategic roadmap, monetary policy implementation, stress testing, and disclosure and reporting. To guide the way forward with the implementation of the project, the ECCB administered a climate risk survey to the LFIs in January 2022, to assess their readiness for the inclusion of climate-related risks in their investment and lending decisions.

Organisational Effectiveness and Development

Reserves Advisory Management Partnership (RAMP)

The Bank participated in a virtual internship facilitated by The World Bank. The internship was part of the Reserves Advisory Management Partnership (RAMP) on implementing an enhanced indexation portfolio management strategy by the Bank's Investment Unit for the management of foreign reserves. The engagement marked the first time The World Bank conducted an internship virtually. The internship was pivotal in the Investment Unit's transition to this strategy in July 2021. The strategy provides for the possibility of realising a return on investment above the benchmark return.

External Sector Statistics (ESS)

The External Sector Statistics (ESS) work programme in the ECCU continued to be affected by the institutional and structural changes brought on by the COVID-19 pandemic. The effects were reflected in the low response rates to the ESS surveys due to hybrid work arrangements implemented by the both the public and private sectors in many member territories.

Virtual compilation missions to member countries were conducted during the period August 2021 to October 2021, during which estimates were compiled for two years (2019 and 2020). Those estimates were disseminated via the ECCB website and the IMF's Integrated Collection System (ICS) on 31 December 2021. Estimates for 2021 and projections up to 2023 were disseminated on 31 March 2022. In preparation for the dissemination of the data, the estimates were reviewed by the Caribbean Regional Technical Assistance Centre (CARTAC) External Sector Statistics Adviser. Findings and recommendations of the missions were also prepared post mission and shared with the member countries in an effort to enhance the ESS and compilation process for future missions.

Staff participated in the following sessions organised by the CARTAC: (i) Virtual Regional Workshop on Trade in Goods and Services during the period 31 January to 4 February 2022; (ii) virtual external sector missions to all member countries and the ECCB held over the period August 2021 to March 2022.

During the financial year 2021/2022, the Bank's national accounts work programme focused on the revision of the Gross Domestic Product (GDP) forecasts for 2021 to 2023. The Bank collaborated with staff in the ECCU member countries to host consultative discussions on the GDP forecasts in June and July 2021 and January 2022. The discussions were aimed at improving the overall quality of the forecasts. In December 2021, Saint Vincent and the Grenadines released its rebased GDP series. It joins Saint Lucia in this major accomplishment.

Member countries continued to focus on their census preparations, rebasing of the GDP, development of supply and use tables and business registers. These projects were all geared toward improving statistics in the ECCU and aiding policy formulation in the member countries.

To supplement macro-economic analysis, the Bank conducted the bi-annual Business Outlook Survey (BOS) in July 2021 and January 2022. Given the thrust of the institution for more visual displays of the available data, an infographic was developed for the BOS for the dissemination of the January to June 2021 BOS results. The infographic was disseminated widely via email and social media. Development work to revamp the BOS continued during the financial year.

With regards to economic statistics, the project to transfer the statistics to the ECCB SAS database from its legacy system

AREMOS, continued through several iterations of development work and testing. Staff were deployed to focus on different aspects of this development work. Currently, only the monetary and financial statistics have been fully deployed to the ECCB SAS database.

The ECCB, through its Statistics Department, collaborated with regional partners, particularly the OECS Commission, CARTAC and Statistics Canada through the Project for the Regional Advancement of Statistics in the Caribbean (PRASC) on various statistics related initiatives and meetings during the financial year.

In enhancing organisational effectiveness and development in the area of Statistics, the Bank built in additional data consistency checks to ensure quality data. Infographics were also created to assist banks in their upload and understanding of data that was required from them. The Bank continued to enhance its COVID-19 Tracker, which provided daily comparative data on COVID-19 cases within the ECCU member countries, including confirmed cases, active cases, recoveries, deaths, and the percentage of the population vaccinated against the coronavirus.

The Bank also rolled out its "Stats&Facts" initiative which tells the story of data, in a visually appealing manner. To that end, between September 2021 and March 2022, infographics on macroeconomic themes were produced monthly and distributed via the Bank's website and social media platforms. The themes covered were: National Accounts, Debt, Monetary and Financial Statistics, External Sector Statistics, and Regional Government Securities Market. [Click here to view Stats&Facts](#)

INTERNAL AUDIT FUNCTION

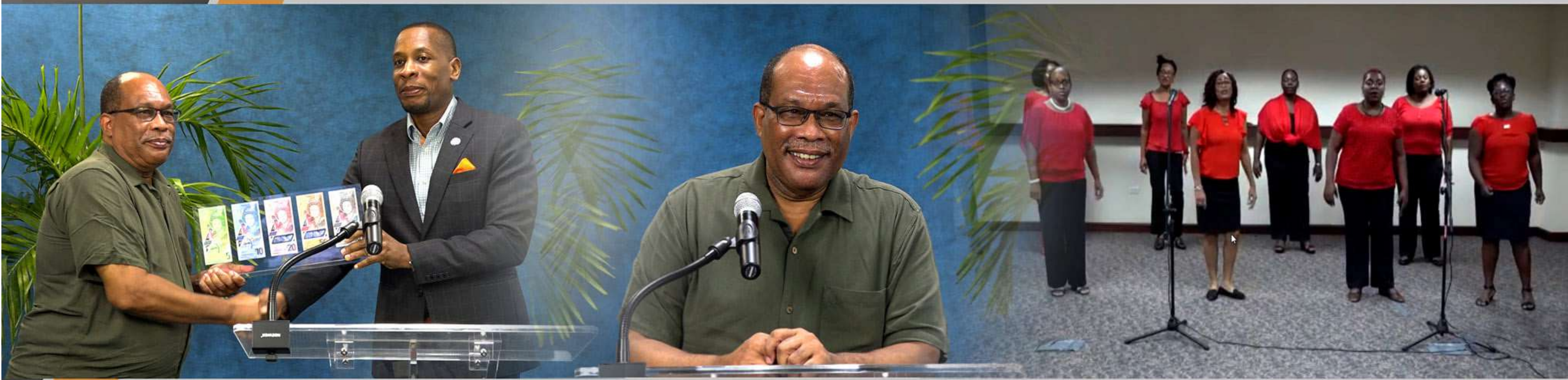
The Bank's Internal Audit Department undertakes a critical function as the third line of defence in the Bank's risk management framework. This means that while the Office of Corporate Strategy and Risk Management (OCSRM) – the second line of defence, assists in the identification, monitoring and evaluation of risks across the Bank, the internal audit function uses a risk-based approach to determine the functional areas to be audited and provides an independent and objective assurance that the functional areas are operating effectively. During the period under review, the department provided assurance on over 12 functional areas including the Bank's Risk Management Function lead by the OCSRM.

The main purpose of the audit was to determine the effectiveness and comprehensiveness of the processes and operations underpinning the risk management function. The specific objectives were to:

1. Determine the robustness of the Bank's Risk Management and Culture as it related to reporting, communication and accountability;
2. Assess the salubrity of the Bank's Risk Management Governance activities in relation to risk reporting, board reporting and risk appetite;
3. Ascertain the adequacy and effectiveness of the Bank's overall Risk Management Process; and
4. Determine the effectiveness of the management of the OCSRM's work programme tasks and adequacy of its resources.

The Bank had instituted many foundational and fundamental elements of the risk management function, however it was still in the development stage, and in the process of operationalising aspects of the Enterprise Risk Management policies and procedures approved by the ECCB Board of Directors.

Trevor Brathwaite Demits Office as Deputy Governor of ECCB



After more than 15 years of yeoman service to the people of the ECCU, Deputy Governor, Trevor Brathwaite demitted office on 15 September 2021.

As a member of the Bank's Executive team since 2006, Mr Brathwaite was instrumental in providing steady and strong leadership through changing and challenging times. He was a strong advocate for the growth and development of ECCB leaders, and as a Certified Accountant by profession, promoted prudent accounting and fiscal practices in the achievement of the Bank's vision and mission.

The management and staff of the ECCB gathered virtually on 7 September for a farewell ceremony in the Deputy Governor's honour. The highlights of the event were reflections from special guests: ECCB Board Member for Antigua and Barbuda, Whitfield Harris Jr; Chief Executive Officer of the St Kitts Nevis Anguilla National Bank, Donald Thompson, and Franz-Joseph Repole, son of the late Herbert Denham Repole of Repole Architecture, architects of the ECCB Headquarters buildings.

President of the ECCB Staff Association, along with members of staff also offered tributes to the Deputy Governor. The ECCB Choir and the ECCB's musical band, Shockwave, of which the Deputy Governor was a founding member, serenaded him with a special rendition musical pieces.

In his farewell remarks to the management and staff of the ECCB, the former Deputy Governor expressed his passion for service to the people of the region. He encouraged them to keep serving the region. "The region will love your efforts even if they don't say it openly."

Governor, Timothy N. J. Antoine presented Mr Brathwaite with a parting gift from the Bank as he bid him farewell and thanked him for his sterling service.

The ECCB is grateful to the former Deputy Governor for his many years of dedicated and committed service to the Bank and to the ECCU region and beyond.



*ECCB Choir and Shockwave Band Serenade
Former Deputy Governor Trevor Brathwaite
at Virtual Farewell Ceremony*



S.T.A.R Awards

Through its S.T.A.R. Awards, the ECCB recognises and celebrates individuals, teams and departments which exemplify the Bank’s mantra of: Service Excellence, Teamwork and Truth Telling, Accountability and Results.

The 2021 Awards recognised staff who amid the challenges faced by the pandemic went above and beyond the call of duty and provided exceptional service during the year, while rising to the Governor’s challenge to be: competent yet caring; prudent but proactive; and imaginative and industrious. The awards were presented during the 2021 ECCB Campus Lighting and Awards on 6 December.

Individual S.T.A.R. Award

Nine staff members were recognised for embodying the S.T.A.R mantra:

1. Nakima England – Banking and Monetary Operations Department
2. Raquel Leonce - Banking and Monetary Operations Department
3. Beverly Lugay – Research Department
4. Kareem Martin – Research Department
5. Laurel Seraphin-Bedford – Bank Supervision Department
6. Shawn Shillingford – Internal Audit Department
7. Elizabeth Wayland – Corporate Relations Department
8. Trista Williams – Human Resource Department
9. Ella Willius – Bank Supervision Department

Department S.T.A.R. Award

Two departments were recipients of the 2021 Department S.T.A.R. Award: Banking and Monetary Operations Department (BMOD) and the Support Services Management Department (SSMD).

Spirit Award

The Spirit Award is presented to staff who continuously demonstrate the ECCB spirit and/ or are excellent Bank ambassadors.

To be considered for this Award, awardees met one of the following criteria:

- Demonstrated the ECCB spirit by actively volunteering and supporting campus initiatives;
- Enhanced the image of the Bank by acting as an ambassador for the ECCB as a great place to work, learn and grow;
- Made contributions that were above and beyond regular job duties; and
- Promoted a work environment that is respectful, collegial and supportive.

The recipient of the 2021 ECCB Spirit Award was Liane Irish-Wade, Bank Supervision Department.

Impact Award

The Impact Award is conferred on staff members or teams who have developed, revised or implemented a system, tool, process, initiative or programme within their departments or across the Bank, which has a positive impact. Two individuals and one team received the 2021 Award:

Individual Impact Award Recipients

- Samora Cherebin - Statistics Department
- Kelshia Carrette – Human Resources Department

Team Impact Award Recipients

The 16-member Fintech Working Group captured the team award in recognition for their work with partners to launch DCash, the digital version of the EC currency, in five of the eight ECCB member countries.

The members of the FinTech Working Group are:

- | | | | |
|--------------------|-----------------------|--------------------|-----------------------------|
| • Sharmyn Powell | • Liane Irish-Wade | • Olivia Langhorne | • Martina Regis |
| • Sybil Welsh | • Genelle Lake | • Gillian Skerritt | • Rosbert Humphrey |
| • Kieran St Omer | • Orin Harris | • Nazinga Modeste | • Karina Phillips-Somersall |
| • Kechewia Charles | • Jenielle Brathwaite | • Allister Hodge | • Marlon Bristol |

Organisational Effectiveness and Development

Currency Management

The main goal of the Currency Management Department was to ensure that the public in the ECCB’s member countries has a good quality and adequate supply of banknotes and coins in denominations that best suited their needs.

With the introduction of Digital Currency in circulation through a pilot programme, the Bank sought to ensure the seamless access for the issuance and redemption of digital currency by financial institutions, while merchants and the general public can transact effortlessly using a Digital App.

As at 31 March 2022, the value of currency in circulation was \$1,407.14 million. Banknotes accounted for \$1,281.84 million or 91.10 per cent. Coins in circulation amounted to \$123.03 million or 8.74 per cent and digital currency (DCash) in circulation amounted \$2.27 million or 0.16 per cent.

The aggregate currency in circulation at the end of the financial year reflected an increase of \$118.64 million (9.21 per cent) above the total in the previous financial year.

During the period, the Bank focused on the management and issuance of all polymer banknotes denominations. The Currency Management Department continued to collaborate in sensitisation programmes with the Corporate Relations Department to raise awareness throughout the ECCU on the features of the polymer banknotes. In addition, the Bank was still in the pilot phase for the issuance DXCD through the Currency Union.

The ECCB continued its participation in commemorative coin programmes with the Commonwealth Mint, Scottsdale Mint and the Royal Dutch Mint, which realised significant receipts in royalties during the financial year. Five commemorative coin programmes were initiated during the financial year, three programmes with Commonwealth Mint and two with Scottsdale Mint.

Withdrawal of One and Two-Cent Coins

Though the Bank notified the public of date effective 30 June 2020 for the stoppage one and two cent coins as legal tender, the public continued to deposit these coin denominations in their possession at commercial banks within the ECCU for face value.

Chart II - Total Currency in Circulation as at 31 March 2022

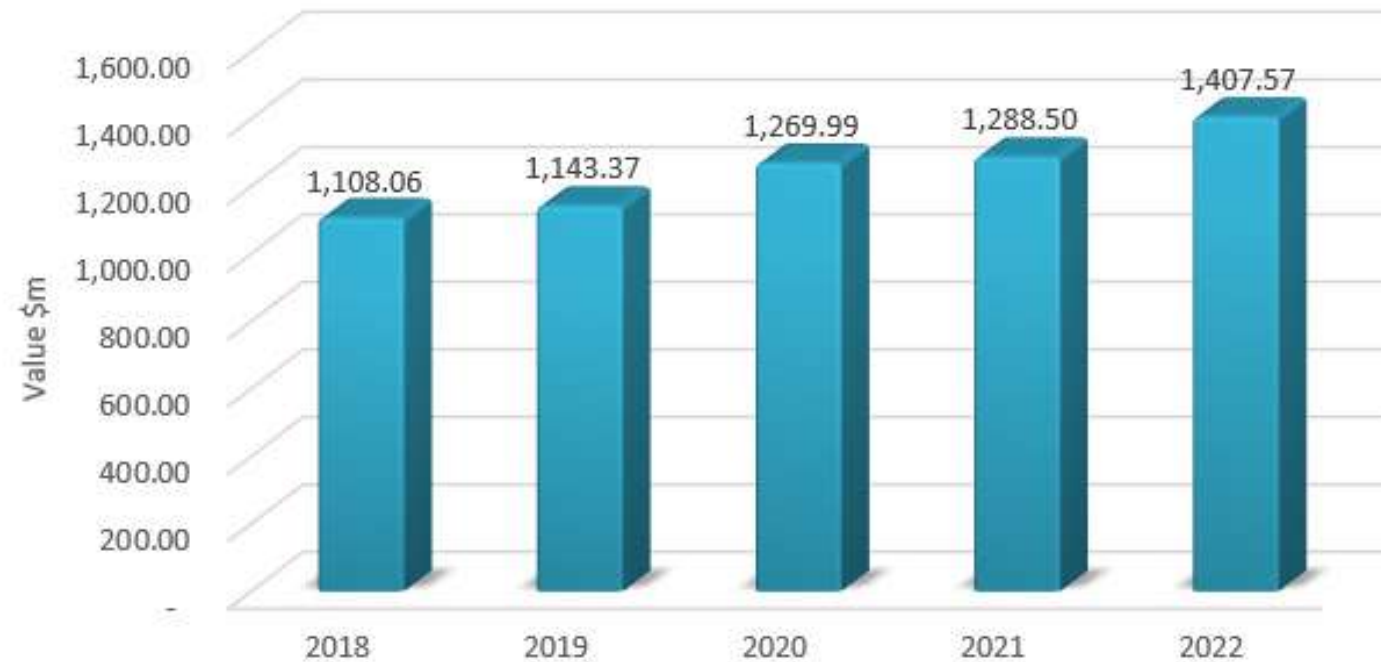
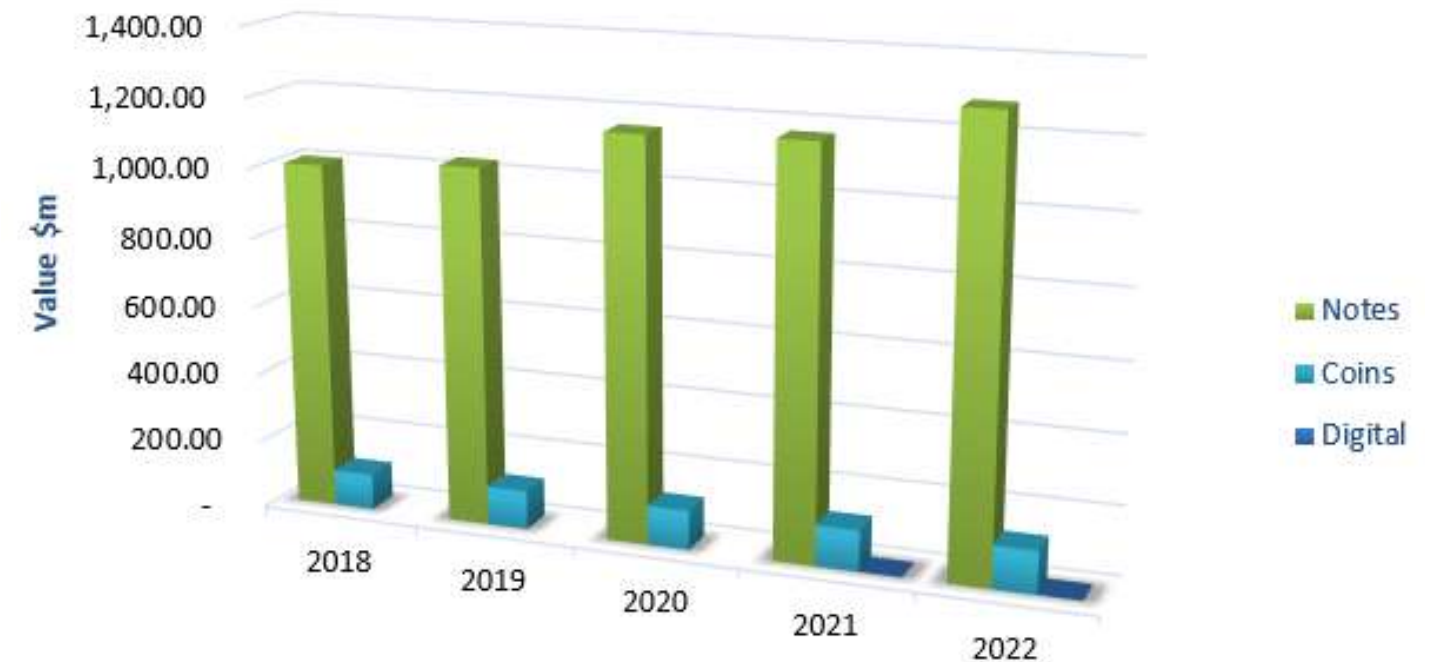


Chart III - Currency in Circulation: Notes, Coins and Digital as at 31 March 2022



Legislative Agenda

The Bank remains committed to encouraging member governments to enact amendments to the Banking Act 2015. In this regard, the Bank continued to consult with member governments towards facilitating the enactment of the Banking (Amendment) Bill in all ECCU member countries

Legislative Agenda

ECCB (Amendment) Agreement

The Bank engaged with member governments to expedite the issuance of the statutory instrument to give effect to the amendment to the Schedule to the Eastern Caribbean Central Bank Agreement Act to give legal validity to the issuance of the EC currency in digital form - DCash.

To date, the statutory instrument has been issued in all eight member countries thereby making DCash legal tender in the ECCU.

Banking (Amendment) Act

The Bank remains committed to encouraging member governments to enact amendments to the Banking Act 2015. In this regard, the Bank continued to consult with member governments towards facilitating the enactment of the Banking (Amendment) Bill in all ECCU member countries.

To date, the Bill has been enacted by six member countries.

Amendments to Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) Legislation

The Bank continued to encourage and support Member Governments in enacting amendments to the existing AML/CFT legislation, which shifts the supervisory and regulatory responsibility for AML/CFT for financial institutions licensed under the Banking Act, to the Bank. To date, four (4) member countries have passed the amendments conferring that authority on the Bank.

The amendments were not applicable to Saint Vincent and the Grenadines, as under its Anti Money Laundering and Terrorism Financing Regulations issued under the Proceeds of Crimes Act 2013, the Bank was already named as the AML/CFT supervisory authority.

Banking (Licences) Regulations

The Bank continued to follow up with Member Governments on the Banking (Licences) Regulations. Those Regulations are intended to operationalise the general provisions under the Act, which deal with the application for a license to carry on banking business and the application for a license for a financial holding company. To date, the Regulations have been issued by five member countries.

Banking (Abandoned Property) Regulations

The ECCB revised the Banking (Abandoned Property) Regulations for consistency with the rules governing the processing of abandoned property under the Banking Act, 2015. The Regulations are intended to replace the existing ones that deal with abandoned property. Importantly, in relation to the administration of abandoned property in safe deposit boxes, the contents are to be handled by the Ministry of Finance.

The draft regulations were submitted to Member Governments in April 2020 for issuance. To date, the regulations have been issued by seven member countries.

Deposit Insurance

The Bank continued its review of the draft Eastern Caribbean Deposit Insurance Corporation Agreement Bill.

The development and implementation of a deposit insurance system in the ECCU will contribute towards the establishment of a comprehensive financial safety net and improve business conditions for banks in the region.

Credit Reporting Bill

The Bank continued to encourage member governments to bring the Credit Reporting Bill and Regulations into force. The primary objective of this legislation is to develop a credit reporting infrastructure that would provide financial institutions and other lending institutions with an additional mechanism to evaluate the creditworthiness of their customers, and monitor their credit circumstances. This will allow for the local credit markets to function more efficiently. Six member countries have passed the Bill and the Regulations have been issued in four countries.

Harmonised Insolvency and Bankruptcy Legislation

During the year, the ECCB continued to partner with The World Bank Group (WBG) on a number of initiatives to facilitate the development of a modern insolvency/bankruptcy framework in the ECCU.

In partnership with INSOL International, the International Association of Restructuring, Insolvency and Bankruptcy Professionals and the Judicial Education Institute of the Eastern Caribbean Supreme Court, a Judicial Insolvency Programme (JIP) was successfully convened over the period 12-15 October 2021. The JIP was specifically created for judges to deepen their knowledge of the latest best practices and key principles of insolvency law. This would support court systems in resolving insolvency cases more efficiently and effectively. The programme was delivered in two parts: a self-paced e-learning component through a web based virtual platform, and a second component comprised of virtual workshops/peer to peer discussions delivered by judges.

Recognising the critical importance of judiciary to the efficacy of insolvency frameworks in the ECCU and in ensuring the efficiency and integrity of insolvency proceedings, the Bank anticipates that this programme will be beneficial in advancing this initiative.

Over the period 9 to 10 March 2022, the Bank again partnered with the WBG and INSOL International on an inaugural virtual Caribbean Roundtable on Insolvency.

The objective of the Roundtable was to provide an opportunity for the participants to discuss issues concerning the development of insolvency and turnaround regimes and to build ties and develop professional relationships in the region.

Legislative Agenda

Over 200 key stakeholders (public and private) from the English-speaking Caribbean and Bermuda, representatives of the ECCB, WBG and other international and regional institutions and leading international experts participated in the Roundtable.

Virtual Asset Business Bill

The Bank continued to follow up with member governments on the enactment of the Virtual Asset Business Bill.

To date, the Bill has been passed in three member countries since being submitted to all member countries in November 2020 for enactment.

Amendments to Payment System (Eastern Caribbean Automated Clearing House System) Rules, 2021

The Payment System Act, which was enacted throughout the ECCU at the beginning of 2007, empowers the Bank to make rules governing the payment system. In October 2021, the Bank submitted Amendment Rules to the member countries for publishing in the Gazette.

Currently, membership in the Eastern Caribbean Automated Clearing House (ECACH) is bank-centric. The amendments broaden the Bank's power in relation to the classes of financial institutions it may admit as direct participants to the ECACH, thereby opening access to the ECACH and facilitating the participation of other financial institutions such as credit unions.

The rules have been published in two member countries.

Corporate Governance

The Bank recognises the critical importance of corporate governance in achieving its mandate and maintaining its position and reputation as a model regional and international institution.

Accordingly, following the receipt of recommendations emanating from the 2021 International Monetary Fund (IMF) Safeguards Assessment, a review of the legislative framework was undertaken to reform its legal structures for autonomy, decision-making, accountability and transparency. This was in an effort to strengthen the Bank's governance framework with a view to maintaining alignment with international best practices.

Registration of Trademarks for the Digital Eastern Caribbean Currency

In preparation for the launch and implementation of the Bank's digital cash project, the Bank made significant progress in the registration and protection of the DXCD trademarks in all the ECCU member countries. The marks have been registered in four member countries.

Financial Results

The Bank recorded a net loss of \$49.1 million for the year ended 31 March 2022, compared to a net profit of \$25.2 million in the previous financial year. The net loss for the year was largely driven by losses on foreign investment securities combined with a decline in interest income earned on foreign reserve assets, as interest rates globally remained at historically low levels over the year.

Financial Results

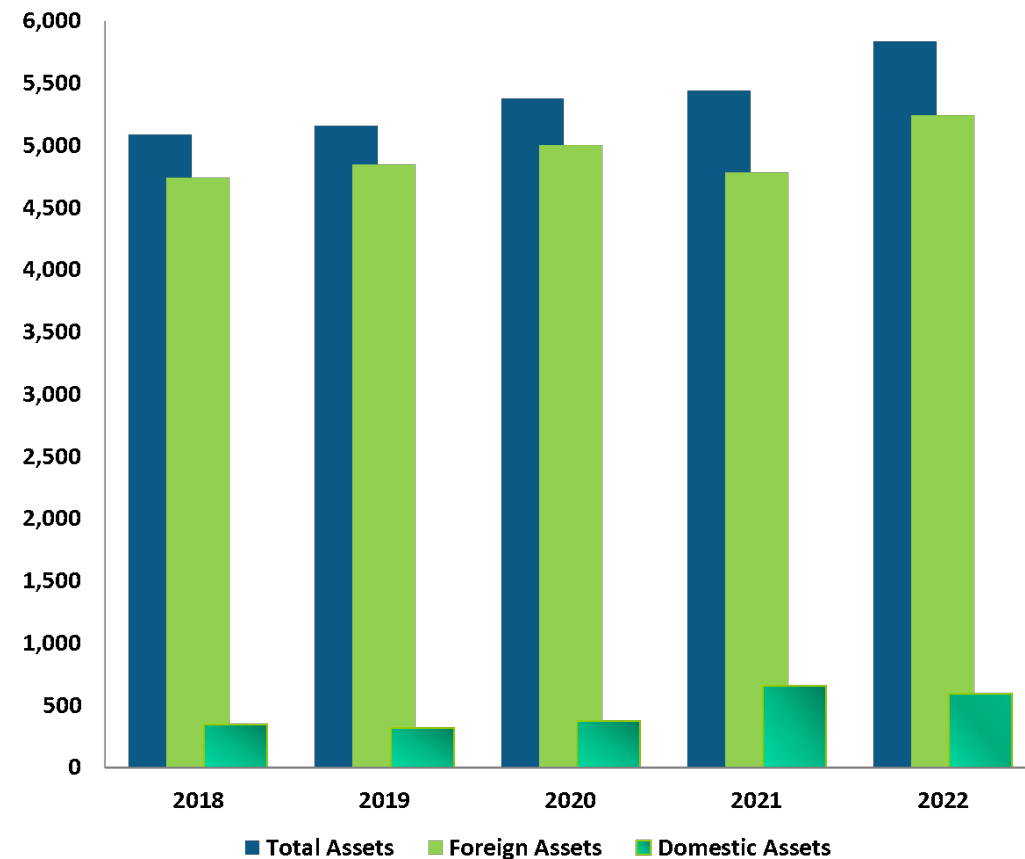
STATEMENT OF FINANCIAL POSITION

The ECCB's total assets grew by \$391.8 million (7.2 per cent) to \$5,833.8 million as at 31 March 2022. The expansion in the Bank's asset base was primarily driven by growth in foreign reserves offset by a decrease in Domestic Assets.

Foreign Assets grew by \$457.1 million (9.6 per cent) largely due to inflows of loans to Participating/Member Governments from international institutions and the purchase of foreign and regional currency notes from commercial banks. These increases were tempered by the net sale of foreign balances to commercial banks and a depreciation in the market value of foreign debt securities and U.S. Agency Mortgage-Backed Securities (MBS).

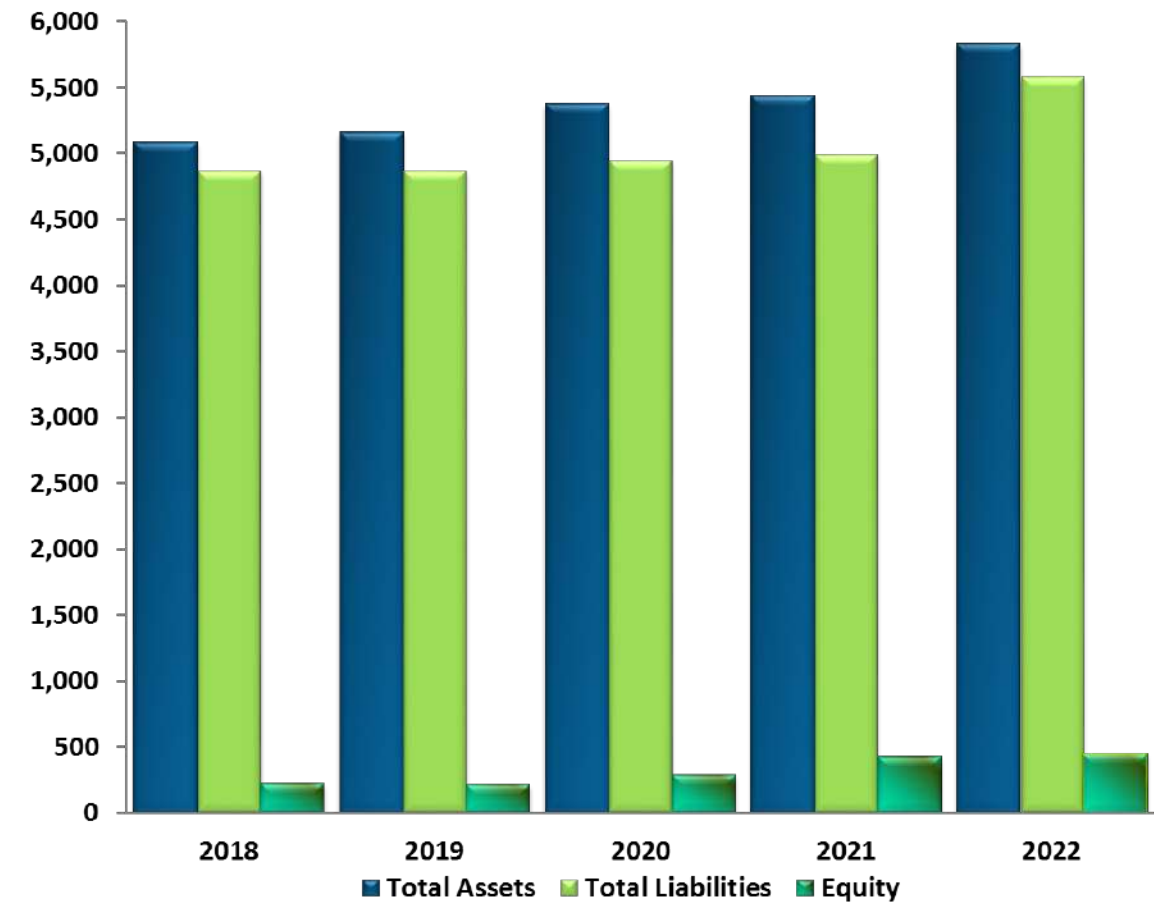
Domestic Assets decreased by \$65.3 million (9.9 per cent) due to reductions in Participating Governments' Advances, Pension Asset, and Accounts Receivable, Prepaid Expenses and Other Assets offset by an increase in Participating Governments' Securities. Participating Governments' Advances declined by \$66.7 million due to repayments of overdraft facilities by Member Governments. Pension Asset fell by \$5.9 million owing to lower return on the assets held by the Bank's defined benefit pension plan. Accounts Receivable, Prepaid Expenses and Other Assets decreased by \$4.3 million due to a reduction in the stock of banknotes and coins and an increase in allowance for expected credit losses on receivables. The aforementioned decreases were moderated by increases of \$6.3 million in Participating Governments' Securities, \$3.3 million in Property and Equipment and \$2.1 million in Intangible Assets.

Chart IV - Total Assets (EC\$'M)



Total Liabilities increased by \$585.5 million (11.7 per cent) to \$5,582.4 million year-over-year. The growth in Total Liabilities was mainly attributable to increases of \$543.4 million in Commercial Banks' Reserve balances, \$118.64 million in Currency in Circulation and \$34.5 million in Bankers' Collateral accounts. The aforementioned increases were offset by decreases of \$50.0 million in Eastern Caribbean Securities Registry's operating account, \$42.3 million in Participating Governments' Operating accounts, \$24.4 million in Eastern Caribbean Home Mortgage Bank's Operating account and \$18.8 million in Participating Governments' Call accounts.

Chart V - Assets, Liabilities and Equity (EC\$'M)



Total Equity declined by \$193.7 million (43.5 per cent) to \$251.5 million, led by a decrease of \$137.3 million in Revaluation Reserve on Foreign Investment Securities due to unrealised valuation losses from changes in the fair value of these instruments consequent on the performance of the U.S. bond market during the year. Also contributing to the decrease in Equity was a reduction of \$50.7 million in the General Reserve Fund due to the utilisation of the fund to cover the Bank's net loss for the year ended 31 March 2022. Additionally, Pension Reserve decreased by \$5.9 million due to the recording of actuarial losses on the Bank's defined benefit pension plan.

Financial Results

STATEMENT OF PROFIT OR LOSS

The Bank recorded a net loss of \$49.1 million for the year ended 31 March 2022, compared to a net profit of \$25.2 million in the previous financial year. The net loss for the year was largely driven by losses on foreign investment securities combined with a decline in interest income earned on foreign reserve assets, as interest rates globally remained at historically low levels over the year.

Operating Income for the financial year ended 31 March 2022 fell by \$72.9 million (71.3 per cent) to \$29.4 million when compared to the previous financial year. The falloff in operating income was principally due to decreases of \$38.4 million in realised losses on the sale of foreign investment securities, \$22.2 million in net losses on U.S. Agency Mortgage-Backed Securities and \$14.1 million in interest income. The increase in realised loss on the sale of foreign investment securities resulted as the Bank disposed of foreign debt securities as part of investment management amid rising interest rates from historical lows. Losses on U.S. Agency Mortgage-Backed Securities increased on account of realised and unrealised losses as interest rates normalised. The reductions in the aforementioned sources of revenue were partially moderated by an increase of \$1.2 million in Commission Income.

Chart VI - Operating Income, Operating Expenses and Net Profit (Loss) (EC\$'M)

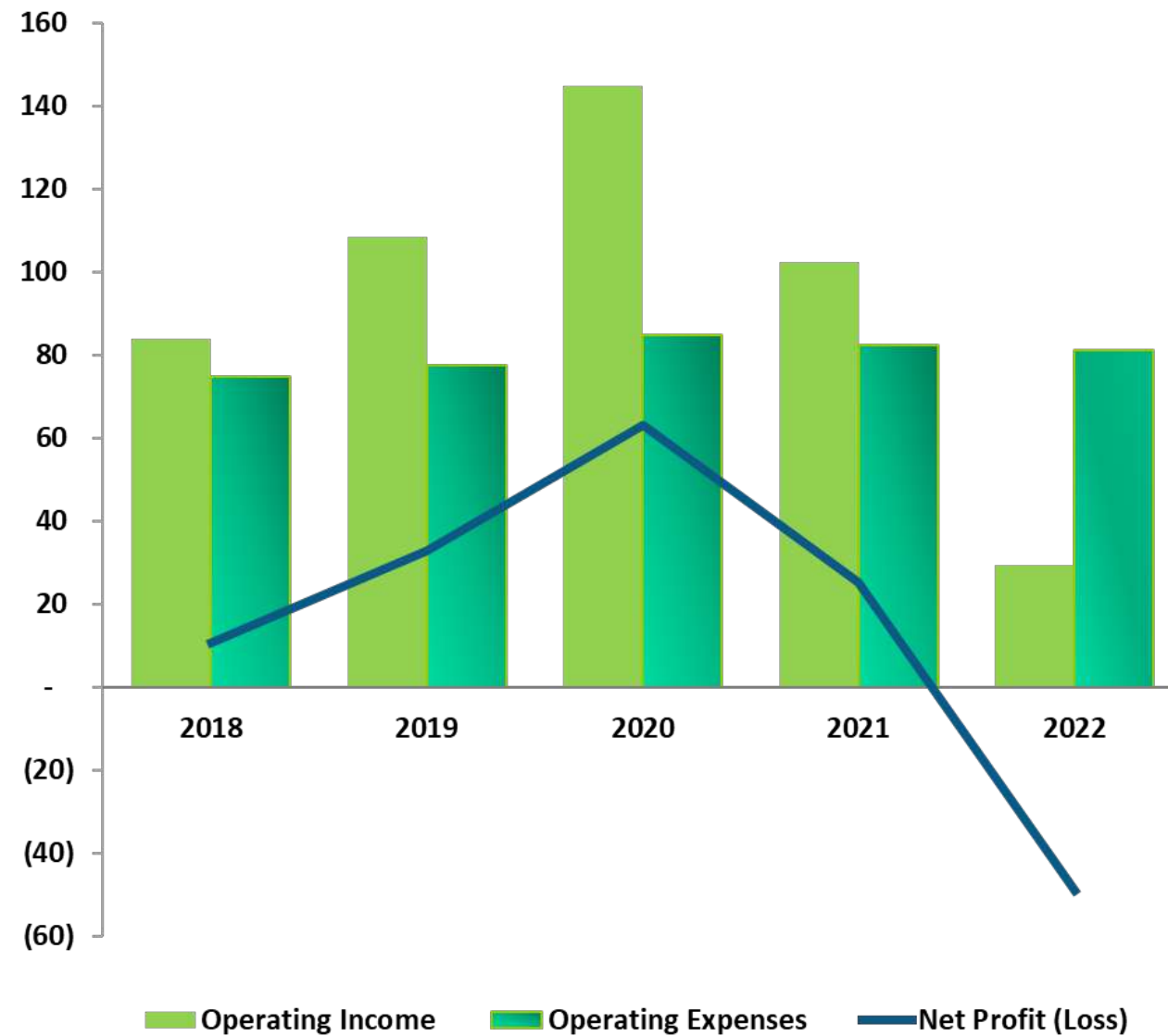
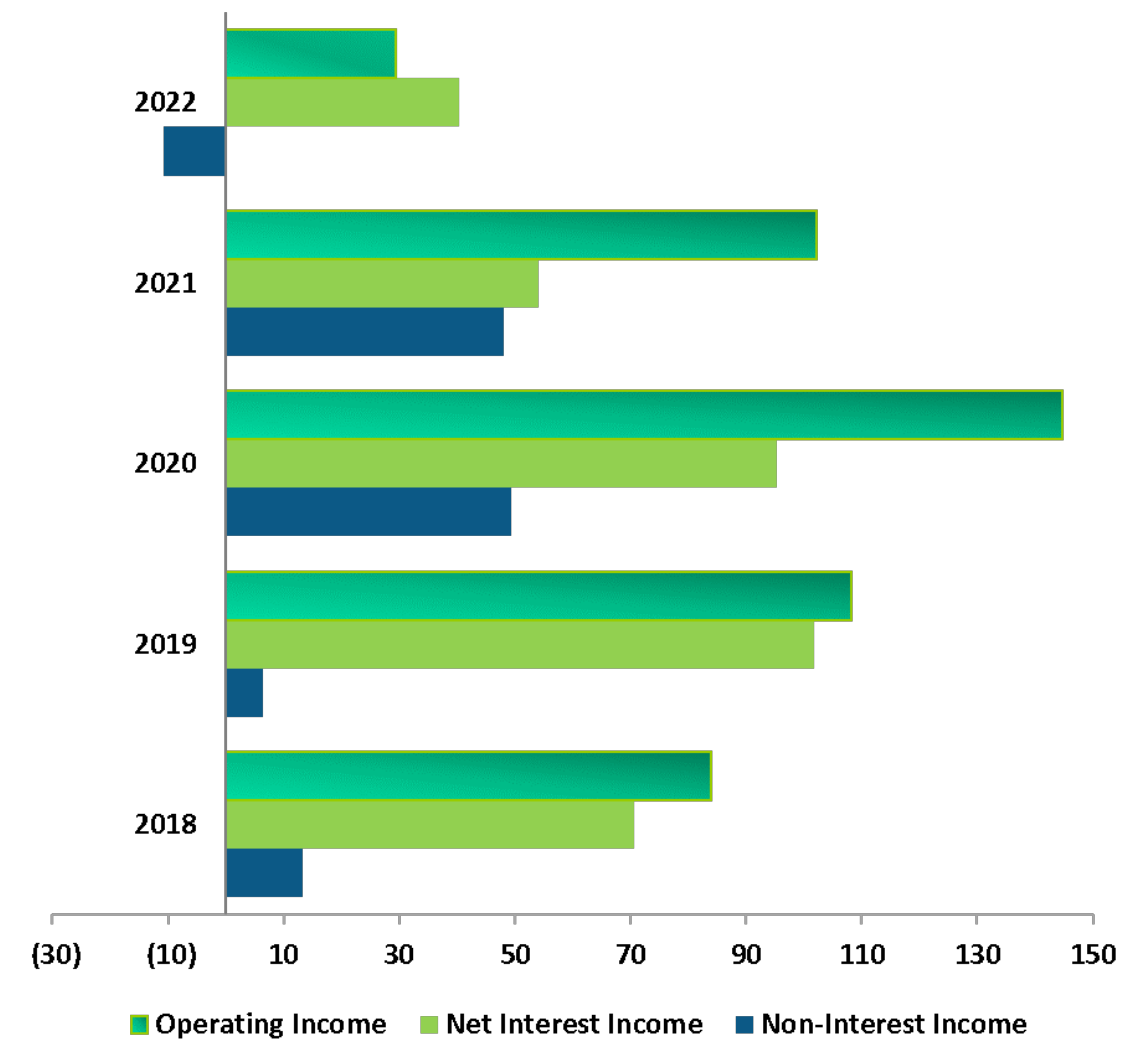


Chart VII - Income Mix (EC\$'M)

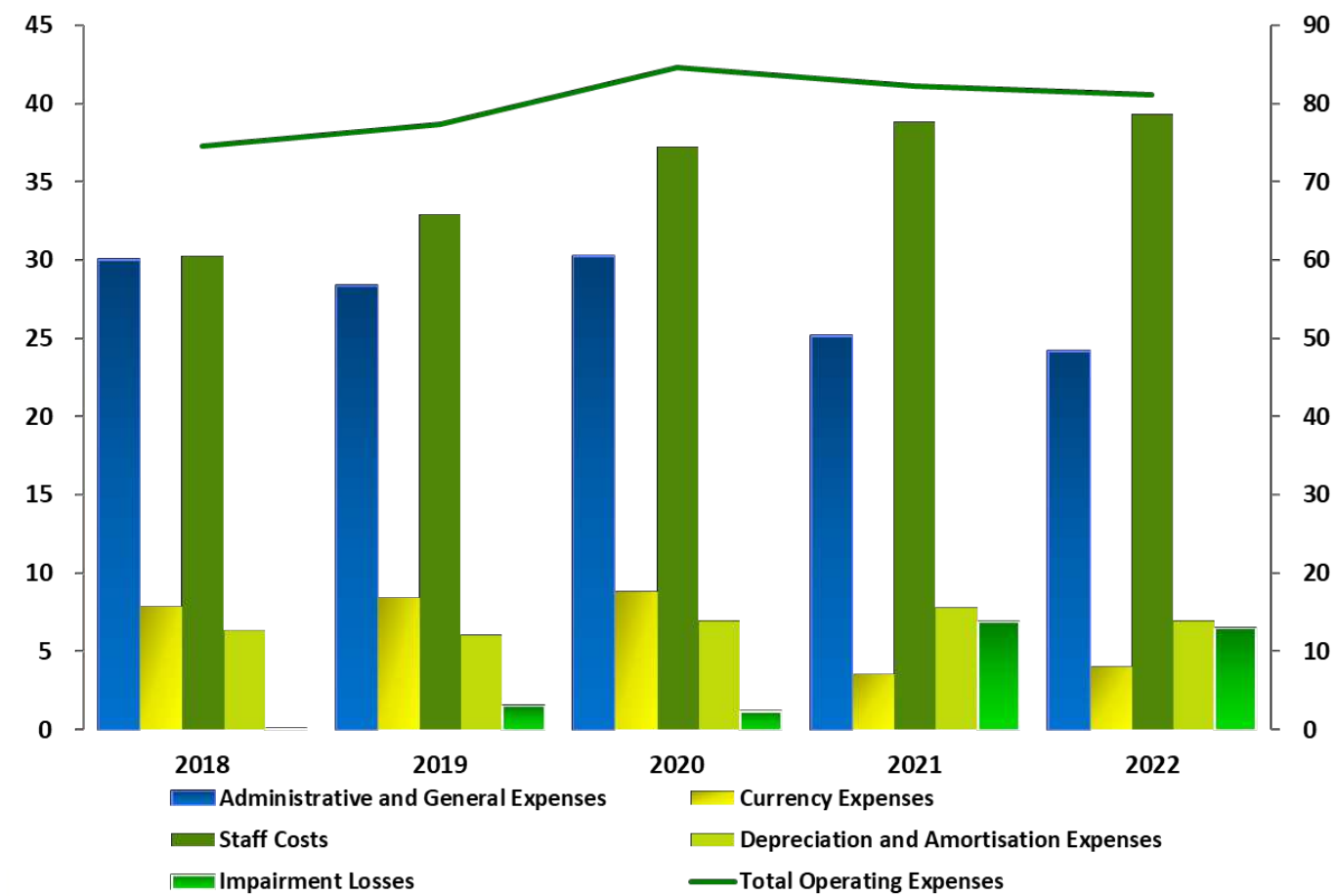


Financial Results

Net Interest income decreased by \$13.9 million (25.6 per cent) to \$40.3 million for the year ended 31 March 2022 compared to the previous financial year, mainly due to lower interest income earned on foreign reserve assets. Interest income on foreign investment securities, money market instruments and U.S. Agency Mortgage-Backed Securities decreased by \$19.0 million, attributable to the historically low-interest-rate environment. The overall decline in net interest income was tempered by an increase of \$5.0 million in interest income earned on Participating Governments’ Securities.

Operating expenses for the year ended 31 March 2022 totalled \$81.1 million, a decrease of \$1.2 million (1.5 per cent) from \$82.3 million in the previous year. The reduction in operating expenses was primarily due to decreases of \$1.0 million in Administration and General Expenses and \$0.9 million in Depreciation Expense moderated by increases of \$0.5 million in Salaries and Related Costs and \$0.5 million in Currency Expenses. The decrease in Administrative and General Expenses was mainly attributable to a reduction in Special Projects expense as the Bank incurred lower costs associated with the DCash pilot project. Moreover, Salaries and Related Costs increased due to vacant positions filled during the year. The increase in Currency Expenses resulted from expensing of the costs related to currency notes and coins issued during the financial year.

Chart VIII - Operating Expenses (EC\$'M)



Areas of Focus

The work programme initiatives for 2022-2023 will support the Bank's strategic objectives under the five pillars of the 2022-2026 Strategic Plan

Areas of Focus

FINANCIAL STABILITY

During the Financial Year 2022-2023, the ECCB will focus on:

1. Enhancing financial stability through the implementation of the consolidated supervision framework, and the conduct of a Banking Sector Confidence Survey to determine the effectiveness of supervisory initiatives.
2. Strengthening the regulation of LFIs through the implementation of applicable prudential standards, and aligning the Banking Act to best regulatory practices.
3. Enhancing the supervisory framework through the implementation of Pillar 1 of the Basel II/III Framework which seeks to strengthen the capital position of LFIs; and by developing and implementing a climate risk supervision framework and a Technology Risk Management Framework (inclusive of IT and cyber risk supervision).
4. Implementing enhanced prudential returns and reporting for licensed Non-bank Financial Institutions (NBFIs), the Eastern Caribbean Partial Credit Guarantee Corporation, and the Credit Bureau through the Bank's statistical enterprise solution powered by SAS.
5. Undertaking engagements and capacity building to strengthen the operations of Financial Market Infrastructures (FMIs) that are integral to the clearing and settlement functions in the ECCU. These engagements will aid in the observance of the Principles for Financial Market Infrastructures (PFMIs) and completion of the PFMI self-assessments. Self-assessments will be applied completely and consistently across all designated Payment Systems and will inform the extent to which the PFMIs have been observed.
6. Conducting assessments of FMIs against international benchmarks, in order to mitigate systemic risks and resolve challenges encountered by institutions. These assessments will include both off-site monitoring and on-site reviews.

The International Organisation for Standardisation (ISO) has developed a new standard (ISO20022) for payment messaging which will provide enhancements and improved efficiencies in the processing of financial transactions. The Society for Worldwide Interbank Financial Telecommunications (SWIFT) is facilitating the adoption of the ISO20022 which will be live on SWIFT as of November 2022. Following four (4) years of coexistence, the corresponding legacy SWIFT MT messages will be decommissioned on the SWIFT platform.

The ECCB commenced the planning project to inform its readiness for full implementation of the new standard by November 2025.

The Bank will continue to provide support to the licensed credit bureau with its development efforts towards launching credit reporting operations within the ECCU during the ECCB 2022/2023 financial year. The Communication Strategy will be implemented during 2022/2023.

The final draft Deposit Insurance Bill is expected to be submitted to the respective member countries for passage during the 2022/2023 financial year.

New Financial Soundness Indicator (FSI) ratios will be created in line with the IMF's new FSI reporting template.

In 2022/2023, work on modernising the ECCU appraisal standards, done in conjunction with the Royal Institute of Chartered Surveyors (RICS), will include the review of appraisal legislation, training of regulators and licensed financial institutions'

staff in the valuation/appraisal standards and of appraisers/surveyors. Roundtables with legal entities, banking associations and government officials will also be held.

Additionally, the ECCB will continue to coordinate with the International Financial Corporation (IFC) and facilitate the ECCU Secured Transaction and Collateral Registry initiative. The focus will be on developing the national focal committees to drive the efforts in-country, hold consultations, and review the draft Bill, all towards the adoption of a secured transaction law in each ECCU member country. Full implementation is expected in the 2023-2024 financial year.

The hosting of the 6th Growth and Resilience Dialogue (GRD) with Social Partners and the wider OECS/ECCU will be held virtually in April 2022 under the theme Climate Resilience: Securing The Future of Small Island Developing States.

The Bank expects to secure technical assistance and launch consultancy services, in partnership with development partners, to support the design and development of the CapLit Masterplan for implementation in 2023.

During the upcoming financial year, the Bank, in coordination and collaboration with member states, key regional capital market institutions, the private sector and other relevant stakeholders, will:

- Undertake a market diagnostic assessment;
- Carry out consultative policy dialogues, strategic roundtables and workshops with stakeholders on the development of the CapLit Masterplan and accompanying implementation framework; and
- Launch, publish and operationalise the ECCU CapLit Masterplan.

The ECCB Knowledge and Innovation Hub is proposed to be a collaborative dynamic forum and virtual resource centre that brings together persons of diverse experiences and expertise to discuss and ideate real functioning solution-oriented perspectives. It will also provide a space for persons to produce and share research outputs and prototypes that address real world problems related to digital transformation, food and nutrition security, climate resilience and other areas targeting development, transformation and resilience in the OECS.

The Hub, which is to be launched in the 2022-2023 Financial year, will allow for broad-based and ongoing dynamic online discussion, research collaborations, innovation/prototyping, networking, and the catalysing of new perspectives and insights in a dynamic setting that nurtures lateral thinking.

PAYMENT SYSTEMS IMPROVEMENTS AND FINANCIAL INCLUSION

The Bank will undertake research towards the development of an analytical framework that will inform policies to support financial sector development and inclusion in the ECCU. The body of work will include methodologies for measuring financial sector development.

In support of improving its understanding of the Payments Systems and Financial Inclusion, the Bank will administer the first financial inclusion and financial literacy survey during the 2022/2023 financial year. Collection of payments systems data will be promoted, to include Incident Reporting (PS02) in order to better monitor financial market infrastructures.

Areas of Focus

Furthermore, the ECCB will:

1. Continue to focus on the development and modernisation of the payment system in the ECCU. Specific focus will be on finalising the Payment System and Services Act (PSSA) and the Electronic Retail Payments Regulations for submission to member countries for enactment.
2. Develop new data protection legislation for the region, as it is considered integral to a payment system that will be highly digital/electronic in its orientation. The Bank will continue to dialogue with key stakeholder groups in the payment system landscape, including participants in both the retail and large value payments space, to enhance its developmental and modernisation agenda.
3. Develop updated survey instruments to explore the extent of financial inclusion, and usage of payment infrastructures and products and services. The data gathered will be used to inform policy decisions.
4. Facilitate the direct access of the Credit Union sector to the Eastern Caribbean Automated Clearing House's (ECACH's) membership and services. To this end, the engagement of the Credit Union sector is expected to accelerate over the first quarter of 2022/2023.
5. Pursue the completion of a holistic Payment System strategy for the ECCU under the rubric of the Payment System Vision and Modernisation Plan and input from regional stakeholders.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

In the 2022-2023 Financial Year, the Bank will launch its 2022 – 2026 Strategic Plan which focuses on “*Transforming the ECCU through Innovation and Collective Action*”. Departments across the Bank will undertake various strategic initiatives which together will facilitate the achievement of the strategic objectives. A monitoring software has been procured and will be implemented to assist with the monitoring of and reporting on the delivery of the plan.

Furthermore, the Bank will endeavour to complete the battery storage component of the Greening of the Campus Initiative.

DIGITAL TRANSFORMATION

In the area of Statistical Development, the Bank will adopt SAS as the centralised data warehouse for all datasets and continue to work towards optimising the use of the SAS software, including enhancements and use of its data analytics tools. Further use of data visualisation in reports and infographics will be advanced. The API will be utilised to submit statutory reporting requirements to the IMF and to the new website. Systems will be fast tracked to collect and store new datasets and increase the use of data visualisation techniques to validate data.

The Bank will continue to collaborate with the Commonwealth Secretariat (COMSEC) to implement Commonwealth Meridian in ECCU member countries in the 2022/2023 financial year.

The integration of technology through data analytics and visualisation, into existing processes will also continue to be critical areas of focus for the Bank.

Bank-wide Information Technology Projects such as the ERP Replacement Solution, IT Policies, and Strategic Management

and Performance Solution will also be a key focus in the 2022-2023 financial year. The aim is geared towards the utilisation of IT to maximise organisational effectiveness within a security management framework based on the ISO27001 standard.

ORGANISATIONAL EFFECTIVENESS AND DEVELOPMENT

With each new financial year comes the opportunity for reassessment, including the creation of impactful people management and development initiatives for transformative organisational development. The Bank's strategic themes and objectives for the next five years will guide the upcoming focus areas for 2022/2023.

In the 2022-2023 Financial Year, the ECCB will focus on the enhancement of the human resource capabilities by developing subject matter experts in the areas of information technology, cyber security, climate-related financial and environmental risk, and data analytics and visualisation. It will also seek to improve the use of technology through the implementation of a supervisory technology solution, and the use of data analytics for improving the quality of reports and presentations.

In terms of Human Resources, the Bank will also:

1. Provide support and guidance for a proactive and flexible return to Campus and the office work environment, including incorporating hybrid work arrangements.
2. Support and engender a highly skilled workforce that is resilient, competitive through targeted Bank sponsored and self-initiated learning and development programs.
3. Commence a comprehensive review of all Human Resource policies to maintain efforts in policy creation to align with the Bank's good governance practices. Creation of new policies to include a Workforce Planning Policy and Separation Policy.
4. Increase efforts on stakeholder engagement and satisfaction.
5. Enhance organisational effectiveness through deliberate measures for improved cost efficiencies and use of technology.
6. Renew efforts on making the creation of the Innovation Hub a reality. Priority on this initiative was shifted due to the remote working arrangements over the last two (2) years.

The Bank will undertake initiatives for improving the delivery of the ECCB Blog and ECCB Digital Dialogues. This will include enhancements to its ECCB Blog publications and further leveraging of its social media platforms to increase awareness and accessibility.

As part of its efforts to effectively deliver on its strategic objectives, the Bank will work to enhance research output and policy advice through increased staff training and exposure.

After a two-year hiatus due to the pandemic and its related travel restrictions, the Bank is looking forward to resuming its Country Outreach Programme in 2022.

During the visits to member countries, the Governor and other staff of the Bank will engage with stakeholder groups on the Bank's strategic objectives and issues relating to the economic development and transformation of the respective member countries.

Areas of Focus

In its efforts to continue to enhance the Reserve Management Framework, the Bank will continue the development of the Risk and Analytics Unit and the internal investment manager's skills will be enhanced via the use of futures in the management of foreign reserves.

Additionally, as the Bank focuses on its human capital and transitions into a more technology-dependent organisation to ensure its alignment of culture and strategy, an Ethics and Culture review and an audit of the Bank's Health and Safety were conducted. This was done to ensure that the changes being made contributed positively to the Bank.

The Bank will also seek to conduct customer satisfaction surveys and staff engagement surveys and prepare reports with findings. New datasets will be introduced on the Statistics Page of the Bank's new website.

The ECCB will continue to collaborate with development partners in the area of economic statistics, particularly the rebasing of the GDP estimates to base year 2018, which is being led by the Caribbean Regional Technical Assistance Centre (CARTAC); and the balancing of Supply and Use Tables led by the Project for the Regional Advance of Statistics in the Caribbean (PRASC). Focused attention will also be placed on reviewing the GDP by Expenditure series for the ECCU.

Other strategic work programme assignments will include the transfer of the economic data to the SAS software and the roll-out of the revised Business Outlook Survey.

To meet the needs of the Bank's ESS data users, the ECCB will undertake a number of development areas during the financial period 2022/2023. These include the dissemination of higher frequency external sector indicators, the preparation of metadata documents that guide the Bank's ESS data users, as well the back-casting of ESS data from 2000 to 2013. Currently, data are available from 2014 to present.

In terms of Public Education and Community Outreach, the Bank will seek to further improve and promote the ECCB Children's Connection Programme in all eight ECCB member countries; apply a grassroots-based approach to the execution of the Financial Information Month initiative and complete the Bank's Website Re-design Project.

LEGISLATIVE AGENDA

Revisions to the ECCB Agreement

In the 2022/2023 financial year, the Bank will draft the proposed amendments to the ECCB Agreement to enhance the legal framework for accountability and transparency in the Bank's decision-making structures for autonomy, accountability and transparency. This is in an effort to strengthen the Bank's governance framework with a view to maintaining alignment with international best practices.

Development of the Legal and Regulatory Infrastructure to Support the Establishment of a Macro-Prudential Risk-based Policy Framework in the Eastern Caribbean Currency Union inclusive of Financial Stability Legislation

The pursuit of a macro-prudential dimension of financial supervision and regulation is aimed at maintaining financial stability by mitigating systemic risk.

To address the challenges arising from a lack of macro-prudential oversight in the ECCU, during the 2022/2023 financial year the Bank will accelerate its efforts to develop an overarching statutory framework for macro prudential risk based policy inclusive of Financial Stability Legislation.

This framework will vest in the ECCB, an explicit mandate for:

- Financial stability with corresponding responsibility for oversight of systemic risk.
- Coordinated and resolute responses to threats to financial stability.

The statutory mandate for financial stability will provide the ECCB, as the macro-prudential supervisor, with a framework to facilitate coordination and cooperation among the respective financial supervisory authorities in assessing and containing systemic risk.

Facilitate the Establishment of a Modern Insolvency/Bankruptcy Framework in the ECCU

The Bank, in collaboration with member governments and stakeholders, will continue its efforts towards advancing initiatives in support of the enactment of modern insolvency and bankruptcy legislation in the ECCU. Policy formulation will be accelerated, consultations and capacity building will be conducted, after which legislation will be prepared, particularly for those countries without modern insolvency laws.

Deposit Insurance Legislation

In the 2022/2023 financial year, the Bank will seek to accelerate its efforts towards the submission of deposit insurance legislation to member countries for enactment. The legislation will establish a deposit insurance fund in the ECCU, which will be a critical element in the risk management infrastructure supporting the ECCU financial sector. It will also be aligned with the prudential supervision of licensees, resulting in a robust modern institutional framework that will mitigate the risk levels within the sector.

Development of a New Payment System and Services Act, Regulations and Rules

The current Payment System Act (PSA) is harmonised across the region, and together with the ECCB Agreement, gives the ECCB the sole responsibility for the oversight of the payment and settlements systems. Recent developments in emerging payment and settlement systems, including the increasing use of electronic platforms and payment instruments, have highlighted gaps in the existing regulatory infrastructure. These gaps may inhibit the growth of Fintech companies and limit the array of electronic payment products that are available on the market.

The Payment System and Services Act will enhance the regulatory framework for payment services in the ECCU, strengthen consumer protection and engender confidence in the use of electronic payments. This is reflective of the ECCB's shift towards regulation that is modular and facilitative of growth and development in the ECCU payments landscape.

Areas of Focus

Development of Updated Data Protection Legislation for the ECCU

In the emerging digital economy, data will be key. With the increasing need for data, there is the corresponding need to ensure that personal data in particular, is safeguarded against unauthorised access and use. Consistent with the global trend, most notably with the introduction of the European Union's General Data Protection Regulations (GDPR), there is an urgency for a robust legislative data protection framework in the ECCU.

Accordingly, in the 2022/2023 financial year, the Bank will seek to develop a legislative framework for data protection in the ECCU that is reflective of the new digital era.

The legal framework will:

1. Regulate the processing of personal data;
2. Protect the rights of the data subject;
3. Enable an established data protection authority to enforce rules; and
4. Secure the accountability of entities in the event of a breach of the rules.

This framework will facilitate transparency in the collection and use of data, preserve data subjects' rights, and engender public trust and confidence. The data protection legislation will also complement the payment system reforms.

List of Commercial Banks Maintaining Clearing Accounts with the ECCB

As at 31 March 2022

ANGUILLA

National Commercial Bank of Anguilla Ltd
Republic Bank (Anguilla) Limited

ANTIGUA AND BARBUDA

Antigua Commercial Bank
Caribbean Union Bank Ltd
CIBC FirstCaribbean International Bank (Barbados) Limited
Eastern Caribbean Amalgamated Bank

COMMONWEALTH OF DOMINICA

CIBC FirstCaribbean International Bank (Barbados) Limited
National Bank of Dominica Ltd
Republic Bank (EC) Limited

GRENADA

ACB Grenada Bank Ltd
CIBC FirstCaribbean International Bank (Barbados) Limited
Grenada Co-operative Bank Ltd
Republic Bank (Grenada) Limited

MONTSERRAT

Bank of Montserrat Limited

SAINT CHRISTOPHER (ST KITTS) AND NEVIS

Bank of Nevis Limited
BON Bank Ltd
CIBC FirstCaribbean International Bank (Barbados) Limited
St Kitts-Nevis-Anguilla National Bank Limited
Republic Bank (EC) Limited

SAINT LUCIA

1st National Bank St. Lucia Limited
Bank of Saint Lucia Ltd
CIBC FirstCaribbean International Bank (Barbados) Limited
Republic Bank (EC) Limited

SAINT VINCENT AND THE GRENADINES

Bank of St Vincent and the Grenadines Ltd
CIBC FirstCaribbean International Bank (Barbados) Limited
RBTT Bank Caribbean Limited
Republic Bank (EC) Limited

Independent Auditor's Report and Financial Statements

The financial statements of the Eastern Caribbean Central Bank comprise the statement of financial position as at 31 March 2022, the statements of profit or loss, and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information. The financial statements were audited by KPMG and conducted in accordance with International Standards and Auditing (ISAs).

[Click here for the Independent Auditor's Report and Financial Statements.](#)



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