

In January of this year CBCS started with the process to develop a strategic plan that should provide a clear focus and direction for the organization in the coming years.

A lot of effort (analysis, interviews, sessions) was put into this process and in July we officially launched our strategic plan for 2018 – 2020.

Today, I am pleased to present this plan to you, to provide you a glimpse into our future and to explain how our island will benefit from this plan.

I would like to start by asking your attention for the following → VIDEO

VIDEO



Ladies and gentlemen this is not science fiction; this is happening right now. And don't think this is happening internationally because for those that have not realized this yet this is happening right now, right here on our islands and as we speak. These changes and developments also affect our organizations. They can create opportunities, but can also cause disruptive changes.

As the Central Bank of Curaçao and Sint Maarten, we are like you in the midst of a rapidly changing environment.

If we want to benefit from change, then our mindset and our way of doing business must change too!

For this reason we have chosen to take a new course as an organization, and the strategic plan we developed will be the guiding principle in our transformation.

I will give you first a brief overview of the process we chose to follow to develop our strategic plan, then I will present to you our new vision, mission and core values and finally I will give you an overview of the 14 strategic objectives that we have for coming 3 years.



For the development of our strategic plan we deliberately chose for a participatory and plenary approach to create co-ownership of our strategic plan.

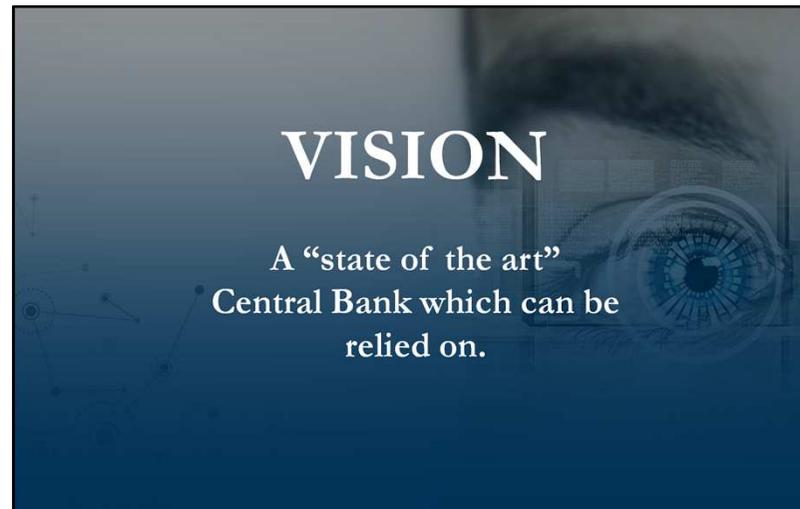
We started first with analyzing the trends and developments both internationally as locally that could impact the functioning of the Bank in the future.

After having gained a good insight in these trends and developments we contacted our main stakeholders some of whom are present here today and we asked them how we are perceived. The input of these stakeholders was taken along in the development of the Strategic Plan.

Hereafter we went on analyzing our strengths and weaknesses and the opportunities and threats we are facing.

With all the information we gathered we developed a proposed new Vision, Mission, Core Values and Strategic objectives. Finally the proposition was presented to the complete staff for input and this input was taken along to reach to a final Strategic Plan.

With this new Strategic Plan we are working towards a new image for the CBCS. We want to change from a closed and bureaucratic to an innovative open and transparent organization.



What do we want to achieve and what do we stand for? Crucial questions when determining the new direction of our organization.

Given the trends and developments that we saw in de video, we have set our vision: To become 'A state-of-the-art Central Bank on which can be relied'. A Central Bank that in this rapidly changing environment with many challenges, guarantees the monetary and financial stability of Curaçao and Sint Maarten, and stimulates growth and development of the financial sector.

As the Central Bank of Curaçao and Sint Maarten, we must anticipate on developments and think about national challenges.

"State of the art": this means that we want to position ourselves as: "crème de la crème" with the most knowledgeable staff, with lean and mean processes, applying advanced technologies, providing superior and customer-friendly service.



The role of the CBCS in this dynamic environment is crucial to ensure the well-being of our society and the health of our economies. As Central Bank we have core tasks anchored in our central bank charter; this is our reason of existence. These core tasks are:

- To promote the stability of the value of the currency of Curaçao and Sint Maarten;
- To promote the soundness of the financial system;
- To promote a safe and efficient payments system in Curaçao and Sint Maarten;
- To provide advice to the governments of Curaçao and Sint Maarten, both requested and not requested.

We will execute these tasks by operating in an innovative, efficient, effective and reliable way.



In our strategic plan we have also defined the new core values for our organization.

These indicate how all employees are expected to interact internally with each other, but also with the public in general and particularly those under our supervision.

These core values determine our new identity.

## FOCUS AREAS

1. Monetary stability of Curaçao and Sint Maarten
2. A stable and competitive financial sector
3. A Central Bank with a customer-friendly and innovative organization

Our Strategic Plan can be broken down into three focus areas and 14 strategic objectives. The 3 focus areas are:

1. Monetary stability of Curaçao and Sint Maarten → main task as anchored in the statute.
2. A stable and competitive financial sector → 'competitive' is the new focus.
3. A Central Bank with a customer-friendly and innovative organization → Completely new focus based on internal transformation.

**1. MONETARY STABILITY  
OF CURAÇAO AND  
SINT MAARTEN**

*Strategic goals*

1. Monetary stability by maintaining the value of the currency.
2. Sustainable socio-economic growth in a dynamic environment.

There are 2 strategic goals for the First Focus Area “Monetary Stability of Curacao and Sint Maarten”.

1. To guarantee monetary stability by maintaining the value of the currency

We will assess the effectiveness of our monetary policy mechanism, particularly our operational target of 3 months of import coverage and our main monetary policy tools.

We also started with the preparations for an evaluation by the IMF of the monetary union and the effectiveness of our monetary policy.

2. To promote sustainable socio-economic growth in a dynamic environment.

We conduct research and provide advice to the governments of Curaçao and Sint Maarten on a vast array of topics that are particularly relevant for our economies.

For example, we are currently supporting the government of Curacao with the development of an economic growth strategy aimed at achieving a sustainable higher and more inclusive growth path.

In this strategy, the government will implement structural reforms to address our structural weaknesses such as our cost of doing business, complex administrative procedures, and the functioning of the labor and capital markets. At the same time, the government will invest in improving our public infrastructure and strengthening our human resources.

This strategy should not be considered a plea to increase public sector debt to unsustainable levels.

We have also been supporting the government of Sint Maarten and international organizations such as the World Bank, the IMF and ECLAC in the country’s reconstruction efforts following Hurricane Irma.

Based on CBCS’s advice the Government of Sint Maarten joined as of September 1, 2018 the Caribbean Catastrophic Risk Insurance Facility (CCRIF) and is insured through CCRIF for damages resulting from earthquakes, tropical cyclones and excess rainfall.

Through CCRIF, Sint Maarten protects itself from short-term liquidity problems after a major natural disaster.

**2. A STABLE AND  
COMPETITIVE  
FINANCIAL SECTOR**

*Strategic goals*

3. Up to date supervisory frameworks, financial policies and legislation.
4. Effective and efficient supervision of the financial sector and maintenance of financial stability with institutions that meet their obligations.
5. A strategic partner that advises on the stability and competitive position of the financial sector and that stimulates growth.

There are 6 strategic goals for the Second Focus Area “A Stable and Competitive Financial Sector”.

3. To have in place up-to-date supervisory frameworks, financial regulation and legislation.

We must ensure that our financial regulation and legislation framework is up-to-date, based on current trends and complies with international standards. A recent example of this is that the Central Bank of Curacao and Sint Maarten (CBCS) has been entrusted with the supervision of Securities Intermediaries and Asset Managers.

As a result hereof, CBCS complies with the latest international developments of worldwide regulators and last week CBCS issued the first license under the new Legislation.

4. To guarantee effective and efficient supervision of the financial sector and maintain financial stability.

We must ensure that the supervised institutions are sound, solid and reliable so that people can trust our financial institutions.

In this regard we will apply data driven and risk-based supervision.

5. To be a strategic partner that advises on the stability and competitive position of the financial sector and that stimulates growth.

We believe that because we have the expertise and we have the data, we want to use these to become a Sparring Partner who thinks along about confronted challenges, developments in our country and important decisions to be made. In this regard we are for instance in close contact with representatives of different financial institutions on Fintech and Regtech, we are developing macro-economic models, we have upgraded our chart of accounts and we have organized conferences such as: Central Banking / FinTech (in collaboration with Cinex) / GDPR (in collaboration with Deloitte).

## 2. A STABLE AND COMPETITIVE FINANCIAL SECTOR

### *Strategic goals*

6. A clear vision on FinTech companies with new technology-driven financial products and services.
7. Introduction of a new currency for Curaçao and Sint Maarten.
8. An efficient, reliable and accessible payment system for everyone.

6. To have a clear vision on FinTech companies with new technology-driven financial products and services.

Technology is revolutionizing the financial sector around the world. For example, nowadays it is possible to make payments through mobile phones, an investment fund in crypto currencies is active in Curaçao, and bitcoins are being accepted at a local supermarket.

In this changing environment we need to understand these new technologies and their impact on the financial sector to be able to conduct our supervisory task in an adequate manner.

- Last month, a training on blockchain and crypto currency was provided to our staff.
- A MOU was signed with Bitt Inc to start a pilot to research the feasibility of a digital currency for the monetary union.
- We will explore with our peers in the region if the use of Fintech technology can be the solution to de-risking

7. To introduce a new currency for Curaçao and Sint Maarten.

The intention was that the countries of Curaçao and St. Maarten shortly after the constitutional reform of the Netherlands Antilles on 10 October 2010 would introduce the Caribbean guilder.

This has not yet taken place but CBCS is taking preparation steps to realize the introduction of a new currency by 1 January 2021.

8. To have in place an efficient, reliable and accessible payment system for everyone.

The current national payment system will be upgraded to the newest technology.

The complete replacement of the existing system by a new Instant Payments infrastructure will be a major step for the payments market.

By switching to Instant Payments, we create a new and solid foundation for future innovations and next-generation payment solutions on the islands.

In relation to this CBCS will also develop policies that promote financial inclusion.

**3. A CENTRAL BANK WITH A CUSTOMER-FRIENDLY AND INNOVATIVE ORGANIZATION**

*Strategic goals*

9. An organizational design, functions and processes that correspond with the ambitions and transformation of the CBCS.
10. A decisive and efficient business management and strengthening of the execution of the core business, supported by a modern IT-infrastructure.
11. A customer-friendly and innovative organization culture and a new image.

There are 6 strategic goals for the Third Focus Area “A Central bank with a customer-friendly and innovative organization”.

9. To implement an organizational redesign, including functions and processes that correspond with the ambitions and transformation of the CBCS. We have a high level of ambition. In order to realize this, we cannot continue to do business as we used to. Our organization has to be fit to face the challenges and carry an internal transformation. Therefore, this month we are kicking off a reorganization process through which we will develop and implement a new management and organization structure, we will update and implement lean and mean processes, and we will continue to invest in our personnel to improve our performance.

10. To implement a decisive and efficient business management and strengthening of the execution of the core business, supported by a modern IT-infrastructure. We will develop a strategy to innovate our IT infrastructure and thereby strengthening the execution of our core tasks and business operations. In doing this, we will continue to ensure that we are able to cope with the threats of cyber-attacks and the sensitivity of the data entrusted to us.

11. To implement a customer-friendly and innovative organization culture and a new image. We also have to work on our culture. Our organization has become accustomed to a certain way of working over the years, which has led the outside world to perceive us as inflexible and a closed fort. We need a change in our culture to be the strategic partner and advisor that our countries expect. We have to move from a relatively closed organization to an open and transparent organization. It is in this regard that we have conducted the stakeholders satisfaction survey as part of the strategic process and we included the recommendations in the strategic plan. We have also developed a communication plan that we are implementing, and in 2019 we will start the rebranding of the Bank.

**3. A CENTRAL BANK WITH A CUSTOMER-FRIENDLY AND INNOVATIVE ORGANIZATION**

*Strategic goals*

- 12. Transformation of the CBCS through leadership with a new “tone at the top”.**
- 13. Strengthening of the HR organization to support the transformation management.**
- 14. Promote sustainability, transparency and accountability within the CBCS organization by strengthening Governance, Risk & Compliance and Business Continuity Management.**

12. To achieve the transformation of the CBCS through leadership with a new “tone at the top”.

This strategic goal is closely related to the reorganization process. A precondition for the success of the transformation and our culture change is that the management supports the change and sponsors it.

Good leaders will be followed but this will only happen if the tone at the top is right.

A leadership program is being introduced to support our leaders in carrying the transformation and culture change.

Our leaders need to change the organization from "internally focused" to an "externally focused" and innovative dynamic organization.

13. To strengthen the HR organization to support the transformation management.

The HR department is essential in pulling the transformation and culture change. This calls for a strengthening of the HR department, for the department to grow from “personnel affairs” to “Human Resource Development”. We will provide the necessary support and strengthen the HR organization by, among other things, developing and implementing an HR strategy that meets the ambitions of the organization.

14. To promote sustainability, transparency and accountability within the CBCS organization by strengthening Governance, Risk & Compliance and Business Continuity Management.

Like any other organization, the Central Bank must manage its performance, budgets and resources effectively. Our stakeholders and communities expect us to be fully accountable and transparent so that we can guarantee our politically independent position. In this context, we are strengthening the sustainability, transparency and accountability of our organization.

I would like to close with these remarks: We should be open to technology and embrace innovation. We should never accept mediocracy and always go for state of the art or crème de la crème.



