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# LIST OF ACRONYMS

<table>
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<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AI</td>
<td>Artificial Intelligence</td>
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<tr>
<td>ESG</td>
<td>Environmental, Social and Corporate Governance</td>
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<tr>
<td>SPT</td>
<td>Strategic Planning Team</td>
</tr>
<tr>
<td>ABS</td>
<td>Above standard</td>
</tr>
<tr>
<td>MTS</td>
<td>Met the Standard</td>
</tr>
<tr>
<td>BIS</td>
<td>Bank for International Settlement</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
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<tr>
<td>CDB</td>
<td>Caribbean Development Bank</td>
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<tr>
<td>LFI</td>
<td>Licensed Financial Institution</td>
</tr>
<tr>
<td>AML/CFT</td>
<td>Anti-Money Laundering/Combating the Financing of Terrorism</td>
</tr>
<tr>
<td>ERP</td>
<td>Enterprise Resource Planning</td>
</tr>
<tr>
<td>ECCU</td>
<td>Eastern Caribbean Currency Union</td>
</tr>
<tr>
<td>IT</td>
<td>Information Technology</td>
</tr>
<tr>
<td>DCash</td>
<td>Digital Cash</td>
</tr>
<tr>
<td>MOU</td>
<td>Memorandum of Understanding</td>
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<tr>
<td>OECS</td>
<td>Organisation of Eastern Caribbean States</td>
</tr>
<tr>
<td>CARICOM</td>
<td>The Caribbean Community</td>
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MESSAGE FROM THE GOVERNOR

This is a critical juncture for the ECCU economies as they continue their recovery from recent shocks including the pandemic and natural disasters such as hurricanes, volcanic eruption and inflation. And if those were not challenging enough, there is the existential threat of climate change. This latter issue is macro-critical and simply cannot be ignored. In sum, the ECCU member countries live in a shock-prone world. And the shocks keep coming.

This lived reality necessitates our lifelong endeavor of building resilience and our relentless pursuit of transformation. Evidently, some of the solutions to our myriad challenges cannot be secured by individual member countries and can only be secured by our joint and collective efforts. For these foregoing and compelling reasons, our 2022-2026 Strategic Plan builds on the 2017-2021 and is styled Transforming the ECCU through Innovation and Collective Action.

Could you imagine a world without innovation? At the ECCB, we believe innovation is essential for a future that is more resilient, connected and inclusive. Our duty then is to support and selectively initiate innovation while effectively managing risks. The six global awards that the ECCB has secured in the past six years is testament to our commitment to innovation. In this strategic plan, we reaffirm that commitment.

At the launch of the Bank’s 40th anniversary in January 2023, I issued the “Big Push” challenge posed with this question: “What will it take to double the size of the ECCU economy over the next decade?” This simple yet provocative inquiry seeks to explore the enlargement of opportunities and possibilities for all citizens and residents of the ECCU especially our youth.

The 2022-2026 Strategic Plan articulates how the ECCB intends to collaborate with member governments and other stakeholders to deliver on its mandate of transforming the ECCU together in these challenging and extraordinary times. Our mission remains to advance the good of the people of the ECCU for shared prosperity. This Strategic Plan identifies seventeen strategic initiatives organized under five major strategic themes/pillars.

First, we aim to maintain financial stability by building out a regulatory architecture that delivers complete and effective oversight of the entire financial system; reduces systemic risk; mitigates climate risk and enhances resilience of financial institutions, markets and infrastructure.

Second, we understand the urgency of advancing payments modernization and financial inclusion to create a modern, safe and efficient payments system which increases access to affordable financial services for all, except illicit actors, thereby promoting inclusive socio-economic development. This strategic pillar also supports the build out of a digital economy in the ECCU.

Third, we aim to resolutely pursue the design and implementation of frameworks that promote environmental, social and corporate governance practices that allow the ECCB to be a model, advocate and influencer for environmentally and socially responsible action for resilient prosperity.

Fourth, we aim to leverage the benefits of technological advancements and innovation as part of our digital and data transformation thrust aimed positioning the ECCB to deliver more thoughtful and influential policy advice thereby making the Bank more relevant and responsive. This strategic pillar also supports the build out of a digital economy in the ECCU.
Finally, we recognize our people (staff) and stakeholders as our most important assets and their criticality in achieving and pursuing organizational effectiveness and development. Of necessity, we must invest in our people to retain a highly skilled, competent, caring and engaged staff focused on service excellence; teamwork, accountability and results while maintaining an operating environment that supports staff wellbeing, development, creativity and innovation. For we must remain a central bank that is responsive and in whom the member countries and the people of the ECCU can rely and trust.

Possessed of a growth mindset and fortified with purpose and pride, we recommit to help drive change and progress for, with, and in the name of the people of the ECCU.

MISSION STATEMENT

Advancing the good of the people of the ECCU for shared prosperity.

VISION STATEMENT

A model central bank that supports monetary and financial stability and promotes socio-economic transformation for a thriving Currency Union.

CORE VALUES

Our Values, are summarised by the acronym “STAR”. The Bank reaffirms a shared understanding of core values as follows:

S – Service Excellence
T – Teamwork and Truth Telling
A – Accountability
R – Results
Environmental Context
The Eastern Caribbean Central Bank (ECCB) continues to monitor and evaluate developments regionally and internationally. This process of assessment and evaluation allows the ECCB to identify, respond to, and plan for challenges which are external to the Eastern Caribbean Currency Union (ECCU) but are likely to have spill-over effects on macroeconomic developments and operations within the central bank and the member countries that the ECCB serves. These challenges have been categorized as follows; (1) Geo-political trends, (2) Economic Trends, (3) Global Financial and Regulatory Trends, (4) Technology Trends, and (5) Environmental Trends.

Geo-political Trends
The global political landscape continues to involve in ever complex ways. Out of the global financial crisis, large emerging economies had more influence in establishing global priorities. However, in 2020, the emergence of Coronavirus Disease 2019 (COVID-19) pandemic also contributed to this shifting geo-political landscape. The pandemic revealed not just the inequality trends present within nation states, but amongst countries, as those with the greatest resources were best placed to strategically develop, acquire, and distribute vaccines rapidly to their populations. This would undoubtedly lead to inequities in health.

However, even as the pandemic dissipated at the end of 2021, and many countries shifted towards shifting the pandemic to endemic status, other geo-political questions came into play. The ongoing War in Ukraine, the successive sanctions by key states and their impacts have contributed to the already high and increasing levels of inflation and commodity prices and have reinforced the need for food security in the region. Additionally, tensions continue to rise in the South Pacific between China and Taiwan. In the Caribbean, tensions have increased between The Co-operative Republic of Guyana and The Bolivarian Republic of Venezuela over the Essequibo region, a long-standing issue for both countries. These trends over the medium-term can affect trade balances, standards of living, and diplomatic alliances within the Caribbean and by extension the ECCU.

Economic Trends in the ECCU
The ECCU grew by 1.7 per cent per annum over the period 2012 – 2015 (post global financial crisis), by 3.2 per cent over the period 2016 – 2019 and contracted by 6.6 per cent during the period 2020 – 2021. During the period 2022 to 2023, the average rate of growth in the ECCU was 11.0 percent. These higher rates are reflective of the post pandemic recovery buoyed by robust tourism related activities across the member states, strengthening manufacturing and construction, and dissipating inflationary pressures.

In March 2020, most ECCU member states to manage an escalating public health crisis, implemented health protocols and restrictions. Additionally, with the extension of health protocols and travel restrictions by the ECCU’s main trading partners, vital sectors such as the tourism industry were greatly affected. Cruise and stay-over arrivals declined precipitously, employment linked to the industry also constricted and incomes declined. ECCU member governments in turn developed and implemented income support programs for its citizens.

During the period 2015 to 2019, lower oil prices supported household demand and lowered business energy costs for member countries. With the onset of the pandemic, however, oil prices declined even further – mainly as major oil producers moved to support lower consumption activity and the resulting lower economic activity. These effects were short
lived as oil prices rebounded due to supply adjustments and escalating conflict in Eastern Europe. These higher prices are expected to continue fueling the inflationary environment in the near term.

With a combination of projected lower economic activity and higher inflation rates, the US Federal reserve led advanced economy central banks in raising monetary policy rates. This tightening in policy is expected to negatively impact the value of the reserves portfolio of the ECCB. Therefore, anticipating and understanding the likely shifts in rates by the US Federal Reserve is pertinent to managing the reserve position of the ECCB, and supporting its profitability objective.

**Forecasts**

Initial growth forecasts for real economic growth in the ECCU is that of 3.8 per cent in 2023 and 4.3 per cent in 2024. These estimates are expected to be revisited especially considering the slow global economic recovery, geo-economic fragmentation and climatic events. Additionally, with the continued challenges associated with high inflation and elevated monetary policy rates, it is anticipated that advanced economy growth rates will remain below the pre-pandemic path. ECCU member countries, will, however, need to achieve and maintain these growth rates, to support fiscal efforts by member countries, and contribute to transforming the ECCU.

**Global Financial Regulatory Trends**

The pace of changes in the regulatory landscape continues to intensify leading to improvements in risk management. Prudential regulatory efforts continue, and more rigorous stress testing frameworks are being examined and implemented. Importantly, the incorporation of climate change risks (both physical and transitory risks) and Environmental, Social and Corporate Governance (ESG) are being integrated into these frameworks. Consequently, these improved frameworks will aid in maintaining sufficient levels of capital within the financial system.

Further, the shift to a virtual working environment caused by the pandemic, has resulted in continued efforts to enhance operational resilience (including digital operational resilience). Efforts are also being made regarding digital regulatory reporting and ensuring progress in the use of Supervisory Technology (Suptech) and Regulatory Technology (RegTech).

Prudential regulators also continue to strengthen other aspects of financial institution risk management, specifically those related to cyber security. Legislative underpinnings are also being strengthened especially those surrounding Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT). Considerations and frameworks surrounding digital money and assets are being developed, given the pace of developments and the dynamism of financial markets.

The pace of changes especially during the past two (2) years has impacted the ECCU’s financial system in various ways including: regulatory forbearance, continued and increased scrutiny on correspondent banking relationships, adherence to the Financial Action Task Force (FATF), Foreign Account Tax Compliance Act (FATCA) and The Common Standard on Reporting and Due Diligence for Financial Account Information (CRS). Further, in the context of a global focus on strengthening Anti-Money Laundering and Know Your Customer programmes, jurisdictions that offer Citizenship by Investment programmes continue to increase their due diligence in managing risks to the financial system.

**Technology Trends**

Technological trends and developments continue to influence financial sector shifts and contribute to economic development within the member countries. With the launch of publicly consumable artificial intelligence (AI) platforms such as Chat GPT-4, there are
opportunities for firms to incorporate AI into enhancing service delivery and creating new products for consumers. There are also opportunities to enhance peer-to-peer transactions, peer to business transactions and business to business transactions, thereby contributing to improvements in financial inclusion and financial services within the region. These technological developments can be applied both to the bank and non-bank financial sectors. They, however, pose risks including data security, privacy, cyber security, which must be effectively managed.

**Environment Trends: COP-21**

The ECCU, like many other small island states, faces climate change challenges, including increasingly intense climatic events such as hurricanes, torrential rains, rising sea levels, droughts and declining coral reefs. However, although small island developing countries like the ECCU were not major emission contributors, there is still a need for the region to continue to commit to, contribute to, and confront the challenges associated with climate change.

In 2023, the global community met at the 28th UN Climate Change Conference of the Parties (COP 28). COP28 was a reminder that the global community remains far from its Paris Agreement goals. Consequently, COP28 recognized that greenhouse gas emissions need to be reduced by 43.0 percent by 2030 to limit global warming to 1.5 degrees. Despite these challenges, COP 28 achieved the following:

- An agreement on the operationalization of the Loss and Damage funding arrangements included a dedicated fund under the UNFCCC. Commitments to this fund have totaled USD661.0 billion to date;
- Recording total pledges of USD12.8 billion from 31 countries to the Green Climate Fund (GFC);
- An agreement on the Global Goal on Adaptation (GGA) – which guides the global community in identifying the gaps which need to be strengthened for enhance climate resilience;
- An agreement to link climate action with nature conservation and reshaping demand to reduce emissions in agriculture; and
- Addressing adaptation and supporting the most vulnerable.

The region, also came together to contribute, support, and commit to this pact and these agreements. The ECCB and the ECCU member countries continue their efforts at these contributions, including examining and working towards:

- Financial System Greening;
- Access to loss and damage funding;
- The implementation of green energy solutions; and
- Continued dialogue on efforts related to green energy and climate change.

These efforts are meant to contribute to a reduction in energy consumption, increased access to funding for ECCU member countries and greater direct contribution of the financial system to sustainable development objectives of the member countries. Efforts by the ECCB will contribute to the strengthening of the ECCU’s financial system through the incorporation of climate change risks into stress testing. Finally, climate change is also expected to negatively affect the agricultural industry within the ECCB member countries, by affecting crop yields, coral reefs and invariably the fish populations within the local seas.
## Review of Strategic Plan: 2017 - 2021

<table>
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<tr>
<th>Thematic Area #1: Maintain A Strong and Stable EC Dollar</th>
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<tbody>
<tr>
<td><strong>Initiatives</strong></td>
<td><strong>Status</strong></td>
</tr>
<tr>
<td>ECCB Statutory Meetings – Monetary Council and Board of Directors</td>
<td>The statutory meetings of the Monetary Council and Board of Directors were convened in accordance with the requirements of the ECCB Agreement. Additionally, special meetings of the Monetary Council were convened during the period to address topical issues that impacted the Eastern Caribbean Currency Union.</td>
</tr>
<tr>
<td>Implementation of the Reserves Advisory and Management Programme (RAMP)</td>
<td>The revised reserve management framework was successfully implemented as part of the RAMP programme.</td>
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<th>Thematic Area #2: Ensure a Strong, Diversified and Resilient Financial Sector</th>
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<tr>
<td><strong>Initiatives</strong></td>
<td><strong>Status</strong></td>
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| Reform and Modernisation of the ECCU Payment System                         | The efforts towards the modernization of the ECCU Payment System included a comprehensive review of the Payment System legislation. The key developments in this area of work include:  
  • The preparation of a new Payment System and Services Act and Regulations;  
  • Development of a Payment System Reform Strategy; and  
  • Development of surveys to assess the level of financial inclusion in the region. |
| Appointment of the Eastern Caribbean Asset Management Corporation (ECAMC) as Receiver under the Banking Act | The Eastern Caribbean Asset Management Corporation (ECAMC) became fully operational during the period and operates as a receiver under the Banking Act. |
| Establish the Eastern Caribbean Appraisal Institute (ECAI) to facilitate the adoption of international standards in the methodology for the conduct of appraisals in the region. | Establishing an Institute was abandoned. |
| Establishment of the Eastern Caribbean Financial Services Commission (ECFSC) as the single regulator for the non-bank financial sector. | The Monetary Council agreed to abandon this idea. |
### Thematic Area #3: Be the Advisor of Choice to Our Participating Governments in Pursuit of Fiscal and Debt Sustainability

<table>
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<tr>
<th>Initiatives</th>
<th>Status</th>
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<tr>
<td>Debt Management Advisory Service (DMAS) providing technical support to member countries to strengthen their debt management</td>
<td>Worked continued during the period.</td>
</tr>
<tr>
<td>Regional Debt Coordinating Committee (RDCC) to provide oversight for the Regional Government Securities Market (RGSM).</td>
<td>The Bank continued to provide oversight.</td>
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### Thematic Area #4: Actively Promote the Economic Development of our Member Territories

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<tr>
<th>Initiatives</th>
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<tr>
<td>Memorandum of Understanding (MOU) with OECS to establish a more effective framework for collaboration that will provide stronger coordination and partnership to increase effectiveness and development impact in the OECS.</td>
<td>The MOU was established.</td>
</tr>
</tbody>
</table>
| Annual ECCU Growth Forum to forge consensus on a plan of action for addressing growth, competitiveness, and employment in the ECCU. | The Growth and Resilience Dialogue, has been successfully held from 2017 – 2021. In addition to the partnership with the OECS Commission and The World Bank, the UWI became a partner in 2021.  
  
  The Dialogue has been successful at providing 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 and forms a critical part of the growth agenda of the ECCU. |
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<th>Thematic Area #5: Enhance Organisational Effectiveness to Ensure Responsiveness and Service Excellence</th>
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<tr>
<td><strong>Initiatives</strong></td>
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<tr>
<td>Continuation of Country Engagements by the Governor.</td>
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<td>ECCB Connects</td>
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<tr>
<td>Office of Risk Management</td>
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<tr>
<td>Thematic Area #5: Enhance Organisational Effectiveness to Ensure Responsiveness and Service Excellence</td>
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<td>----------------------------------------------------------------------------------</td>
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<tr>
<td><strong>Initiatives</strong></td>
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<tr>
<td>Development of a Leadership Training Programme to enhance organisational effectiveness through the enhancement of leadership capacity within the Bank.</td>
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Strategic Plan
2022-2026
Transforming the ECCU through Innovation and Collective Action
The ECCB endeavors to utilise a balanced scorecard approach, employing the four (4) perspectives, to achieve our vision (see figure 1).

We believe strongly in investing in our people (Staff) and providing an enabling environment for growth and development. This will allow us to better adapt and will drive operational efficiencies, helping us to excel in our service delivery. Further, we intend to be good financial stewards of the resources entrusted to us. Ultimately, what we do and how we do it is for the ultimate benefit of the citizens of the ECCU through mutually beneficial relationship with our partners.

A strategic risk assessment was completed according to the guidelines of the Bank’s Enterprise Risk Management Framework. The results were incorporated in the Bank’s risk register. These results identified the potential hindrances as well as key opportunities which are likely to impact the successful execution of the Plan. Hence, a number of identified mitigating measures have been employed to help manage these risks.

The strategic risk assessment prepared the Bank to anticipate any potential risk events. Strategic risks will be reviewed periodically on a consistent basis at all levels of the Bank with oversight by the Board of Directors. This will be done with the assistance of a Strategic Performance Management Software which will show the cascading effects of the Strategic Plan at all levels – Corporate (Tier 1), Department (Tier 2) and Employee (Tier 3) and will assist the Bank to monitor
the evolving nature of the identified strategic risks as well as to identify and treat emerging ones.

The Bank envisages that the continued identification, review, monitoring, controlling, and treatment of risks under the enterprise risk management process will improve the chances of successful execution of this strategic plan.

WHAT SUCCESS WILL LOOK LIKE

The ECCB intends to make a concerted effort to increase Staff KSA's which should drive Improved Utilisation of Technology. Together, it is expected that Staff Engagement could be increased. Investing in our People, providing opportunities for Growth and equipping staff with the right tools and technology should positively impact the execution of the Bank's Business processes.

Efforts to Strengthen our Business Continuity plans seeks to alleviate possible disruptions in our business process. This is driven through a comprehensive risk management framework. Strengthening the Regulatory Architecture should lead to a Strengthening of the Payments Systems.

As we seek to be good stewards of our financial resources, we aim to Improve Value for Money and Strengthen Budget Management. These are being driven by efforts to Improve Operational Efficiencies and Strengthen Corporate Governance.

As depicted in our strategy map, we recognize that value flows upwards and our efforts seek to benefit our Customers and Stakeholders. Ultimately, we expect to Improve Satisfaction of our ECCU Citizens and Partners through improved business process. This is also achieved if collectively, we Improve Communications, Increase Collaborations and Improve Risk Management practices and by Improving Value for Money. Strengthening Budget Management Practices could also Improve Partnership Relationships. Finally, Enhancing Financial Inclusion in the ECCU will be driven through Increased Awareness of the Bank's initiatives, a Strengthened Corporate Governance Framework, a Strengthened Regulatory Architecture and a Strengthened Payment System.
Summary of Strategic Plan
2022-2026
THEME #1
FINANCIAL STABILITY

Major Initiatives

1. Establish the ECCU Credit Bureau
The establishment of an adequate legislative environment to facilitate the operation of an advanced credit reporting system is very important to aid the reduction in information asymmetry, increase in financial inclusion, enable a more efficient and accurate credit decision-making processes, and enhance credit monitoring and risk management. These results will be targeted through the development of partner’s technical assistance and coordination of the licensed credit bureau’s development process, leading to the launch of the ECCU Credit Bureau. KPI – official launch of Credit Bureau.

2. Commence oversight of the financial market infrastructures (4C’s, RTGS and ECACHSI)
Payment System oversight will serve to promote an environment that seeks to mitigate systemic risks that have the potential to undermine financial and economic stability in the ECCU. Therefore, the effective oversight of Financial Market Infrastructures (FMIs) will contribute to economic development and financial stability by ensuring the smooth functioning of FMIs.

Assessments of FMIs will be conducted against international benchmarks developed by the Bank for International Settlement (BIS) and the International Organisation of Securities Commissions (IOSCO) in an effort to mitigate systemic risks and resolve challenges encountered by institutions.

In order to undertake the full scope of oversight activities in terms of breadth and depth, the oversight programme will include both off-site and on-site initiatives. Self-assessments will be applied completely and consistently across all designated Payment Systems and will inform the extent to which the Committee on Payment and Settlement System-International Organisation of Securities Commission (CPSS-IOSCO) PFMIs have been observed. On-site examinations will be subsequently conducted in order to gather additional information and to validate the information provided. Ratings will then be applied in accordance with the rating scale recommended in the Assessment Methodology. Issues of concern will be addressed within the mutually agreed timeframe and the solutions monitored for implementation and effectiveness.

3. Implementation of Deposit Insurance Scheme
The development and establishment of a Deposit Insurance System (DIS) in the ECCU seeks to:
1. Enhance financial safety net through improving and solidifying trust in the financial system by offering a mechanism for depositors’ compensation and crisis resolution when there are severe shocks.
2. Support financial stability.
3. Reduce fiscal costs and uncertainty about pay-out.
4. Align the ECCU financial system with international best practices.
5. Improve the resolution process: A DIS ensures the orderly and speedy compensation of depositors and provides a platform for better pre-crisis and resolution planning.

4. Establish a Regional Standards Setting Body
The ECCB will facilitate the design and adoption of a Regional Standard Setting Body (RSSB) for regulation of the non-bank financial sector. The RSSB was conceptualized to ameliorate regulatory gaps in the financial sector, reducing the scope for regulatory arbitrage and enhancing the regulation of multi-jurisdictional firms and financial conglomerates.

The RSSB aims to develop and establish overall prudential standards pursuant to which the non-bank financial sector will be supervised by the Surs. This includes, common data reporting standards, prudential standards that would cover areas (not limited to) corporate governance, fit and proper procedures. These standards would be based on international best practices such as the Basel Committee on Banking Supervision, International Association of Insurance
Supervisors (IAIS) and International Credit Union Regulators Network (ICURN). The Body would review the latest developments in financial sector regulation on an ongoing basis to ensure that regulatory standards for the financial sector of the ECCU are uniform and fit for purpose.

The broad objectives of the RSSB are outlined as follows:

i. To issue regulatory standards pursuant to which the SRUs will supervise the NBFI sector.

ii. To eliminate differences in the application of these regulatory standards through the issuance of guideline with respect to the application of these regulatory standards in the supervision of the targeted intuitions.

iii. To ensure protection for consumers and market conduct by establishing inter alia standards/guidelines for disclosure of information on financial products, services, and markets, fair treatment, and business conduct; data protection and privacy.

iv. To support interdependence and interoperability of financial institutions by establishing standards for financial information disclosure on the part of financial institutions and public sector institutions.

v. To ensure a level playing field for FIs across the ECCU in much the same way as the banking sector.

vi. To contribute to financial stability and financial integration (Single Financial Space) of the ECCU.

vii. To ensure a balanced contribution of the financial sector to growth and development of the ECCU region as laid out in the ECCB Agreement.

5. **Greening of the ECCU Financial System**

Green financing innovation is critical to mobilizing finance for climate resilient development in the ECCU. This initiative 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.

The ECCB will partner with the NDC Partnership Readiness Support for Greening the Financial System Pilot Initiative, the World Bank and Agence Francaise Developpement (AFD) to facilitate the mainstreaming of climate into financial decisions, regulatory and supervisory responsibilities, and overall risk management strategies. These will include:

a. Launching consultancies towards the development and implementation of regional financial sector roadmaps and frameworks for green finance and climate risk stress testing;

b. Developing innovative financial solutions for renewables financing to accelerate the transition to clean and affordable energy and create green jobs;

c. Working closely with regulators, banking and non-bank financial institutions; capital market and key stakeholders from the public and private sector; and

d. Coordinating and monitoring activities and work plans in collaboration with the development partners and consultant.
**Major Initiatives**

1. **Expansion of DCash**

   The DCash Pilot project was officially launched in March 2021. This project was motivated by the Bank's vision for greater payment system efficiency, financial inclusion through digital enablement and the promotion of innovation and competitiveness across the currency union. This initiative was also fueled by the Bank's aspiration to see a fifty percent reduction in the use of physical cash by the year 2025. As the use of digital platforms expands and the demand for digital transaction tools increases, it is imperative that the design and functionalities offered by DCash remain on par with similar offerings, while meeting the fundamental objectives for the betterment of the ECCU citizenry.

   DCash is envisaged to provide access to a faster, cheaper and safer payment option for all ECCU citizens. This allows them to place less reliance on physical cash for every day transactions, which has inherent risks, costs and limitations. It would also allow the 'ordinary' citizen to effect digital payments, an option which is not now currently accessible to all, due to certain frictions which negatively impact their ability to access key financial services. In the medium to long-term, it is intended for the DCash platform to facilitate cross-border and cross-currency transactions at a reduced cost, through its interoperability with other digital platforms. The ability to effect DCash transactions in the absence of internet connectivity is also a long-term goal, a feature which speaks to the resilience of the solution and which responds to the variations in internet access and reliability across the ECCU region, as well as recurring impacts of natural disasters.

   During this strategic period, the Bank will launch the implementation of a commercial deployment of a retail CBDC solution which will allow for technological integration with the core banking system of participating financial institutions, resulting in reduced friction for participating financial institutions and their customers. While the Pilot has provided the ECCU public with exposure to a retail CBDC platform, public education on CBDCs as part of a modern payments system will continue. The ECCB will engage with stakeholders in devising a revenue model which balances the objective of financial inclusion with a viable model for revenue generation by financial institutions.

   Additionally, the ECCB should ensure application programming interface (“API”) access which will provide a route for mobile wallet providers to provide payments-plus services, thereby adding value to the services offered to their users and further impetus to the development of the digital financial services eco-system. API access should as well ultimately decrease the need for the ECCB to provide and maintain user wallet applications and allow the ECCB instead to focus on providing core central banking services required by the CBDC solution. The will ensure that the Commercial deployment of the CBDC is built on robust technical architecture and operational framework to reduce single points of failure. Periodic audits of technological infrastructure will be undertaken. In addition, performance monitoring and alerting systems will be included in the commercial CBDC solution.

2. **Implementation of New Legal and Policy Frameworks**

   **Amendments to the ECCB Agreement**

   A revised legislative framework that lends greater clarity to the Bank’s mandate and reforms its legal structures for autonomy, decision-making, accountability, and transparency. When enacted, these amendments would strengthen the Bank’s governance framework to maintain alignment with international best practices. Consequently, the Bank will prepare policy proposal and submit appropriate amendments to the ECCB Agreement for enactment by member countries.
a. Insolvency/Bankruptcy Legislation
Advance initiatives in support of the enactment of modern insolvency and bankruptcy legislation in the ECCU to support the efficacious restructuring of businesses to protect jobs, preserve financial stability and facilitate a thriving private sector in the region to:

- Strengthen the legislative framework for corporate and household insolvency in the ECCU and the relevant administrative and business practices critical to the smooth functioning of the commercial banking system and the economies of the OECS/ECCU;
- Improve the ranking of OECS member countries on World Bank’s Ease of Doing Business Indicators and specifically in addressing Insolvency;
- Create an expanded and more efficient Insolvency regime in the Eastern Caribbean Currency Union (ECCU) with a view to enhance the region’s competitiveness;
- Facilitate a thriving private sector in the region.

These initiatives are expected to assist member governments in establishing a modern Insolvency/Bankruptcy legislative framework in the region that is consistent with international best practices. Consequently, the Bank in collaboration with regional and international agencies will assist member territories in the development of modern insolvency/bankruptcy legislation in the ECCU.

b. Financial Stability Legislation
Financial Stability Legislation and consequential amendments to non-bank financial legislation. This initiative is related to strategic initiative 1 above and seeks to establish an overarching statutory framework that will vest in the ECCB an explicit mandate for financial stability which will enable the ECCB to have macro prudential oversight and the maintenance of financial stability of the ECCU financial system. In addition, the development of a legislative framework to support the adoption of an Enhanced Regulatory and Supervisory approach in the ECCU, enabling a stable financial system in the ECCU. Consequently, the Bank will submit draft financial stability legislation for enactment by member territories.

c. Deposit Insurance Legislation
The Bank will draft deposit insurance legislation for enactment by member territories development for the establishment of a Deposit Insurance System in the ECCU to facilitate:

- Enhance financial safety net through improving and solidifying trust in the financial system by offering a mechanism for depositors’ compensation and crisis resolution when there are severe shocks;
- Support financial stability;
- Reduce fiscal costs and uncertainty about pay-out;
- Align the ECCU financial system with International best practices; and
- Improve the resolution process: A DIS ensures the orderly and speedy compensation of depositors and provides a platform for better pre-crisis and resolution planning.

3. Commence oversight of Financial Market Infrastructures (4 Cs, RTGS and ECACHSI)
The Payment System Act, 2008 is now dated as it lacks a licensing regime and does not make provision for emerging non-bank payment and settlement services that are being driven by financial technology. There is therefore no explicit legislation under which non-bank payment and settlement services can be licensed to operate, which poses a risk to the system.

The development of a Payment System and Services Act (PSSA) with attendant regulations is urgently needed to support an environment where innovative payment service providers may leverage technology to expand the range of payment services, thereby reducing the use of cash in the payment system and lend legal certainty to the payment system landscape.

The PSSA and Regulations are required to align the legal and regulatory framework for the payment system in the ECCU with the Committee on Payment and Settlement Systems and the Technical Committee of the International Organization of Securities Commissions, (CPSS-IOSCO), Principles for Financial Market Infrastructures. This in an effort to manage and maintain a payment system that
is modern and conforms to international best practice. The PSSA and accompanying Regulations will:
i. broaden the scope of regulated activities to a wider range of payment services and activities;
ii. introduce a comprehensive licensing regime calibrated to specific risks posed by activities, through a new modular approach to regulation, that facilitates growth in innovation and financial inclusion;
iii. strengthen consumer protection;
iv. engender confidence in the use of electronic payments; and
v. enhance safety and efficiency in the ECCU payment system and the capacity to maintain financial stability.

The Bank will institute surveys to gauge customer satisfaction and concerns on payment system development and modernisation.

4. Administration of the Financial inclusion and 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 ECCB commissioned a Financial Literacy and Financial Inclusion survey for the ECCU to ascertain the extent to which the general public and businesses are aware of, and have access to financial products and services that meet their needs, to, among other reasons provide the basis for further targeted interventions in relation to financial education and financial inclusion.

The initial survey is intended to provide a baseline analysis, relevant to the ECCU that 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.

The Financial Literacy/Financial Inclusion Survey will be executed across all eight of the ECCU member countries using a nationally representative survey.

THEME #3
ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

Major Initiatives
1. Campus Greening Projects
Greening of the Campus aims to shift the Bank towards an environmentally conscious institution through the implementation of several green projects that will reduce the Bank’s carbon footprint and increase its use of sustainable practices. This initiative will allow the Bank to reduce water and energy consumption and costs, increase the use of materials that will reduce the impact on the environment and provide a healthy and safe place for staff to work, through:
a. Increased efficiency of energy generation, transmission and utilization;
b. Decreased greenhouse gas emission,
c. Sustained water and energy costs;
d. Enhanced water security, sustainability and resilience; and
e. Cost-effective and sustainable transportation medium.
THEME #4
DIGITAL AND DATA TRANSFORMATION

Major Initiatives
1. Implement Data Analytics System
   Data analytics refers to the process of collating, cleansing, transforming, and modelling data to allow for discovery of analytical insights and information that can lead to effective policy design for decision-making. The process involves increasing the level of automation and replicability of data and research processes. Integration of data analytics will enrich the policy research and allow for data/insight driven policy design and decision making.

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2. Bankwide IT Projects (ERP Solution, IT Policies, Strategic Management and Performance Solution)
   Utilisation of Information Technology to maximise organisational effectiveness within a security management framework based on the ISO27001 Standard to:
   • Improve efficiency by replacing dated SAP ERP solutions;
   • Automate the Strategic Planning and Monitoring Process; and
   • Strengthen the ECCB’s information technology operational resilience and security posture.

   This will involve the implementation of the following: New ERP, Updated IT Policies and related operational procedures, and a Strategic Planning and Monitoring tool. The performance of the projects will be measured by return on investment and the Bank’s information security maturity score.

THEME #5
ORGANISATIONAL EFFECTIVENESS AND DEVELOPMENT

Major Initiatives
1. Implement the Business Continuity Management System (BCMS)
   One of the key risk management tools or measures of an organization is its ability to resume operations, particularly critical services, in the shortest possible timeframe following a business disruption. The Bank as the sole distributor of EC currency and having responsibility for the ECCU payment system and management of the region’s foreign reserves, must be able to restore critical operations, pertaining to these key functions, within hours of a disruption. Further, in the event of business disruption, the necessary measures must be in place to restore full functionality within a reasonable timeframe. This is directly linked to the Bank’s reputation and its ability to effectively fulfil its mandate to the ECCU as articulated in its Vision and Mission statements. An effective and properly functioning BCMS would allow the Bank to restore its operations within the established timeframes following a business disruption.
The implementation of the BCMS would ensure that there are clearly established policies and procedures to facilitate service restoration in the event of a business disruption. This would minimize any adverse impact on the ECCU payment system, ensure the continued safety of the region’s foreign reserves and prevent any anxieties resulting from unavailability of currency for public transactions. It also would provide a clear path for the full restoration of service following a disruption.

The full implementation of the BCMS would entail the establishment of new and/or enhancement of existing backup arrangements for the Bank’s operations including its IT infrastructure and services, and periodic simulation exercises that mirror disruptive events and the attendant restoration activities. Staff training is also a requirement to establish the relevant competencies that ensure proper functioning of the BCMS.

The performance of the BCMS would be measured in relation to time taken for successful resumption of critical services and timely completion of simulation exercises.

2. **Introduce the new website and enhanced communication**

The Internet is the first place most people go when looking for information on an organisation. This has made websites an integral part of an institution’s communication mix. A well designed, user-friendly, and easily navigable website with timely, pertinent and relevant information pertaining to the vision, mission and overall purpose of the Bank, will afford the ECCB the opportunity to more effectively serve its stakeholders. This will be achieved by commissioning a website developer to complete the development of the website.
## UPDATE ON STRATEGIC INITIATIVES 2022-2026

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<td>Commence oversight of the financial market infrastructures (4C’s, RTGS and ECACHSI)</td>
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<td>Implementation of deposit insurance Scheme</td>
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**Status Key:**
- **On Track**
- **Delayed**
- **Off Track**