



**REPLY TO THE ADDRESS OF WELCOME  
ON BEHALF OF THE BORROWING MEMBERS**

**GOVERNOR FOR ST. VINCENT AND THE GRENADINES  
DR. THE HON. GODWIN FRIDAY**

Mr. Chairman of the Board of Governors,  
President of the Caribbean Development Bank, Mr. Daniel Best,  
Honourable Prime Ministers, Premiers and Ministers,  
Fellow Governors,  
Members of the Board of Directors,  
Distinguished Guests, Ladies and Gentlemen,

Good morning.

Thank you for giving me the opportunity to respond to the welcome address on behalf of the Borrowing Member Countries (BMCs) of the Bank. I feel blessed!

We are grateful to the Government and people of The Commonwealth of the Bahamas for the gracious welcome and hospitality extended to us, as guests. You have made us feel like the family that, indeed, we are.

Personally, I am delighted to be back in Nassau, after many years!

We commend Bank President Mr. Daniel Best, the management, and dedicated staff of the Caribbean Development Bank (CDB) for tireless preparatory work, strategic foresight, and responsiveness that have set the stage perfectly for the deliberations here.

We gather under a theme, *Forging the Caribbean's Future: Strategic Solutions for Uncertain Times*, that captures well the urgency of the historical moment.

We are navigating fast-moving, shifting global geopolitical currents. Old alliances are strained and long-accepted conventions are being questioned, with no reassuring answers, requiring us now more than ever to proceed with a unified regional front.

### **The Regional Snapshot**

The BMCs face a challenging economic environment characterised by persistent structural vulnerabilities, tightening global credit conditions, and severe climate shocks.

Central government debt remains chronically high, with debt-to-GDP ratios exceeding the prudential 60% target in nine borrowing member countries—in my country exceeding 113%. This high debt burden severely limits borrowing countries' ability to fund necessary public investments to accelerate economic growth and protect the most vulnerable of our citizens.

We are forced to navigate the turbulence amidst tightening supply chains, rising shipping costs, escalating fuel prices, and high cost of living.

Presently, these problems are associated with the Middle East war. But we also know that absent that conflict, we would still be facing difficult economic conditions in our countries.

We are further constrained by a challenging international aid environment. Official Development Assistance (ODA) from partner governments has experienced a marked decline, exacerbating the critical financing gap. Caribbean nations are forced to "do more with less". At a time when the region requires an estimated US\$14billion annually for comprehensive climate response, it mobilizes less than 10% of that amount.

It is, therefore, imperative that our development partners become more adaptive, more responsive, and willing to provide highly concessional financing and dedicated resources for loss and damage that will not worsen a bad debt situation.

### **The Uniqueness and Authority of the CDB: Transforming Regional Lives**

We acknowledge that CDB is an indispensable partner in the project of regional economic transformation premised upon regional integration.

However, regional economic integration is sustainable only if the partners all derive benefit from it and economic disparities among member countries do not grow too wide. The Bank is uniquely positioned to promote that end.

CDB is the only multilateral development bank whose core constituents and owners are the Caribbean people. Through decades of working directly in this space, the Bank has developed a wealth of experience, talent, and invaluable knowledge about our countries and region. The Bank has become indispensable to our development! Consequently, CDB is well-placed to speak credibly and in a focussed manner for its Caribbean constituents and to be in the lead in designing solutions tailored to the needs of our economically and climate vulnerable small, open economies.

A striking demonstration of this transformative impact is observed in St. Vincent and the Grenadines. Decades of repeated severe climate shocks have prompted us to pursue a proactive resilience-building agenda, reliably supported by CDB.

Key recent interventions in St. Vincent and the Grenadines illustrate the Bank's role in transforming lives and economies:

- The **Kingstown Port Modernisation Project**— the largest CDB project, a climate-resilient port build while relocating affected communities;
- The **School Improvement Project**, leveraging concessionary financing to build and modernise secure learning environments for our children; and
- The **Road Management and Rural Roads Programme** that is fortifying our transport networks and safeguarding connectivity for rural communities against severe weather.

These interventions prove that when targeted CDB capital is merged with local knowledge, it has the power to transform lives, elevate communities, and build climate-resilient economic assets.

### **Strategic Priorities for Building Resilience**

To safeguard Caribbean futures, the BMCs call for greater collaboration in building resilience in a comprehensive way, spanning environmental, economic, and social dimensions.

This comprehensive resilience framework must guide the Bank's operational priorities in the years ahead.

### **Environmental and Climate Resilience**

The Caribbean has entered the 2026 hurricane season still nursing severe wounds inflicted by Hurricanes Beryl in 2024 and Melissa in 2025. We are familiar with the enormous economic toll those extreme weather events extracted and therefore must respond effectively.

The environmental strategy of the CDB and borrowing countries must focus on building climate-resilient economic assets, upgrading coastal infrastructure, and expanding early warning systems. The Bank's climate change project preparation fund is critical to resolving resource bottlenecks, enabling timely and enhanced capital flows for adaptation.

### **Economic Resilience and Diversification**

Economic resilience requires that there be support for countries to absorb shocks while sustaining inclusive growth.

The BMCs must aggressively pursue economic diversification across modern frontiers, including:

- Digitalising public services, expanding digital connectivity, and investing in relevant skills training for our youth;
- Reducing high fossil fuel imports by exploiting renewable energy sources, such as the geothermal projects in Dominica and St. Kitts/Nevis, and the USD1.5 million of technical assistance to explore regional grid interconnection and also investing aggressively in solar power;

- promoting sustainable use and management of marine resources; and
- promoting value-added agro-processing to enhance domestic food security, reduce food imports, and encourage export.

## **Social Resilience and Human Capital**

Growth is misguided and unsustainable if it leaves vulnerable populations behind.

Social resilience requires strengthening people's ability to withstand shocks by expanding access to essential services and developing responsive and effective social protection systems.

Key initiatives like the Basic Needs Trust Fund (BNTF) must continue to act as flagship community development programs. The approval of BNTF 11 with a commitment of USD53.6 million represents a vital step towards creating inclusive, safe environments across participating countries.

## **Support for the CDB Forward Approach and Governance Reforms**

The BMCs express their support for the Bank's institutional reform agenda, known as *CDB Forward*.

*CDB Forward* envisages reforms in governance, in addressing the implementation deficit (or gap), workforce considerations, making the Bank's operating model more proactive and client-centered.

Considering our structural challenges in the region, the Bank must make its development impact felt with greater speed and on far larger scale.

The BMCs have delivered a clear mandate: we must move swiftly to implement the transformative reforms to eliminate friction and drive our institution forward. The need is urgent and therefore the time to act is now.

The BMCs urge the Bank to accelerate project implementation, address the persistent issue of undisbursed loans, and reform its procurement frameworks by adopting digital tools and risk-based approaches.

We also encourage the Bank to aggressively embrace and leverage partnerships with other multilateral development banks (such as the World Bank, Inter-American Development Bank, and the Green Climate Fund) as well as bilateral development partners to mobilise private capital and maximize co-financing.

## **Financial Resource Mobilization and Concessional Finance**

To sustain this ambitious agenda, the BMCs appeal directly to all CDB shareholders and non-regional partners to fully support the Bank in its strategic direction. The 10-Year Strategic Plan (2026-2035): *Transforming the Caribbean for Resilience* requires robust capital backing and expanded resources. In this regard, full support must be given to the Special Development Fund (SDF-11) cycle, which remains the lifeblood of concessional financing for the region's most vulnerable members.

## **Call to Action**

Resistance, adaptation, and an unconquerable spirit define the historical experience of the Caribbean. Despite our limitation we continue to deliver better lives for our people.

However, the region's development path must not be defined or be limited by our vulnerability; it must be shaped by our deliberate choices, our capable institutions, and by regional solidarity.

In the words of Sir Arthur Lewis, the Bank's first president: "*The Caribbean people can solve their own problems, but first they must find the secret that will put hope, initiative, direction, and an unconquerable will into the management of their affairs.*"

Let us enter these meetings committed to working collaboratively on these vital governance reforms and sustainable development pathways and may our choices foster a stable, inclusive and thriving Caribbean that is sustainable for generations to come.

Thank you very much.