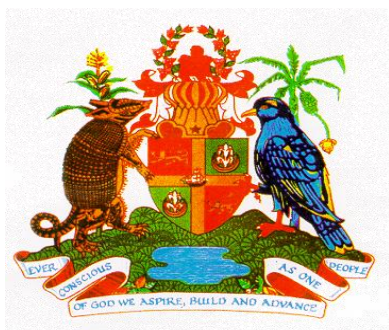


rev.5 draft final



GRENADA's GROWTH AND POVERTY REDUCTION STRATEGY (GPRS), 2014-2018



Our Best Years are Ahead!

Grenada's Growth and Poverty Reduction Strategy (GPRS) 2014 – 2018



Prepared by

Patrick A. Antoine Ph.D
Chief Policy Advisor
Government of Grenada

and

Timothy G. Taylor Ph.D
Professor Emeritus
Consultant, EconoTech Ltd.

and

Michael Church, MSc.
Consultant, EconoTech Ltd.

March 2014

All errors and omissions are the responsibility of the
authors.

Acknowledgements

In developing the 2013-2018 GPRS the Consultants benefited from a number of precedents and initiatives. Subject matter consultations held in 2012 and 2013 in shaping the New Economy as a development construct for Grenada; the Alternative GPRS prepared by the Non-States Actors, the high-level consultations led by Ronald Harford and the Team at Republic Bank, the Consultations for the preparation of the both budgets ("mini-budget" in 2013, and the more recent 2014 budget), stakeholder consultations held as part of the preparation of the Home-Grown Adjustment Program; consultations with the Trade Unions, the "Captains of Industry" in the private sector, among others all served as important inputs in the finalization of the GPRS.

The OECS Growth and Development Strategy also played an important role as did recent work on behalf of the Grenada Coalition of Service Industries. Unpublished analytical work by colleagues was also helpful.

The preparation of this GPRS under pressing deadlines would not have been possible without the camaraderie that existed among the contributors, namely, Professor Emeritus, Dr. Timothy Taylor, Mr. Michael Church, Ms. Gisele Mark, as well as timely contributions by Diana Francis of the Inter-American Institute for Cooperation on Agriculture (IICA). These colleagues worked tirelessly over the December holiday period in relentless pursuit of the end of year deadline and their contributions are fully acknowledged and deeply appreciated.

The work by the Policy Unit, Ministry of Finance in the development of the log-frame, under the pressing time-frames, is a promising signal.

The financial support provided by the Consulting Firm, ECONOTECH Limited to the execution of the GPRS, though coverage of the direct and indirect costs of the consultants is acknowledged. The ECONOTECH Team would like to thank the Government of Grenada (GoG) for the opportunity to make its contribution on this important initiative.

Patrick Antoine Ph.D.
Chief Policy Advisor



Table of Contents

1.	GRENADA AT THE CROSS-ROADS	2
1.1	Grenada's Economic History	2
1.1.1	Economic Transition	2
1.1.2	Historic Economic Performance	3
1.2	Recent Economic Developments.....	6
1.2.1	Evolution of Debt 2000-2011	6
1.2.2	Composition of GDP by Economic Sector, 2000-2012 [augmented]	8
1.2.3	Performance of the Tourism Sector [Title change]	14
2.	ECONOMIC PERFORMANCE AND POVERTY IN GRENADA	17
2.1	Measuring the Impoverished.....	17
2.2	The Millennium Development Goals Framework [sub-header added]	18
2.3	Risk and Vulnerability Assessment to Date [originally end of Part 4 except Implementation & Constraints lessons learned]	19
2.4	Social Protection Programs – Safety Nets.....	20
3.	ANTECEDENT GPR APPROACHES AS BUILDING BLOCKS.....	23
3.1	Reviewing Macro Approaches-Strategies to GPR	23
3.2	Reviewing Social and Economic Empowerment Strategies [sub-header change]	25
3.2.1	MDG Poverty Reduction/Alleviation	25
3.2.2	National Social and Economic Empowerment Strategies [originally Part 4]	28
3.2.3	Reviewing “Pro-Poor” Strategies and Interventions [change of sub-header]	38
3.3	Implementation and Constraints – Lessons Learned.....	39
4.	SOWING THE SEEDS OF A GPRS – A CONCEPTUAL FRAMEWORK [WAS PART 2]	42
4.1	The Imperative of a Long Term Vision and Strategy [was in part 2 – intro]	42
4.2	Economic Growth [was start of Part 5]	42
4.3	Pro-Poor Growth, Poverty Reduction and the New Economy	44
5.	GETTING THE MACRO-ECONOMIC FUNDAMENTALS RIGHT [WAS PART 6]	48
5.1	External Environment	48
5.2	OECS Economic Union [was Part 5.3]	49
5.3	National Macro-Economy [new sub-header]	52

5.3.1	Fiscal Policy [was 6.2]	52
5.3.2	Debt Management [was 6.3]	56
5.3.3	Employment and Productivity [was 6.4]	59
6.	TRANSFORMING GRENADA [WAS PART 7]	65
6.1	The New Economy	65
6.2	Thematic Focus I: Building Resilience [was 7.2]	67
6.3	Thematic Focus II: Developing Competitiveness with Equity	75
6.4	Thematic Focus III: Reducing Vulnerability	90
6.5	Thematic Focus IV: Governance, Justice and Citizen Security	100
6.6	Cross-Cutting Issues [sub-header change and added sub-sections]	111
6.6.1	Human Resource Development Expanded (HRD)	111
6.6.2	Human Health and Wellbeing Enhanced	112
6.6.3	Information and Communication Technologies (ICT)	112
6.7	Monitoring Development: [was last part of Strategic subcomponents]	112
7.	IMPLEMENTATION, MONITORING AND EVALUATION [NEEDS REVISITING]	113
7.1	Implementation: Public Sector Investment Program 2013-18	113
7.2	Financing Summary	115
7.3	Monitoring and Evaluation: Principles, Tools, Plans [consolidated into a new sub-section']	115
7.4	Institutional Arrangements	118
ANNEX 1	RESOURCE FRAMEWORK	121
ANNEX 2	PLANNING FRAMEWORK	127



Acronyms

CARCIP	Caribbean Regional Communications Infrastructure Program
CARDI	Caribbean Research and Development Institute
CB	Commercial Banks
CBOs	Community Based Organizations
CBD	Convention on Biological Diversity
CSO	Central Statistics Office
CPRS-AP	Country Poverty Reduction Strategy and Action Plan
CTA	Caribbean Tourism Association
CU	Credit Unions
DPA	Department of Public Administration
ECERA	Eastern Caribbean Energy Regulatory Authority
ECF	Extended Credit Facility
EHRD	Education and Human Resource Development
EM	Environment
E.U.	European Union
FAO	Food and Agriculture Organization
FO	Farmer Organizations
GARFIN	Grenada Authority for the Regulation of Financial Institutions
GBA	Grenada Beekeepers' Association
GBS	Grenada Bureau of Standards
GCIC	Grenada Chamber of Industry and Commerce
GDB	Grenada Development Bank
GFNC	Grenada Food and Nutrition Council
GHA	Grenada Housing Authority
GHTA	Grenada Hotel and Tourism Association
GIDC	Grenada Industrial Development Corporation
GIS	Government Information Service
GoG	Government of Grenada
GRENLEC	Grenada Electricity Company
GRPF	Grenada Royal Police Force
GTA	Grenada Tourism Authority
GTUC	Grenada Trades Union Council
HS	Hospital Services
ICT	Information Communication Technology
IICA	Inter-American Institute on the Cooperation of Agriculture
IRD	Inland Revenue Department
MEFF	Ministry responsible for Environment, Forestry and Fisheries

MNIB	Marketing and National Importing Board
MOA	Ministry responsible for Agriculture
MOC	Ministry responsible for Communications
MOCD	Ministry of Community Development
MOCu	Ministry responsible for Culture
MOE	Ministry responsible for Education
MOED	Ministry responsible for Economic Development
MOF	Ministry responsible for Finance
MOFO	Ministry responsible for Foreign Affairs
MOH	Ministry responsible for Health
MOHo	Ministry responsible for Housing
MOLA	Ministry responsible for Legal Affairs
MOSD	Ministry of Social Development
MOT	Ministry of Tourism
MTESP	Medium Term Economic Strategy Paper Plan
MTSP	Medium Term Strategic Plan
NAWASA	National Water and Sewerage Authority
NGOs	Non-Government Organizations
NMA	National Medical Association
NMH	National Media Houses
NSA	Non- State Actors
NTA	National Training Agency
OECS Sec.	Organization of Eastern Caribbean States' Secretariat
PAHO	Pan American Health Organization
PCL	Produce Chemist Laboratory
PRC	Peoples' Republic of China
PTAs	Parent Teachers' Associations
SAP	Structural Adjustment Plan
SGU	St. George's University
SPEED	Strategic Plan for Educational Enhancement and Development
TAMCC	T.A. Marryshow Community College
TNP	The National Parliament
Trade DEPT.	Department of Trade
UWI	University of the West Indies

Introduction

Fellow Citizens, Development Partners and Friends of Grenada, for Developing Countries, fostering economic growth, increased employment, and managing the high levels of debt feature among the most pressing challenges of the millennium. This GPRS is rooted in our "contract with the Grenadian people" entered into on February 19th, 2013. This contract embodies a commitment on the part of Government to provide opportunities for all who desire a future where they can realize the opportunity for a fulfilling life, where they can achieve their full potential, and are prepared to work for it.

Our 2013-2018 Growth and Poverty Reduction Strategy (GPRS) responds to these challenges. It is an important consensus policy statement which signals the alignment of the priorities of our people with the resources required to address them. This is particularly critical at this tumultuous period in the global and domestic economy. This GPRS also represents a policy statement which coalesces our actions across diverse stakeholder groups and interests, macro-economic objectives, socio-economic, cultural and political contexts.

Based on our consultations, we elucidate two primary constructs, "pro-poor growth" and the "New Economy," as the guiding premise for our actions and interventions at the macro-economic, sector and institutional levels over the next five years. We are convinced that such a future filled with hope can only be achieved through the achievement of the Millennium Development Goals (MDGs), particularly those related to reducing the levels of hunger and poverty.

The 2013-2018 GPRS will act as the framework through which the actions and interventions of my Government and our development partners can be situated to achieve the greatest impact, while providing a benchmark for continuous monitoring and evaluation of the effectiveness of our actions in addressing the challenges of job creation, poverty reduction and economic growth.

As chief public servant, I am gratified, along with Cabinet, to have presided over the process of preparing this document. Indeed, we have already commenced implementation of many of the actions contained herein. We invite all, including our development Partners to join with us in ensuring that we achieve an unprecedented level of implementation of the priority actions and projects outlined in this GPRS. Indeed, "our best years are ahead".

*The Hon. Keith C. Mitchell
Minister of Finance*



1. GRENADA AT THE CROSS-ROADS

1.1 Grenada's Economic History

1.1.1 Economic Transition

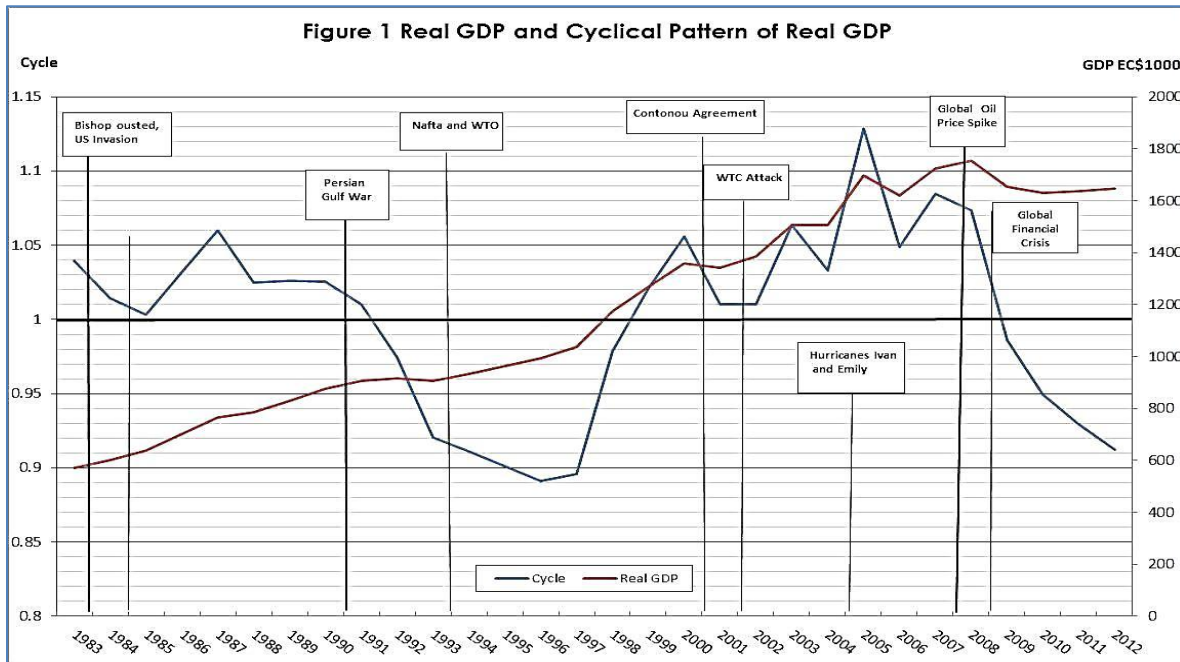
Over the course of its 37 year history, Grenada's transition from a colonial to an independent economy has been marked by varying degrees of support from the United Kingdom (UK) and other countries. For many years, preferences for traditional commodities such as bananas and sugar remained in place and significant overseas development assistance (ODA) was received. While it can be argued, that such policies were necessary for Grenada's early economic transition, they had the unintended consequence of maintaining an economy and economic mentality based on the status quo. In essence, the economy remained anchored largely on traditional exports supported through preferential treatment, protection from competition through high tariffs and access to ODA. There were limited incentives for the economy to develop a competitive dynamism built on the country's true competitive advantages.

In the 1990s, the global economic environment facing Grenada began to change. The creation of the World Trade Organisation (WTO) and the development of the North American Free Trade Agreement (NAFTA) were manifestations of the movement toward liberalized trade on a global and regional level. The deepening of economic integration in the European Union (EU) put traditional preference and support regimes (e.g. the Lomé Conventions) under scrutiny. While small island states, such as Grenada, argued for special and differential treatment and continued unilateral preferences, such pleas were largely unsuccessful. As a result the annual rate of economic growth in Grenada, and other small island states, began to decline and debt began to accumulate.

While in many ways, Grenada's economic experience has been similar to its Organisation Eastern Caribbean States (OECS) associates since 2001, Hurricanes Ivan (2004) and Emily (2005) obliterated its economy and exacerbated its debt situation. As Grenada moves into the second decade of the new millennium, the country is at a crossroads where significant structural and institutional changes are required if economic growth and prosperity are to return. What is needed is an economy built on competitive advantage, entrepreneurship and the ability to adapt to changing economic conditions.

1.1.2 Historic Economic Performance

Grenada's historic economic performance can first be assessed by examining the behaviour of real Gross Domestic Product (GDP). The evolution of real GDP over the 1983-2012 period is well approximated by a simple linear trend regression ($R^2 = 0.95$). This linear trend can be considered as representing long-term trend growth. For any given year, the deviation in actual growth from trend growth captures cyclical variation that enable a depiction of periods of above trend and below trend growth (**Figure 1**).



■ 1983 -1990

Over the 1983 to 1990 period, GDP growth averaged about 6.5% per annum. This period began with two significant events: the ousting and execution of the then Prime Minister, Maurice Bishop, and the subsequent military invasion by the United States (US). The policy environment at this time was influenced by Lomé III, which placed emphasis on the import-substitution industrialization development (ISI) paradigm. The country was the beneficiary of unilateral preferences in European markets, and considerable aid transfers provided by Europe and the US, through the Caribbean Basin Economic Recovery Act (CBERA) enacted in 1984. As can be seen (**Figure 1**), real GDP growth over this period was consistently above long-term trend. Growth dropped significantly following the coup and invasion, followed by acceleration as a result of post-invasion reconstruction. From 1987 to 1989, the annual rate of growth declined, but remained above trend growth.



▪ 1990 to 1999

The majority of the 1990 to 1999 period was characterized by below trend growth in real GDP. Over this period real GDP growth averaged about 4.4% per annum. The major external events that occurred during this period included the ratification of NAFTA and the creation of the WTO. In response to the creation of the WTO, a decision was taken that the Lomé agreements would end in 2000 and replaced by what became known as the Cotonou Agreement. This was done in order to bring EU support for African, Caribbean and Pacific (ACP) countries into compliance with the provisions of the WTO.

In response to these changes in the global trade policy environment as well as changing development paradigms, Grenada began moving from policies predicated on ISI to those based on export-led growth. A key part of this, were policies intended to promote economic diversification, especially in terms of agriculture. The conventional thinking at this time was that the WTO signalled the eventual end to preferences for traditional crops such as bananas and sugar. Additionally it was believed that many Caribbean countries had at least a potential competitive advantage in the production and export of non-traditional agricultural commodities. As a result, attempts were made to foster the development of non-traditional agricultural product enterprises as a means of increasing export revenues and providing some measure of import substitution.

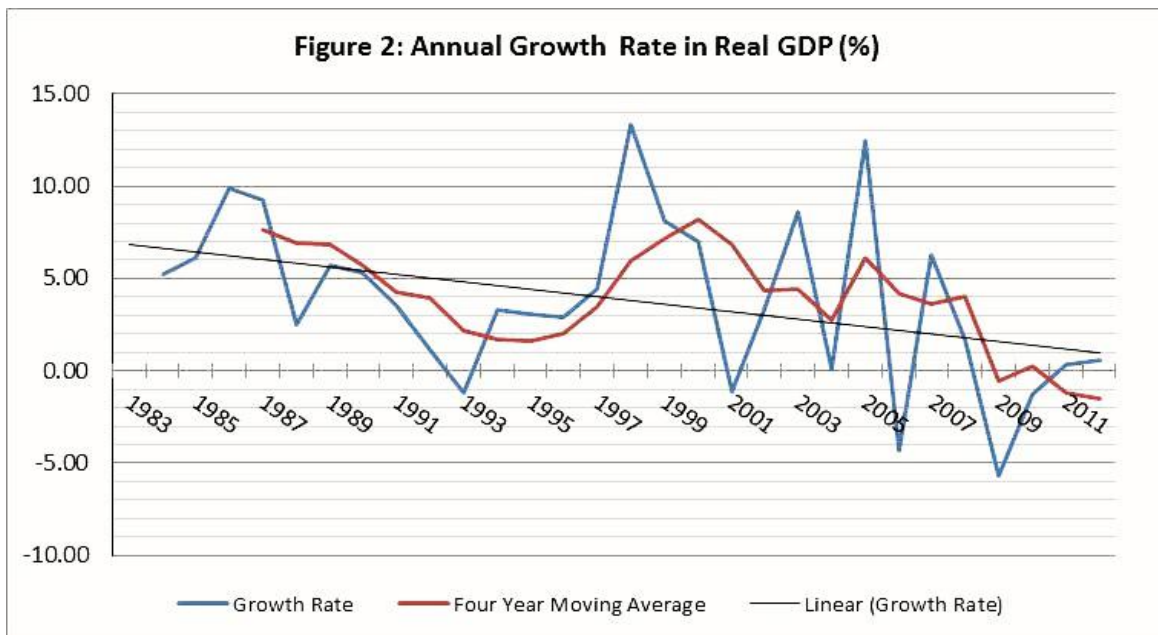
It is difficult to definitively explain the below trend performance of GDP growth over this period. However some causes may be speculated. The beginning of the decade, the first Persian Gulf War resulted in a rapid escalation of energy prices which negatively impacted Grenada.

Also, attempts to diversify the agricultural sector ran into head-winds both in terms of the loss of competitive position as NAFTA eroded preferences initially provided by the CBERA and limited success achieved in developing commercially viable non-traditional agricultural enterprises. Further, it can be argued that economic institutions in Grenada were ill-prepared for a transformation from unilateral trade preferences and significant foreign aid to a more liberalized trading environment. It should be noted however that by the end of the decade GDP had returned to above long-term trend.

▪ 2000 to 2012

Real GDP growth from 2000 to 2012 was the most volatile period in Grenada's history as an independent nation. Indeed, from 2000 to 2005 real GDP growth averaged about 5.5% per annum while over the 2006 to 2012 period, GDP fell at an annual rate of 0.4%. Real GDP growth returned in 2011, but it has been very anaemic. All of this volatility was as a result of forces beyond the country's control. In 2001, the terrorist led attacks on the U.S World Trade Centre (WTC) led to a short-term disruption in tourism that led to a decline in tourism.

Just as the economy started to rebound the country was devastated by Hurricane Ivan in 2004 and hit by Hurricane Emily in 2005. Following a significant decline in real GDP as a result of the devastation and loss of tourism revenues, real GDP growth increased to above trend reflecting the rebuilding efforts. However, the global oil price spike in 2007 followed by the global financial crisis that began in 2008 (with elements that continue today), caused a precipitous decline in GDP to well below trend. **Figure 2** depicts the evolution of the annual growth rate in real GDP from 1983 to 2012.



There are two fundamental takeaways from the evolution of the annual growth rate in real GDP from 1983, which are of considerable importance to future economic policy in Grenada:

- First and most importantly (as seen by the trend line fitted to annual GDP growth rate), is that the rate of real GDP growth has exhibited a downward trend. Stated alternatively, while the size of the economic pie has continued



to grow on average over the past 30 years, the rate at which the pie has been increasing is slowing down. Consequently, economic goals, such as, increasing employment and real incomes, and reducing poverty are becoming more difficult. There is a tendency to look at the past decade as the major source of Grenada's current economic difficulties. To be sure, major external events have created historic volatility in real GDP and exacerbated Grenada's recent debt situation. However, the long-term downward trend in real GDP growth rates suggests that Grenada's economy requires both structural and institutional transformation. In essence it needs what the current government has labelled a 'new economy'.

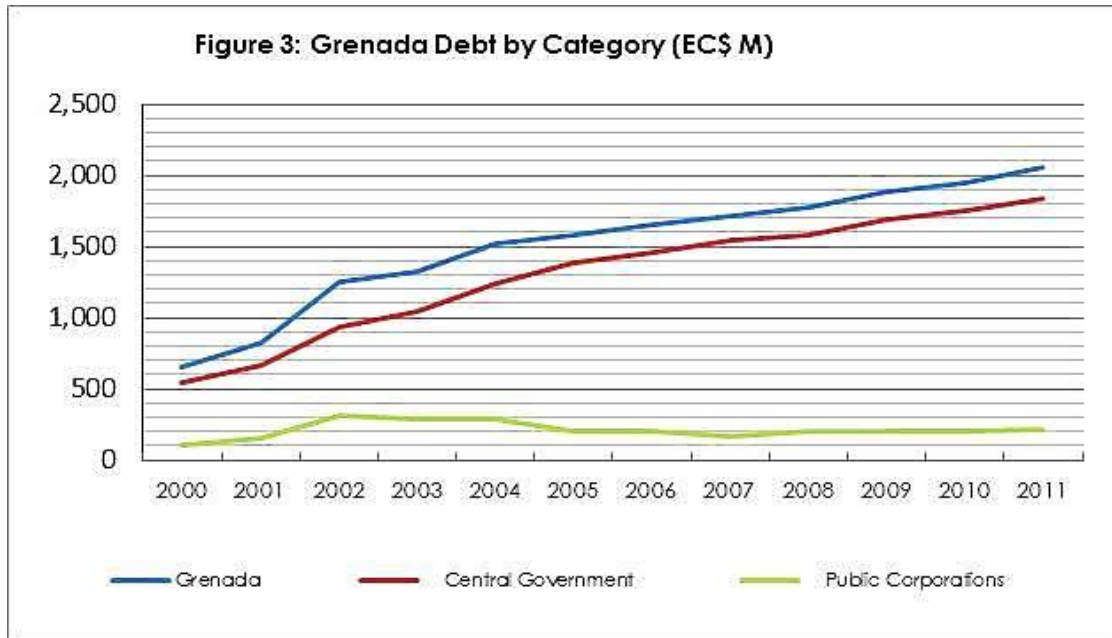
- The second aspect is the increased volatility of GDP growth. As noted, this volatility has been the result of external events. The optimist may even argue that all of these events were one-off and not likely to be repeated, especially in a period of 8-10 years. It is also true that these events have also greatly exacerbated Grenada's current debt situation. However, Grenada's long-term real GDP slowdown and lack of institutional and structural economic changes have also contributed to Grenada's deep-seated debt problems.

1.2 Recent Economic Developments

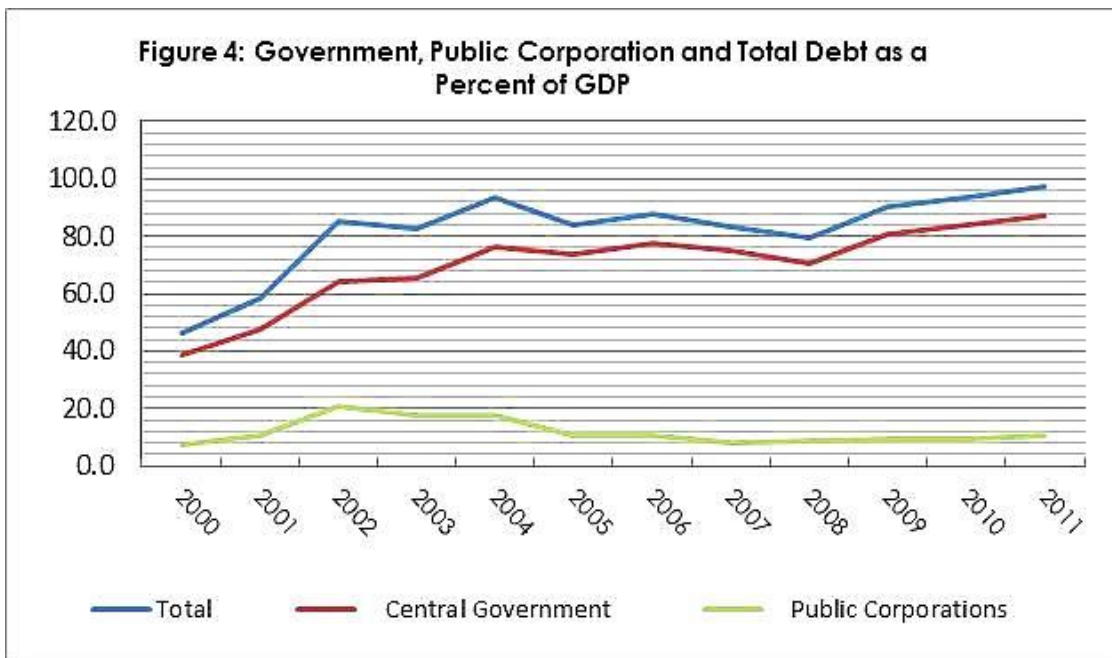
This discussion defines "recent" as the period beginning in 2000 and focuses on three key aspects of Grenada's economy: (a) the evolution of the country's debt to GDP ratio; (b) sectoral composition of GDP; and 3) performance of the tourism sector.

1.2.1 Evolution of Debt 2000-2011

Grenada's public debt comprises both central government debt and public corporation debt. From 2000 to 2011 the debt to GDP ratio increased from 47.5% to 95.7%, an average increase of 8% per annum (**Figures 3 and 4**). The central government debt to GDP ratio increased from 39% to 87.2% from 2000 to 2011, while that for public corporations debt/GDP increased from 7.5% to 10.2% over the same period.



As seen in **Figure 4**, changes in the debt to GDP ratio have demonstrated significant year-to-year variations since 2000. Between 2000 and 2001, and 2001 and 2002, the total debt to GDP ratio increased by about 25% and 47% respectively. For central government, the respective numbers are about 22% and 35%. For public corporations the numbers are 42% and about 98%. In other words, a considerable amount of Grenada's build-up of debt occurred during the first three years of the 2000s.



Excluding 2000-2002, the total debt to GDP ratio increased at an average of 1.8% per annum, central government debt increased at an average of 3.7% per annum and public corporations decreased at an average of 6.1% per annum. Total debt increased by 13% of GDP in 2004 (Hurricane Ivan) and 13.5% in 2009 (effect of global financial crisis). Interestingly, if one eliminates the big jumps in debt in 2000 to 2002, 2004 and 2009, central government debt as a percentage of GDP increased by an average of 0.1% per annum and public corporation debt/GDP declined by 7.7% per annum.

These data suggest there may be some cause for optimism regarding Grenada's debt situation moving forward. The seriousness of Grenada's current debt situation notwithstanding, the data suggest much of the debt build-up was a result of external circumstances beyond the country's control rather than disregard for some modicum of fiscal prudence. Barring future major external economic disruptions, prudent government policies have the potential to return the country to a sustainable fiscal path.

1.2.2 Composition of GDP by Economic Sector, 2000-2012 **[augmented]**

Analysis of the contribution of various economic sectors has provided insight into how changes in the economic environment, both internal and external, have impacted the contribution of various types of economic activities to GDP. **Table 1** presents the economic contributions to GDP by sector from 2000 to 2011 (and also includes estimates for 2012); and **Table 2** depicts year-to-year percentage changes with green cells showing increases of more than 10% and red cells showing decreases of more than 10%. For the most part these changes reflect the impact of global economic events and Hurricane Ivan on economic activity.

Table 1 summarizes changes in economic composition of the economy as manifested in **Tables 2** and **3**. There are a number of noteworthy observations. First, education increased its contribution to GDP by an average of 7.6% per year, and exhibited very little volatility. Secondly, Public Administration, Defence & Compulsory Social Security increased its contribution to GDP by an average of 2.5% and also exhibited relatively little volatility. Third, other sectors with positive gains greater than 1% were agriculture, forestry and fishing, and electricity and water. Finally, sectors most negatively impacted by external events since 2000 were manufacturing, whose contribution to GDP declined by an average of 2.7% per annum, construction, real estate, and agriculture, which experienced periods of significant fluctuations in economic contribution to GDP.

Table 1: Composition of Grenada GDP Sector

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Agriculture, Forestry, Fishing	5.99	6.16	7.23	6.81	5.77	3.43	4.53	4.13	4.34	5.28	5.24	5.18	5.61
Manufacturing	5.26	5.18	5.02	4.51	3.87	3.36	3.94	4.17	3.82	3.78	4.01	3.71	3.60
Electricity & Water	3.83	4.25	4.80	4.55	4.10	3.37	4.21	4.44	4.60	4.36	4.50	4.54	4.58
Construction	10.95	8.97	8.82	10.07	10.76	19.29	13.78	12.64	11.25	8.17	8.20	7.25	5.61
Wholesale & Retail Trade	9.16	9.04	9.20	7.72	7.85	8.58	8.93	8.58	8.49	7.47	7.95	8.17	8.17
Hotels & Restaurants	7.11	6.67	6.78	6.98	5.63	2.47	4.82	5.14	4.96	4.99	4.02	4.11	4.37
Transport, Storage and Communications	17.40	16.45	15.06	15.35	15.97	16.14	14.79	14.64	13.47	14.16	13.14	13.17	12.19
Financial Intermediation	7.08	8.45	7.96	8.76	8.47	7.52	7.33	7.35	7.49	7.56	7.25	7.12	7.07
Real Estate, Renting and Business Activities	13.83	14.21	13.97	13.57	13.82	13.87	14.17	13.59	12.72	13.41	13.65	13.67	13.67
Public Administration, Defence & Compulsory Social Security	6.35	5.65	6.22	6.38	6.92	6.01	6.60	6.74	7.73	7.76	8.30	8.42	8.36
Education	8.93	10.76	10.65	10.92	12.22	11.65	12.47	14.48	16.88	18.93	19.32	20.20	22.46
Other*	5.87	5.96	5.93	5.83	6.00	5.58	5.82	5.57	5.72	5.62	5.89	5.77	4.65

* Other includes mining and quarrying, health and social work, other community, social and personal services, and activities of private households as employers



Table 2: Year to Year Percentage Change in the Composition of Grenada GDP Sector

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Agriculture, Forestry, Fishing	2.94	17.36	-5.90	-15.22	-40.46	31.76	-8.71	5.14	21.53	-0.78	-1.10	10.52
Manufacturing	-1.52	-3.04	-10.19	-14.22	-13.23	17.29	6.07	-8.48	-0.99	5.93	-7.31	-2.61
Electricity & Water	10.99	12.99	-5.30	-9.77	-17.92	25.15	5.36	3.64	-5.21	3.19	0.79	-1.31
Construction	-18.09	-1.67	14.10	6.91	79.19	-28.53	-8.33	-10.98	-27.35	0.28	-11.48	-2.11
Wholesale & Retail Trade	-1.24	1.72	-16.06	1.66	9.34	4.11	-3.95	-1.02	-12.07	6.43	2.77	-3.33
Hotels & Restaurants	-6.26	1.68	2.95	-19.33	-56.06	94.56	6.85	-3.61	0.70	-19.54	2.40	0.91
Transport, Storage and Communications	-5.45	-8.45	1.93	4.03	1.02	-8.35	-1.04	-7.97	5.16	-7.22	0.23	-0.59
Financial Intermediation	19.43	-5.80	9.96	-3.23	-11.25	-2.55	0.28	1.98	0.89	-4.12	-1.78	-0.98
Real Estate, Renting and Business Activities	2.76	-1.71	-2.82	1.83	0.32	2.20	-4.09	-6.40	5.42	1.77	0.17	-0.28
Public Administration, Defence & Compulsory Social Security	-10.94	9.97	2.61	8.49	-13.18	9.80	2.10	14.68	0.40	6.99	1.38	-3.82
Education	20.52	-1.07	2.54	11.92	-4.70	7.08	16.10	16.60	12.15	2.04	4.56	3.24
Other	1.58	-0.57	-1.60	2.78	-7.01	4.31	-4.15	2.57	-1.63	4.72	-2.03	-2.94

Table 3: Average Change, Standard Deviation and Coefficient of variation in Sectoral Contributions to GDP			
Sector	Average	Standard Deviation	CV
Agriculture, Forestry, Fishing	1.42	18.77	13.199
Manufacturing	-2.69	9.09	-3.380
Electricity & Water	1.88	11.31	6.002
Construction	-0.67	28.17	-42.038
Wholesale & Retail Trade	-0.97	7.26	-7.490
Hotels & Restaurants	0.44	34.32	78.213
Transport, Storage and Communications	-2.22	5.01	-2.252
Financial Intermediation	0.24	7.86	33.299
Real Estate, Renting and Business Activities	-0.07	3.26	-47.153
Public Administration, Defence & Compulsory Social Security	2.37	8.45	3.559
Education	7.58	7.81	1.030
Other	-0.33	3.58	-10.820

To summarize, since 2000 social programs and government have done fairly well, while the private sector has been buffeted by what might be termed boom/bust mini-cycles.

[this section moved up from Part 2 – Sowing the Seeds, under Grenada's Big Think Options]

▪ **GDP by Consumption/Expenditure, Trade and Capital Formation**

GDP is also defined in terms of the following components:

$$GDP = C + I + G + X - M$$

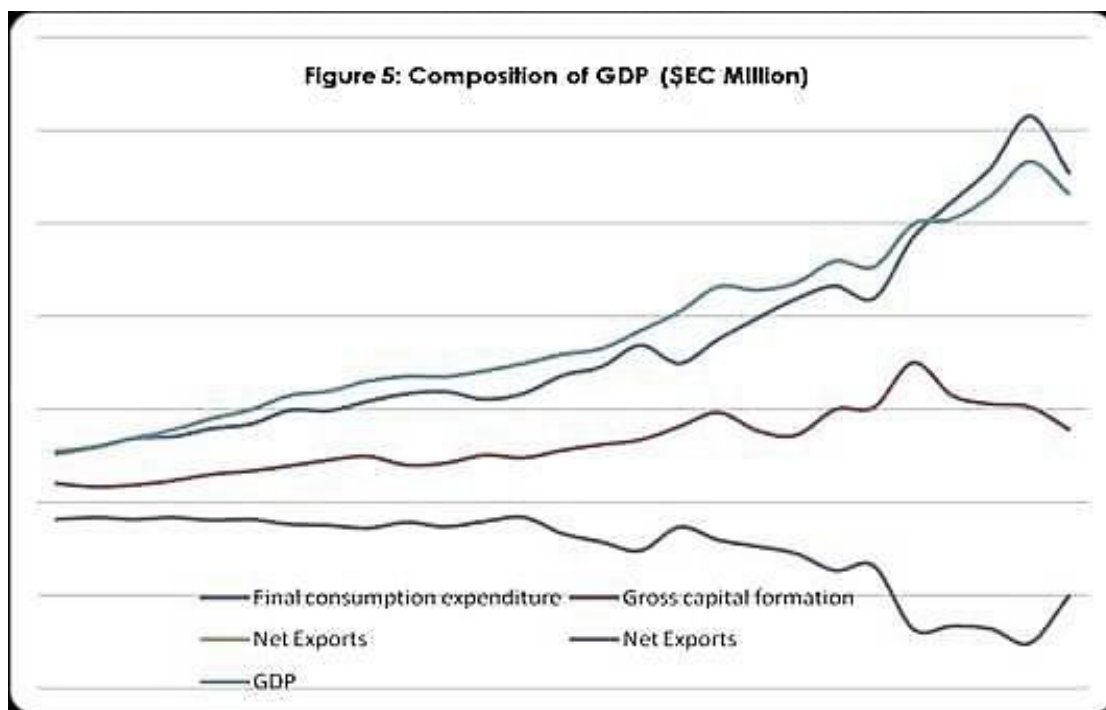
Where C is household consumption, I is gross capital formation, G is government consumption, X is total exports and M total imports. **Figure 5** below depicts the evolution of these components over the 1983 to 2012 period. According to the trend, GDP experienced a slowdown from 2009, driven mainly by a decline in consumption expenditures and gross capital formation, with average GDP growth from 2000 to 2009 at 5.2%.

The following are some other key indications of the data:

Consumption & Expenditures:

- final consumption expenditure is the most significant element of GDP;

- capital expenditures registered a significant increase immediately following Hurricane Ivan, which is correlated with a significant deterioration in the trade balance. This led to an increase in final consumption expenditures which moved GDP significantly above long-term trend.



Trade Balance:

- The net trade balance has deteriorated significantly since 1999, caused by a sharp increase in imports. Total exports have remained relatively constant. This has had a negative impact on GDP growth
- However, ceteris paribus, if the trade balance had remained at the average of the level from 1983 to 1999 period, nominal GDP growth would have averaged just over 8% per year.
- The low value of exports from Grenada (only US\$35 million in 2012), was dominated by agricultural exports (H.S. Chapters 1-24), and exports from the light manufacturing sector. According to the WTO database this accounted for close to 99% of the Country's exports. The products of two industries, milling and beverage alcohol, accounts for close to 90% of the Country's agricultural exports. Non-agricultural manufacturing exports feature two other

industry segments of relevance - aluminum fabricated products and paints and finishes.

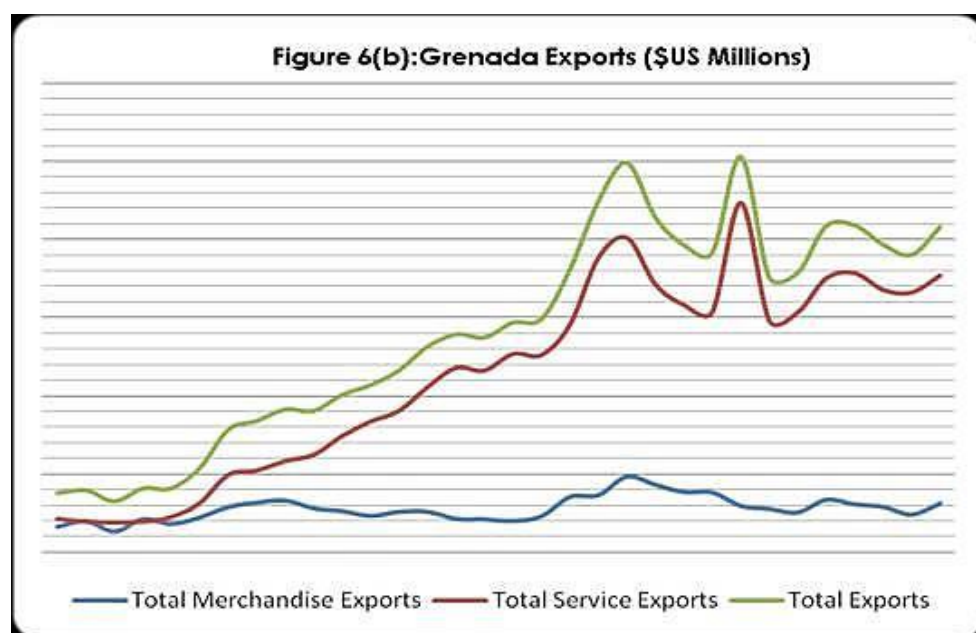
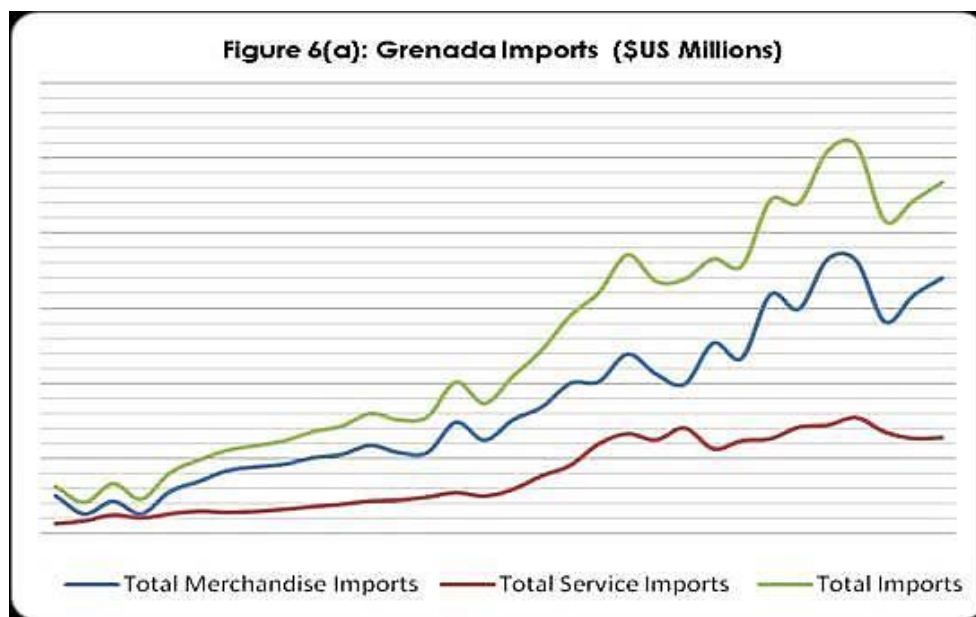
Agriculture in Trade:

- Agricultural imports accounted for 23.1% of total imports or US\$77,385.00 in 2012. Approximately, 18% of agricultural imports are accounted for by poultry and meats, and another 10% represent items that can be produced by the food production system in Grenada.
- Grenada as the “Spice Island of the Caribbean” has a well-deserved reputation historically, as an agricultural producer. The lack of diversification in its export patterns and the declining role of Grenada’s export presence within the CARICOM Single Market Economy (CSME) and in extra-regional markets, suggest the need for urgent redress.

Services in Trade:

- The services statistics demonstrate both the concentration of services exports (travel and transportation-WTO definitions); and, the low levels of services performed outside the education and tourism and hospitality sectors.
- The services data also reveals the nascent level of commercial service exports from Grenada, such as communications services, including computer and information and telecommunications, construction services, insurance services, financial services, other business services, comprising trade-related services, professional and technical services such as legal, accounting, management consulting, public relations services, advertising, market research and public opinion polling, research and development services, architectural, engineering, and other technical services, agricultural, mining and on-site processing; and personal, cultural and recreational services including audio-visual services.

The figures (**Figure 6 (a)** and **(b)**) below capture the evolution of Grenadian exports and imports based on data published by the WTO. Note the data are denominated in US dollars and are self-explanatory.

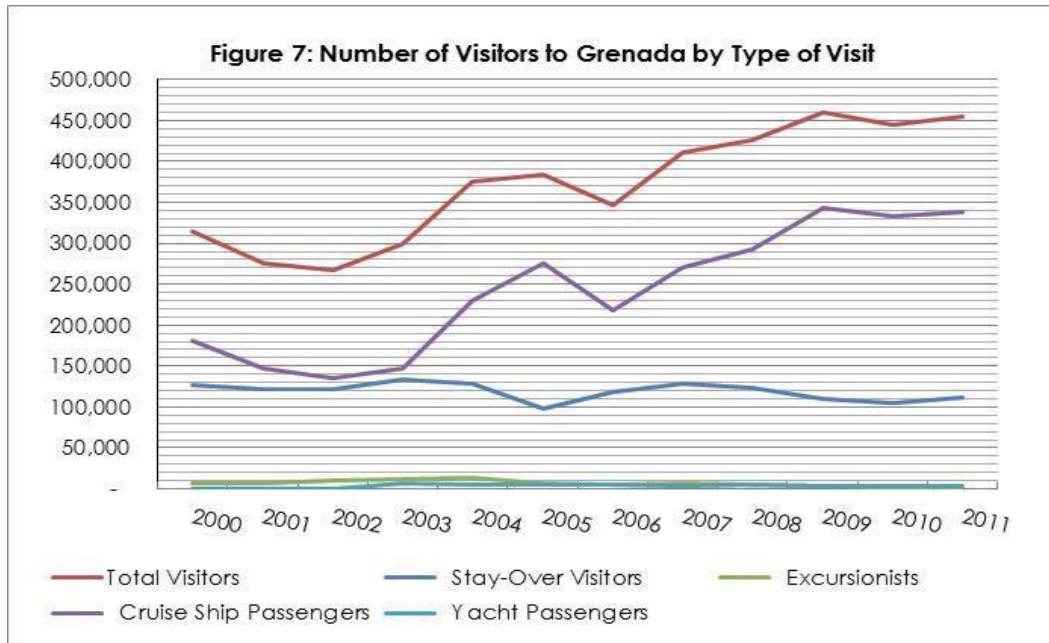


1.2.3 Performance of the Tourism Sector [Title change]

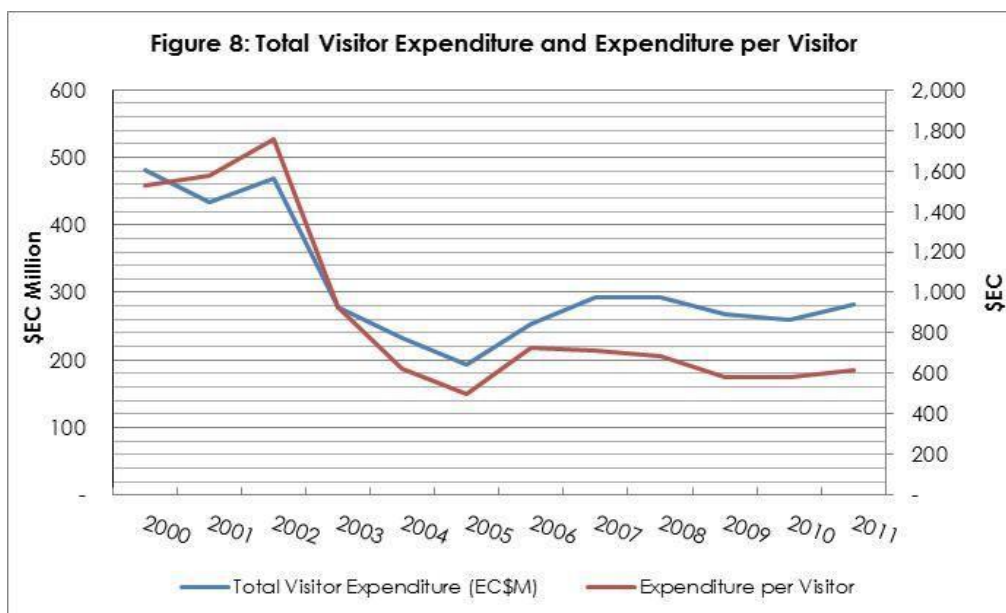
White sand beaches, rocky points, mountain vistas and rainforests make Grenada one of the true jewels of the Caribbean. However, the country remains somewhat unknown and its tourism potential remains largely unfilled. **Figure 7** contains data on tourist arrivals by type. Over the 2000-2011 period, despite the travel disruption from the 9/11 terrorist attacks in the US, the occurrence of two hurricanes, one of which was devastating (Ivan), and the global financial crisis which began in 2008,

total annual visitor arrivals increased from an average of 285,500 over the 2000-2002 period to an average of about 453,000 over the 2009-2011 period.

However, over these same two sub-periods, stay-over visitors declined from an average of about 123,000 per year to just under 109,000. Perhaps the most troubling aspect of these data is the steep decline in per visitor expenditures from a 2000-2002 average of EC\$1,622 to an average of about EC\$595 over the 2009-2011 period.



As seen in **Figure 8** tourism revenues and expenditures per visitor are highly correlated ($\rho = 0.96$). Combined with the fact that total visitor arrivals have increased on average, and stay-over visitors have declined only slightly, these data suggest that the decline in per visitor expenditures is tied to the change in the mix of arrivals away from stay over visitors towards increased cruise visitors. The latter are likely to have much lower tourism expenditures than stay-over visitors.



These data are only anecdotal, but they provide a strong indication that the tourism sector in Grenada is currently underdeveloped and has significant growth potential. The key questions that must be answered are: what are the present binding constraints inhibiting growth in the tourism sector and what policies or actions are required to alleviate them.

The following factors have emerged from industry studies and interviews with the stakeholders (*presented in no particular order of importance*):

- Insufficient room stock in the high end market segment;
- Significant under-marketing of the country and its tourism products in major markets;
- Lack of convenient travel access for stay-over visitors;¹
- Barriers to foreign investment in tourism and related businesses;
- Concentration of hotel establishments in Southern part of the country around the "Grand Anse" area; and
- Under-developed linkages between hotel/beach tourism and other potential tourist venues or destinations in the country.

¹ Convenient access as used here refers to daily flights and the ability to reach the country is less than 8 hours from the final point of debarkation from the Americas or Europe.

2. ECONOMIC PERFORMANCE AND POVERTY IN GRENADA

In April 2006, the Country Poverty Reduction Strategy/Action Plan (CPRS-AP) informed by a detailed Poverty Assessment Report was approved for three years (2006-2009). Since then successive budgets have emphasizes the following themes:

- (a) Growth
- (b) Poverty reduction,
- (c) Institutional reform,
- (d) Participation of the poor in the growth process,
- (e) Transformation,
- (f) Rural development and Poverty,
- (g) Institutional reform. [this brief intro moved from Part 3 Macro-economic approaches – 2006 Country PRS]

2.1 Measuring the Impoverished

The current economic situation in Grenada is very difficult; hence any discussion of poverty alleviation must be tied to a long-run economic strategy to address first the short-term debt issues and then the structural challenges to increasing the rate of real economic growth considerably above its long-term trend. One can talk about all manner of programs to provide opportunity and assistance to the impoverished, but absent money and opportunity for employment, there is not much that can really be accomplished until the economy recovers and begins growing.

The structural adjustments required to increase the rate of growth will require difficult and possibly unpopular actions ‘*A rising tide lifts all boats*’; until Grenada gets its economic house in order there is not a great deal that can be done in terms of real sustained poverty reduction. This does not mean that some measure of social safety nets is not warranted, but that safety nets should not be confused with poverty reduction strategies.

[previously ‘the Scourge of Poverty’]

“Poverty”, or the “impoverished” tends to be discussed in highly general terms and often in the absence of any real substance. In Grenada, the most recent snapshot of poverty comes from the 2008 Country Poverty Assessment (CPA). As the economy has deteriorated since 2008, these data probably underestimate the current incidence of poverty. Nonetheless, these are the only data that can be

used to picture the extent of poverty on Grenada. Who are the Impoverished? According to the 2008 CPA, the statistics suggest that:

- 37% of the population are living below the poverty line, with an estimated 2.4% being considered as indigent;²
- the number of undernourished has risen to 23% from 10% in 1991. [added]
- another 14.7% of the population is considered vulnerable or likely to fall into poverty as a result of external shocks;³
- 53% of the poor are children and 66.4% of the impoverished are 24 years old, or younger;
- 56% of the poor live in St. Andrew and St. George; and
- almost two-thirds of the population living below the poverty line is employed, and more than half are working in either agriculture/fisheries or construction.

2.2 The Millennium Development Goals Framework [sub-header added]

A key measuring stick for assessing progress in reducing poverty and improving social welfare are the UN Millennium Development Goals (MDG). Grenada is a signatory to the UNDP's 'eight goals for 2015' or the UNDP's MDGs. Grenada, like other nations, has committed to the undertaking, in collaboration with the UNDP, to accelerate its efforts to eradicate poverty and inequality. [inserted from MGDs in Part 3.2]

The 2008 CPA concluded that Grenada had achieved the MDG targets of (a) Universal primary education; and (b) Virtually no maternal mortality. The report also stated that Grenada had made notable progress or is making progress toward:

- Reducing indigence and the depth of poverty;
- Immunizing children;
- Reducing under-five mortality rate;
- Reducing infant mortality rate;
- Providing universal access to anti-retroviral drugs for those with HIV/AIDS; and
- Increasing access to land and cellular telephone lines per 100 people.

² Indigent is defined as unable to afford food that meets the daily minimum caloric intake from health and sustenance

³ Given that the 2008 global financial crisis represent one such external event, it is quite possible that the actual incidence poverty in Grenada at present exceeds over 50% of the population.

It is difficult to say what these data suggest about poverty or the impoverished in Grenada. Indeed, the data seem to be somewhat difficult to interpret. Many of the impoverished (two-thirds) are young (24 years of age or less). This would suggest that innovative education and training programs aimed at this demographic may be effective in developing employable skills. It also appears that a significant number of those living below the poverty line (also two-thirds) are essentially what might be termed working poor. This would suggest that policies aimed at increasing productivity in sectors such as agriculture/fisheries and construction could result in increased incomes and poverty alleviation.

One area where the data are clearer is in the area of access to health care. Most of the MDG goals that have been attained or are close to being so involve health and access to care. While there is always room to improve health care delivery, it appears that the impoverished have what would be considered at least adequate access to health care.

2.3 Risk and Vulnerability Assessment to Date [originally end of Part 4 except Implementation & Constraints lessons learned]

▪ Household Risks

Grenada has made significant investments in social development; however, Grenadians face a number of risks and in most cases, the poor are most vulnerable. Grenada faces significant challenges in ensuring an adequate safety net in the face of economic and environmental pressures and the changing social landscape.

Households in Grenada face a variety of risks, including macro level (covariate) and micro-level (idiosyncratic) risks. Despite its middle-income status, economic achievements are fragile and Grenada is vulnerable to external shocks, such as hurricanes, commodity price fluctuations, and global economic turndowns. Price increases in food and fuel and the global economic crisis have contributed to a slowdown in growth, job losses, and declining remittances.

Social vulnerability is also a concern. Good social indicators (including low levels of maternal and infant mortality, universal primary education, low fertility and increasing life expectancy), exist alongside high and increasing levels of poverty – 32.1% in 1999 and 35.3% in 2008.



As in most countries around the world, children bear the brunt of poverty. One out of every two children is poor and 53% of the poor are children. Almost half the households in Grenada (47%) are female-headed. Of these, more than 20% in the rural areas are poor as compared to 13% of male-headed households. For the urban households 44% of female heads live in the bottom 3 quintiles as opposed to 18.6% for the males. Over half the female heads (56%) are unemployed compared with the male heads where only a quarter has no work.

2.4 Social Protection Programs – Safety Nets

In assessing safety net programs, it is necessary to determine how well these programs help households to manage their vulnerability to covariate and idiosyncratic risks, including vulnerability, due to:

- i. Chronic poverty and the inter-generational transmission of poverty, transient poverty, and vulnerability to poverty
- ii. Risks that threaten human capital development of children and adolescents, who are particularly vulnerable because they are unable to care for themselves
- iii. Limited human capital and unemployment and risky lifestyles among youth
- iv. Limited or no income due to unemployment, disease, or disability among working age women and men
- v. Loss of income due to retirement and disease/disability among the elderly
- vi. Needs of special groups, including single headed households, the elderly taking care of children, persons with disabilities, migrants, and persons affected by HIV/AIDS and/or non-communicable diseases
- vii. A striking feature of the social assistance landscape is the number of Programs and multiple ministries involved in the provision of social assistance. Programs include, inter alia:
 - Public Assistance Program, which is targeted to the elderly, the disabled poor and (effective in 2009) the indigent poor and reaches about one-quarter of the 60+ age cohort.
 - Student support schemes which reach about 10% of school age children from poor households.
 - School Feeding Program, which provides a cooked meal to approximately 9,500 students with free meals supposedly provided to students who are poor.

- Active labour market Program aimed at promoting employability and employment, including a public works Program, second chance education Program, training Program, job search assistance, and microenterprise development services.
- Basic Needs Trust Fund, a community based social assistance Program.
- House Repair Program targets indigent households by providing small loans and grants to repair damaged/dilapidated housing.

In addition to the social protection programs discussed above, Government grants periodic concessions (for example, duty free importation of foodstuffs, duty free tires, concessions on new buses, equipment for engines and fishing supplies) and imposes prices controls on basic foodstuff in an effort to further protect the population.

▪ ***Expenditures on the Safety Net***

Analysing social assistance spending is difficult as expenditures cross ministries and Program, and in most cases, Program level expenditure data is not available. In 2008, expenditures on social assistance equalled EC\$55.7 million (US\$ 20.6 million). This represents approximately 3.2% of GDP and 9.2% of central government expenditures. Between 2004 and 2008, expenditures increased in both nominal and real terms. Public assistance school feeding, housing and skills training absorb the largest share of social protection expenditures.

Donor financing from the capital budget funds two-thirds of social assistance expenditures. This raises concerns about the sustainability of social protection initiatives. In non-election years, spending on social assistance in Grenada is comparable to other countries in the region; however, expenditures increased considerably in 2008 because of politically motivated increases in the number of beneficiaries and expenditures.

▪ ***Matching Programs to Vulnerabilities***

Grenada has a plethora of safety net programs, which if reconfigured, could address critical risks faced by the population. Although the elements of an appropriate safety net are present, there is a need to strengthen and rationalise existing programs to ensure that they better address priority risks. For some key programs, particularly student support schemes, coverage of target groups remain low and efforts to expand Program coverage will be necessary. Given limited fiscal space however, meeting this and other challenges will require a reallocation of the



budget toward areas with relatively high returns and away from areas with relatively low returns.

The safety net is not flexible enough to respond efficiently in emergency situations (either financial crises or natural disasters). The Government implements a number of small emergency specific assistance schemes, including burial assistance, disaster fund and emergency assistance that respond to idiosyncratic shocks, but these programs (which served a total of only about 120 households in 2008) are not well positioned to respond to covariate shocks. Critical requirements for an effective emergency response are that programs be timely, targeted and temporary.

3. **ANTECEDENT GPR APPROACHES AS BUILDING BLOCKS**

3.1 **Reviewing Macro Approaches-Strategies to GPR**

Over the past two decades there have been various antecedent initiatives pursued by the Government of Grenada (GoG), which holds implications for the development of the extant growth and poverty alleviation/reduction strategy.

▪ **1992-1995 SAP**

In 1992, the GoG embarked on a three (3) three year structural adjustment plan (SAP), the goals of which were to:

- (a) stimulate real GDP growth of 4% in the medium term
- (b) Improve financial management to achieve current account surpluses
- (c) Return the country to credit worthiness

The debate on the success of the 1992-1995 SAP continues to be inconclusive. Objective commentators would advance that while the Program achieved fiscal stabilization, it did not achieve fiscal adjustment. The Program also exacerbated the plight of the poor and did not improve the well-being of the Grenadian people.

The initiatives pursued under the 1992-1995 SAP resulted in devastating cuts in social sector spending and development, the provision of education, training and human resource development. Private sector activity was also not enhanced under the SAP, nor was there a drastic reduction in the size of the public sector. The privatization and commercialization component did however, achieve some degree of success.

▪ **2000-2002 MTESP**

In 2000 the Medium Term Economic Strategy Paper (MTESP) 2000-2002 was approved. It was aimed at "Repositioning the Grenadian Economy as a More Diversified, Competitive and knowledge Based Economy, thereby ensuring that the quality of life of all its citizens is permanently enhanced".

The Poverty Eradication Strategy was completed with wide ranging consultations. However, subsequent to its conclusion, Grenada was hit by Ivan in 2004 and Emily in 2005.



[removed 2006 Country PRA from here and placed in Part 2]

▪ **2003-2005 MTSP**

The Medium Term Strategic Plan (MTSP) (2003-2005) had as its theme “developing a more diversified and service oriented economy, strengthening the operations of central government, and poverty reduction and alleviation”. The Government at that time undertook the following priorities:

- Sustained robust economic growth
- Disaster rehabilitation and Disaster management
- Reduced unemployment
- Improved access to health care
- HRD
- Modernization of the state machinery
- Improved environmental management
- Housing development
- Agricultural rehabilitation

The initial poverty reduction and growth framework arrangement approved in April 2006 was extended. The successor Extended Credit Facility (ECF) arrangement was approved in April 2010. While the program was on track to meet (or nearly meet), the targets, it was put on hold in mid-2011, when the GoG took the decision to pursue a debt restructuring.

Subsequently, the GoG undertook expansionary fiscal policy in the face of weak growth and amid a difficult political situation in the run up to elections. That ECF program expired in April 2013.

The IMF Country Report 14/19 in the Executive Summary concluded that:

- performance under the Fund-supported programs was weak;
- most program objectives were not met.
- there were difficulties of program implementation in the midst of major shocks;
- there is a need to reflect the macroeconomic and institutional challenges of small countries in future program design.

- growth projections were too optimistic, with insufficient account taken of Grenada's significant capacity and institutional constraints.
- a large number of structural reform measures, which were largely unmet;
- program ownership was an issue, manifest by difficulties in meeting both the fiscal and structural reform objectives of the programs.

The extant GRPS will cover the five (5) year period 2014 -2019.

3.2 Reviewing Social and Economic Empowerment Strategies [sub-header change]

It is important to establish that the 'Empowerment Strategies' are national in character and the expectation would be that Grenadian nationals would develop skills and competencies, hopefully, in an improving socio-economic environment. [was originally 2nd para in this section]

In general, Grenada's poverty reduction strategies have been based on three broad programmatic initiatives and interventions, namely:

- National participation in the UNDP-Millennium Development Goals (MDGs)
- Social and Economic Empowerment Strategies for the Grenadian people
- Specific 'Pro-Poor' programs and projects for poverty alleviation.

3.2.1 MDG Poverty Reduction/Alleviation

[first part of para moved to part 2] Despite its meagre resource endowment and the economic challenges that have constrained its development, Grenada has performed remarkably well in its responses to the millennium development goals. While the number of Grenadians who consider themselves to be in vulnerable employment fell from 20% (1991) to 18.4% (1998); this statistic is still uncomfortably high with a gender gap of 1%.

Eradicating extreme poverty and hunger: Grenada's responses to this goal have yielded impressive results. The level of indigence fell from 10.1% (1991) to 2.4% (1998). The depth of poverty, measured by the poverty gap ratio, fell from 15.3% to 10.1% for the period under review. However, there are challenges still to be overcome.



Achieving universal primary education: Grenada continues to register impressive strides in this goal. In fact, Grenada has achieved universal primary education and is rapidly proceeding to the next level of universal secondary education. Net enrolment for boys and girls at the primary school level has been 99% since 2000. About 82.6% of all boys and girls who start grade 1 complete their primary education. Evidently, literacy rates are quite high among both males and females.

Achieving gender equality and empowerment of women: Government and non-governmental agencies have been actively involved in the promotion of this goal. Parity among males and females in education has therefore been achieved. In fact, at present, female enrolment at all levels (primary, secondary, and tertiary) exceeds that of males. This, notwithstanding, the proportion of women engaged in non-agricultural employment is only about 40%.

Reducing child mortality: Grenada has also made remarkable progress in this area. Among the population of one-year olds, 99% are immunized against measles. The mortality rate among five year-olds has fallen from 40% to 15% and among infants, it fell from 33% to 13% during the period.

Improving maternal health: Similarly, Grenada has demonstrated significant progress. Maternal mortality is between 0 - 0.1%. Annually, skilled health personnel attend to more than 98.8% of births. Full universal antenatal care was achieved in 2007. The stigma that was once attached to persons living with HIV/AIDS is slowly dissipating in Grenadian society and is attributable to the increasing levels of education and awareness. Universal access to antiretroviral (ARVs) by children and adults is 100% and 90% respectively.

However, more has to be done regarding education on the modes of transmission of AIDS and the use of condoms in the context of serial monogamy and multiple partnering. Grenada continues to be challenged by the upsurge of non-communicable diseases (NCDs). The Ministry of Health reported that lifestyle diseases such as diabetes and hypertension affect about 16.2% of the population. There is also increasing concern about tropical disease epidemics. For example, Grenada experienced two dengue epidemics in the first decade of the twenty-first century. In 2000, there were 323 reported cases and there were 115 cases in the first nine months of 2010.

Environmental sustainability agenda: Overall, this agenda is on-track. There was little change in forest cover from 1990 to 2000. The proportion of protected terrestrial and marine areas has been increasing since 2000 through the declaration and

management of new marine parks such as the Moliniere Marine Park and the soon-to-be-commissioned Clarkes Court Marine Park. However, eighteen (18) of the one hundred and fifty bird (150) species and one of its snake species are seriously endangered.

Promotion of global partnerships for development: This goal is also receiving much attention and the progress is manifested in a number of areas. Telephone lines per 100 population have increased from 15.89 to 27.60 for 1990 to 2008; Cellular subscribers per 100 population increased from 0.16 to 57.97 from 1990 to 2008. The number of mobile telephone subscribers increased from 150 to 60,022 in the period, 1990-2008. The number of Internet users in Grenada increased from 0 in 1990 to 24,000 in 2008, while the number of personal computers stood at 16,000 in 2004.

However, of some concern is that Overseas Development Assistance (ODA) received was irregular. For example, from EC \$ 13.80M in 1990 there was a slight increase in 1991. It fell to EC \$ 7.87M in 1993 and again rose to EC \$ 18.15M in 1994. In 2005, ODA was at its highest, at EC\$ 52.2M, which was a reflection of development assistance in response to the effects of Hurricane Ivan. In 2008, ODA was at the second highest level, EC \$33.04M. Debt service as a percentage of export of goods and services has steadily increased, albeit with low percentage increases during the period 1990 to 2008.

The adoption of contextualised/localised targets helps to focus planning efforts to reduce social, economic, and environmental vulnerability whilst bolstering areas of resilience. The global targets have some utility, however, the Caribbean-specific targets and more country specific target setting, as relevant, would allow Grenada to build on its achievements and focus on the key issues that affect development progress including crime and violence, attainment of certification in technical vocation and the quality of education including functional literacy.

As such, tailored MDGs need to be integrated into the national development process to allow for institutionalisation and effective monitoring and evaluation of progress for evidence-based policy development. This will also require a strengthened statistical framework for data production, analysis and use. Other requirements are greater sensitisation on the MDGs and advocacy for integration in development planning as well as strengthened public/private partnerships and enhanced space for public dialogue.

Attainment of global and localised targets of MDGs 1-7 are closely interlinked with MDG 8 - development of a global partnership. Efforts to maintain progress and



meet the goals where the country is falling short as well as develop and work towards localised targets and an MDG- 9 plus agenda, are set against the backdrop in that, Grenada, like many other Caribbean countries, is heavily indebted. Added to that, there is currently no real space in the formal job market for significant hiring and little fiscal space for increases in spending on social services and public investment.

This means that the country must seek and secure new export markets, develop initiatives to support policy formulation, institutional strengthening and increase investments. In addition, the promotion of domestic entrepreneurship and establishment of mechanisms for development of such business is critical. Implementation of such initiatives by governments of developing countries requires large injections of donor financing to support increased investment in health, education, agriculture and key infrastructure, amongst others.

There is need for financial resources to be made available and accessible at a low cost, no cost, or as grants. The proposal made in 1969 and cited in the 2003 Human Development Report (HDR) that rich countries should give 0.7% of their Gross National Product (GNP) for global development in the Report on International Development was also widely accepted by the UN General Assembly in 1970. This position has more recently been included in the international strategy to achieve the MDGs (UNDP 2003). This underscores the point that whilst developing countries, like Grenada, have to be committed to the MDGs there is need for concomitant support from the developed countries.

3.2.2 National Social and Economic Empowerment Strategies [originally Part 4]

▪ Education and Human Resource Development (EHRD) [sub-header change]

Philosophy and Goal

Successive GoG have recognised education as multi-faceted and multi-dimensional in its social and developmental contexts and, consequently, it is not surprising that 'Human Resource Development' has become a central pillar of the country's development *demarche*. The current education strategy and its implementation is built around the Government's comprehensive Strategic Plan for Educational Enhancement and Development (SPEED), due to terminate as Phase II in 2015.

Philosophically, the premise of the education policy is that "...every [Grenadian] has the right to access to education for lifelong learning." This goal takes on board

considerations for the individual Grenadian as well as the society, to the extent that education of the Grenadian is 'set within personal, national, regional and international contexts' in the hope of guaranteeing the production of a socially cultured and creatively productive human being.

Government has expressed its awareness of the need for greater emphasis on skills and vocational training as a major pillar of its human resource development. It has also recognised the urgency to repair the mismatch between skills that are currently being taught to the nation's youth and the actual needs of the job market. From this perspective, Government has undertaken to effect *"... a revision of the national training policy and priorities, areas of scholarships and the preferences of the National Training Agency. More resources will be invested in youth to make them more competitive in the technological age."* (Throne Speech, 2013)

Furthermore, Government, having recognised the powerful role that Information and Communication Technology must play in the New Economy, has decided to infuse its education and training policies with *"... a comprehensive and integrated IT Strategy [that] will be pursued to advance Grenada's development. Government will pursue a public-private partnership to deliver broadband connectivity and tablets to the students in the Nation's secondary school."* (Throne Speech, 2013)

EHRD Plan: Objectives and Rationale

The six broad objectives and their underlying rationales outlined in the SPEED 2006 – 2015" continue to inform the education agenda. These include to:

- Provide universal access to and participation in education for [the entire Grenadian] population. The rationale is to provide a foundation for increased educational attainment through maintaining the universal access which exists at the primary level, increasing access at the pre-primary level, achieving universal secondary education and increasing out-of-school opportunities and coverage at the tertiary level.
- Improve radically the quality of education and the achievement of pupils. The rationale is to make the various resources available to the system more effective (including teaching practices and learning conditions) and target educational outputs for improvement.
- Provide learners with relevant knowledge, attitudes and skills for work, citizenship and life. The rationale is to cause all students leaving the school system at the end of at least twelve years of schooling to be functionally and computer literate with the ability to apply information



and communication technology to the activities of daily life, whether at a personal level, in the workplace and in society at large.

- Establish and strengthen relationships with partners in education. The rationale is to address societal and international imperatives and enhance cooperation between those engaged in the delivery of education and the wider stakeholder society.
- Improve the effectiveness of management and administration of education at Ministry and learning institutions levels. It is for the Ministry and [all educational and training institutions] to make the most efficient use of scarce resources within clearly defined roles that will develop a new culture of service, support and mutual trust.
- Ensure consistent Government financing of education, diversify the funding sources and make certain that resources are used efficiently.

The underlying rationale is to develop a new inclusive framework for financing education, one that embraces medium term financial development planning within a set of agreed [least] cost minimum national standards.

Government has restated its philosophical and material support for the role of education and human resource development in the New Economy. The Government has stated, unambiguously, in its 2014 Budget that planned expenditure of EC\$101.2 million must respond to the 'elements of the 'New Economy', which calls for, the following:

- Technical and vocational education and training
- Innovation and knowledge
- Lifelong learning and high wage employment

The Government has mandated the National Training Agency (NTA) as the lead institution for the delivery of the requisite skills and attitudes that will achieve the above stated objectives. In the classroom, Government will facilitate a technological change from the use of books to that of tablets. This will be implemented in the secondary school system at levels Form 3–5; naturally, accompanied with the necessary internet connectivity. Some of the other salient policy and material innovations are:

- Continued teacher training in ICT and other technical disciplines
- Establishment of an Education Management Information System for more efficient management of schools and greater support to teachers

- Upgrading of the Mirabeau Farm School (part of the policy of improving facilities for the effective delivery of technical and vocational education)
- Provision of increased numbers of scholarships to students in disciplines that are consistent with the transformational sectors
- Financing Programs (transportation support, school feeding, uniform support) to improve the accessibility to education by the disadvantaged

▪ **Health and Social Security**

The GoG has affirmed its strong commitment to the improvement of health care both in terms of the delivery of health services and improvements in the health physical infrastructure. In the 2013 Throne Speech, Government pronounced, "My Government affirms its strong commitment to providing better health care for all Grenadians. In this regard, a major thrust will be the strengthening of primary health care. Our people can expect to benefit from more doctors and nurses in the community, extended hours of service, and more diverse services at our health centres." (Throne Speech, pg. 10)

Government has announced its intention to, "commence [work] on the upgrading of the General Hospital to address some pressing problems. This work will include: more space for Accidents and Emergencies, the Eye Ward and the Maternity Ward." (Throne Speech, pg. 9)

Government recognizes that it has to provide accommodation to social care initiatives within its health agenda. Consistent with this philosophy, Government has declared its policy position: "The establishment of a National Health Insurance Plan has been identified as a major priority by all the Social Partners. My Government eagerly awaits the recommendations of the Working Group. In the interim, the Ministry of Health is putting measures in place for the successful implementation of a National Health Insurance Plan. The ultimate aim is to guarantee all citizens a certain level of health care service and to ensure that those who cannot afford to pay will still receive the health care that they need" (Throne Speech, 2013, pg. 10).

Infrastructure and services delivery challenges in the health sector are massive. Two factors are influencing the evolution of a rational approach to the challenge:

- The conscious undertaking of infrastructural interventions by Government in the areas in which priority health services delivery is dependent.



- Aggressive utilization and dissemination of health education at the community level to reduce pressure on the limited capabilities of the existing and slowly improving health system.

The strategy, enunciated in the 2014 Budget would result in:

- Improved supply of basic medicines
- An organised focused community health education Program
- Commissioning of the Phase II of the General Hospital to include Accident and Emergency, Physiotherapy, Laboratory services, Medical Records, the Electronic Health Centre, Biomedical services et al
- Commissioning of new x-ray units in the General Hospital and Princess Alice Hospital
- Installation of oxygen unit at the General Hospital
- Modernization of the ambulance system
- Improved water storage systems in the hospitals

▪ **Housing and Social Care**

Housing has become one of the most politically and socially charged development demands of the Grenadian population since the passage of Hurricanes Ivan (2004) and Emily (2005). In the aftermath of Hurricanes Ivan and Emily, Government negotiated successfully with the People's Republic of China a housing grant of 2000 units. Since then, the Chinese Government has built 150 units at Soubise in St. Andrew and another number of units at Tempe in St. George's. The GoG is pursuing the possibility of having the Chinese Government expand the housing project. Another stock of houses, as a grant, was negotiated with the Venezuelan Government. The GoG has built 100 of the 500 housing units at La Colombe in St. David under that project. Parallel to these projects, Government continues a series of house repair programs. Although this has lost some impetus due to the deteriorated financial and economic state of the nation, these projects include:

- **The Emergency Housing Response Program:** It was designed to provide assistance to the very dire cases of housing support needs. There is no evidence of expenditure under this Program in 2011.
- **The Housing Repair Program:** Government pursued the implementation of this Program vigorously immediately following Hurricane Ivan. In 2005, Government loaned out EC\$22.14 million to 5500 households for acquiring building supplies for the rebuilding and renovation activities (Culturing

Marketing and Communication Ltd, 2011). In 2011, Government spent only \$732,065 of an approved budget of EC\$2.4 million. (Estimates of Revenue and Expenditure, 2012) Housing repair demands remain significantly unsatisfied. From 2014, the Program will be expanded.

- **Materials Assistance Program:** is a highly politically driven Program under which individuals receive building material, especially close to elections and often times do not pay for it.
- **The Housing Loan Program:** was introduced by the NDC Administration of 2008-2013; there is no evidence of expenditure for the year, 2011. The Program offered loans of a maximum of EC\$20,000 to successful applicants under the Program. However, a soft loan will be activated from 2014 to assist those wishing to renovate and expand existing homes.
- The completion and distribution of the Chinese housing units in Frequente, Mt. Gay and Soubise in 2014

The Grenada Housing Authority contributes through its soft loan system to improving the housing situation. The conditions of its housing loan scheme are:

- Successful applicants receive a maximum loan of \$40,000 Eastern Caribbean;
- The loan must be repaid within a period of not more than ten years; and,
- An interest rate of 3% per annum is charged on the loan.

Notwithstanding the investments in housing programs in the aftermath of Hurricanes Ivan and Emily, the provision of adequate housing for the vast majority continues to be a daunting challenge. The economic and financial crises of 2008 and onwards have conspired to worsen the housing situation in Grenada. Government's policy and programmatic pronouncements are both recognition of the gravity of the housing problem and its commitment to finding solutions to it. In 2013, the Government declared in the Throne Speech of 2013:

"My Government is very cognizant of the considerable housing needs of our citizens. In this regard, expanded programs for house repair and affordable housing are high priorities. In addition, a major focus will be preparation for Phase II of the Housing Program with the People's Republic of China. My Government will invest more in the House Repair Program and establish a soft loan scheme for helping citizens to repair and possibly expand their homes. Public-private partnerships for low and middle-income housing will also be pursued. Citizens will be expected to pay for these houses."



More specific to the national social care agenda, Government will continue by enhancing existing programs while introducing and funding new ones. Some of the initiatives are:

- Continued and increased support for the SPEED Program.
- Government will introduce the use of proxy testing to ensure that the needy and vulnerable benefit from the safety net programs.
- Government will complete and effect professional management of the Bacolet Juvenile Rehabilitation Centre to guarantee the best social environment for the rehabilitation of young male transgressors of socially and lawfully accepted norms of behaviour.
- In partnership with GRENLEC, Government will begin to provide housing for socially displaced persons.

▪ **Youth and Sports Development**

Because of the preponderance of youth in the Grenadian demography, recent governments have equated investments in youth and sport with investments in the future of the nation. Consequently, although specific and special attention is given to youth in the sectors (such as education, agriculture, fisheries, tourism and small business development), the Youth and Sport portfolio is still used to direct additional and well-intended investments on Youth. In relation to 'Youth Development' among other programs, Government is committed to:

- The continuation and refining of the IMANI Program
- The commissioning of a Youth Enterprise Initiative that will benefit 100 youths annually
- Annual funding to Churches to assist with the civic and personality development of youth

Although 'Sports Development' is often viewed in the context of youth; it has a larger role, and that is as a vehicle for the promotion of good health and human recreation. This dimension requires all Grenadians to become active participants in recreational activities, irrespective of age and physical characteristics. The other facet has to do with 'Sport Development' and the culturing of athletic talent as a foundation for professional growth and occupational undertakings. The efficacy of Government investment in 'Youth and Sport Development' is measured by the extent to which developments are able to satisfy those two broad purposes. Some of the Government development initiatives are:

- The aggressive pursuit of a policy addressing the construction of sporting facilities, which cater for a diverse range of sporting disciplines (athletics, football, cricket, tennis, basketball, swimming et al).
- The observance of a placement policy of sporting and recreational facilities that is sensitively located and balanced (Gouyave, Hillsborough, Grand Anse, La Sagesse, Victoria, Grenville).

▪ **Use of Information Communication Technology (ICT)**

In 2013, the Government outlined its philosophical underpinning for the role of ICT in the transformation of the Grenadian economy. The Prime Minister and Minister for Finance, Dr the Right Honourable Keith Mitchell declared in the Government's 2013 Budget presentation, *"... ICT has become widely diffused and inexpensive. The world of commerce is much smaller [and] the ability to conduct business across time and space has increased greatly. In addition, ICT has drastically reduced the cost of transferring capital and information from high-cost locations in developed countries to low-cost developing countries. Considered together, this means that economic activity in a high cost location such as Grenada is incompatible with routine tasks and "business as usual" strategies. There is a vast body of research that suggests that a key benefit of technology and ICT is that it supports changes in industrial structures [in favour of] smaller firm sizes and that these small firms are accounting for a greater and greater share of growth. Also of significance is the fact that countries which have promoted entrepreneurship have benefitted from an additional employment and growth premium."*

There are, at least, three important policy prescriptions suggested in the budget declaration on Information and Communication Technology.

- Firstly, the GoG has accepted ICT as a mainstream tool of national development in its economic and social development agenda. In fact, in 2002, the Government declared, "Information and Communication Technologies (ICT) offer a novel and effective tool to help advance sustainable human development in Grenada. ICT is a new significant factor that can propel performance and growth of the Grenada economy." (GoG, 2002)
- Secondly, Government views ICT as a dynamic industry in and of itself.
- Thirdly, it views ICT as a solid support for the development of other productive and service economic sectors.



Based on other pronouncements, a fourth policy prescription is easily identifiable; that is, the utilization of ICT to make Government more efficient and cost effective to operate. These policy prescriptions are consistent with Government's ICT strategy.

Government will create an enabling environment to attract local and foreign investors through appropriate policies, legislation and improved public sector efficiency. This ICT strategy seeks to pursue a sustainable process of action and review which is based on the synergistic development of:-

- Education and training to develop human resources in the necessary ICT and business skills;
- ICT to expand the horizons and capacities of existing businesses and recruit new businesses to Grenada;
- Deepening the use of ICT in governance to increase its efficiency and transparency; and,
- The implementation of a focused promotional strategy, directed at the business and government sectors and civil society. (ICT Strategy and Action Plan, 2002)

The Government has further enunciated in its 2014 Budget that it continues to view, with greater importance the role of ICT as an 'enabler of innovation in the New Economy. It has given notice that in 2014 and beyond, it will undertake a series of initiatives under the Caribbean Regional Communications Infrastructure Program (CARCIP) a series of policy inspired actions such as:

- Roll-out of the Public Private Partnership roadmap for ICT in Grenada
- Implementation of Broadband and GovNet Services
- Establishment of a business incubator
- Finalization of skills training Program with the National Training Agency
- Establishment of a data centre

▪ **Entrepreneurship-Small Business Financing and Development**

The current public sector-inspired entrepreneurship and small business Program had its beginning in the United States Agency for International Aid (USAID) project called the Grenada Business and Agriculture Revitalisation Program (GBARP). In the aftermath of the 2004 Hurricane Ivan, the GoG and the USAID signed a Memorandum of Understanding (MOU) establishing the Entrepreneurship Unit in 2005. In 2006, Government merged that unit with the Business Resource Unit of the Grenada Development Bank (GDB) to form the Grenada Business Development

Centre that eventually was domiciled under the umbrella of the Grenada Industrial Development Corporation.

Initially, the Program attempted to be responsive to every request from every economic sector. However, in the last three years, the Centre has adopted the focused policy of considering business proposals that are consistent with the transformational sectors as defined by the Government. The Centre offers training in entrepreneurial skills, business procedures and good business practices and techniques in the identification of centres of small business services, among other areas.

The Centre has an acceptable profile of performance. In 2012-2013, through the Caribbean Youth Entrepreneurial Project with funding from the USAID and the supervision of the Baltimore Youth Foundation, 48 young entrepreneurs received assistance to establish their own businesses. The target is to set up successfully 120 such business enterprises. The business profile targeted is between the ages of 18 and 25. The individual should have completed secondary school and up to attaining four CXC passes. Every successful candidate can receive between \$5000 - \$25,000. Proposals that require higher amounts of funding and demonstrate a high potential to be successful are referred to the commercial banks and credit unions.

While the credit unions have been actively involved in providing funding for some business start-ups, the commercial banks have been lukewarm and unresponsive. In the last year, the Centre has noticed a change in the behaviour of the credit unions in that they have moved to financing existing businesses and progressively have shied away from start-ups. This change is attributable to the poor economic and financial state of the economy and the attendant increases in business failures and credit delinquency. In this type of scenario, proponents of small business development have a strong argument for the participation of micro-financing and guaranteed financing schemes to support the small business sub-sector. However, to improve the probability of small business success, there has to be effective monitoring and evaluation mechanisms that the Centre does not have the capacity to provide because of the slimness of its staff complement.

Government, in its presentation of its 2014 Budget, in addition to reiterating its policy support for small business development, announced two initiatives that will provide substantial financial support to it. Government is very deliberate in its intention, in that, local contractors and sub-contractors have to be positioned to benefit from the more than \$262 million Eastern Caribbean worth of Government capital projects for 2014. Small business start-ups will also benefit. The initiatives are:



- In 2014, Government will provide EC\$2 million to the Small Business Development Fund.
- Government has allowed Axcel Finance, a micro financing institution, to set up business legally in Grenada.

3.2.3 Reviewing “Pro-Poor” Strategies and Interventions [change of sub-header]

Since the 1980's successive Governments have also been deliberately pursuing policies of poverty eradication. These poverty eradication programs are of two types: - social safety net programs and the pro-poor programs. Some of the more prominent ones are

- i. The Basic Needs Trust Fund (BNTF) was started in the 1980s and is financed by a grant from the Caribbean Development Bank (CDB) and annual government subventions. This intervention is aimed at improving and increasing the physical and social infrastructure of communities. Some of the projects undertaken are the construction of roads, community centres, medical centres, small community water systems and craft centres. More recently, there has been an increasing concentration on capacity training of community persons in some skills' disciplines. Between 2008 and 2011, of the EC\$ \$9.1 million allocated, only 64.8% was spent.
- ii. The School Feeding Program (SFP) began in 1992 in response to the need to provide primary school children from poor households with a hot meal. Over the years, the Program has expanded to include a significant number of secondary schools. Between 2008 and 2012, Government spend EC\$9.81 million.
- iii. The Micro Enterprise Development Project (MEDP) existed from 1996 to 2010. During that period, 600 Grenadians received loans amounting in excess of \$20 million Eastern Caribbean for the generation of small businesses. Based on data from the 2007/2008 CPA Report 574 projects were funded in fifteen different industries with agriculture, livestock, fisheries and services featuring most notably. Every project that received funding created 1.05 jobs, on average. Data that measure sustainability of those jobs are not available.
- iv. The Grenada Rural Enterprise Project (G-REP) was a direct response to the findings of the 1998 Country Poverty Assessment Report. About \$20 million Eastern Caribbean in loans and grants from the Caribbean Development Bank (CDB) and the International Fund for Agricultural Development (IFAD) was provided to fund poverty reduction programs through the creation and

enhancement of employment opportunities especially in the rural communities. The expansion of social and economic community assets did benefit under this project, also.

- v. The Market Access and Rural Enterprise Project (MAREP) is the response to the 2007/2008 Country Poverty Assessment Report findings. Its design suggests a more focused approach to rural poverty challenges. There is greater specificity concerning the targeting of communities and the nature of the projects. For example, poultry development is being concentrated in St. David, while goat milk production is earmarked for St. Patrick.
- vi. Social Safety Nets and Assistance Program (SSNAP) is a consolidation of a number of pro-poor safety net programs such as the Public Assistance Program, the Necessitous Fund and the Transportation Allowance for needy Students. Funding in the amount of \$13 million Eastern Caribbean is coming from the World Bank. The transportation subsidy for needy students costs over EC \$5 million for the period, 2008 – 2010.
- vii. The Free School Books Program cost EC\$12.9 million during the period, 2008 – 2010. Government has since modified it.
- viii. Pro-Poor Safety Net Programs being financed by Government with some additional services, including:
 - Water for the Poor
 - Disaster Fund for fire victims
 - Burial Support
 - Senior Citizens' Outreach Program
 - Free Medication to needy persons
 - Medical Services Support (CT Scan, Dialysis, Chemotherapy, Radiotherapy)

[moved section Risk & Vulnerability assessment to Part 2]

3.3 Implementation and Constraints – Lessons Learned

Although program support the same target groups, each Program requires completion of separate applications, investigation by staff, and these multiple targeting mechanisms are administratively costly. Information collected is generally the same for all programs, some of which include:

- i. Errors of exclusion (those not in the Program but should be) are significant and a large share of the target groups for key programs remains uncovered.



- ii. Benefit levels differ between programs. Public Assistance provides a cash benefit equal to \$200 per month or 41% of the poverty line, while Necessitous Fund Benefits for primary and secondary students are equal to EC\$100 per month or 21% of the poverty line.
- iii. Benefits for the different programs are paid via different mechanisms and this increases administrative costs, makes accounting more difficult, and increases opportunities for leakage.
- iv. Sound monitoring mechanisms are absent; therefore, it is not possible to accurately assess whether the rights of children, men, and women regarding social protection are being fulfilled.
- v. Accountability and control are weak, as evidenced by the fact that policies and procedures are not fully documented, programs lack formal appeals mechanisms, process and impact evaluations are virtually absent, and not all programs are audited annually.

Grenada has signed international commitments that mandate provision of social safety nets, including the CRC, CEDAW and UDHR and ILO labour market standards regarding social protection; however, Grenada is not living up to its commitments. Grenada has a number of social assistance programs that serve, or could serve, a risk management function; still, there is considerable scope for strengthening Grenada's social safety net. At the same time, Grenada faces significant challenges in enhancing access to and the quality of its social safety net, including the following:

- i. The social safety net does not adequately protect children, single parents (predominantly women) or the working age poor (with or without children).
- ii. There are gender differences in access and eligibility to safety net programs. As a result, the safety net does not adequately protect women.
- iii. The safety net does not incorporate the basic principles of effective risk management.
- iv. State financial intervention does not sufficiently enhance equity for all.
- v. The social safety net could benefit from rationalisation of programs.
- vi. Safety net implementation is subject to political interference and this makes it even more difficult to serve the poor.
- vii. Institutional capacity to implement social safety net programs is limited.

- viii. Grenada's safety net is not sustainable given the heavy reliance on external funding.

As indicated previously, Grenada's plethora of safety net programs have had limited success in addressing critical risks faced by the population.

[moved section 4.11 Matching Programs to Vulnerabilities to Part 2]



4. SOWING THE SEEDS OF A GPRS – A CONCEPTUAL FRAMEWORK **[WAS PART 2]**

4.1 The Imperative of a Long Term Vision and Strategy **[was in part 2 – intro]**

As noted, economic growth is a necessary but not sufficient condition for making progress in the reduction or alleviation of poverty. Thus the first stage of any poverty reduction strategy must focus on addressing the current economic situation in Grenada and then developing a coherent strategy to address the impediments to improved economic growth. There are a number of issues that must be addressed through policy actions. The new government is actively developing such policies.

[Deleted 2.1.1 Grenada's Big Think Options and moved the GDP discussion to Part 1]

4.2 Economic Growth **[was start of Part 5]**

Economic Growth has emerged as a critical driving force to inter alia, employment growth, buoyant government revenues, firm profitability, social and economic development, improved livelihoods and poverty reduction.

Economic research has coalesced around a “core” of macro-economic constraints to growth, including high inflation, high debt to GDP ratios, volatility and uncertainty, inappropriate government policies, and external shocks (including natural disaster, man-made catastrophes). This economic research has also converged around a number of factors which determine growth more so than others, including the importance of international trade, education and training, macroeconomic stability, the role of the State and Government policies (public policy), the quality of institutions and risk mitigation.

Surveys of firms and businesspersons in the region in recent years (World Economic Forum (WEF) and IADB/CC) documented constraints that affect business operations and growth in the region. The World Bank's Doing Business Report for Grenada (2014), elucidates the following factors as constraints to business growth and overall economic growth:

- Registering property
- Getting credit
- Paying taxes

- Enforcing contracts
- Resolving insolvency
- Trading Across borders
- High Cost of Getting Electricity

▪ ***Evidence from the Regional Integration Arrangement***

Grenada occupies a strategic place and plays an important role in the two regional integration processes. Both of these processes have expended an immense amount of resources in completing the Development Plan (OECS), and Strategy (CARICOM) which will guide the regional integration process over the coming years.⁴ The GPRS takes both these strategy documents into account, thus ensuring a seamless synergistic continuum of actions and initiatives among national, OECS and CARICOM development spheres.

These Strategies (OECS and CARICOM) have identified the following as key areas in the Region's new growth path:

- Renewable Energy,
- Creative Industries,
- New Manufacturing,
- Agriculture and Agro-processing,
- ICT/Digital Technology,
- Specialty Tourism,
- Transportation and International Business.

In order to reverse the negative growth trend and *accelerate* economic growth in Grenada emphasis must be placed on:

- Promoting macroeconomic stability for growth and development (consolidation, and adjustment).
- Establishing long term goals for economic growth (improved quality of life, poverty reduction, employment generation etc.) not just growth but, pro-poor growth.

⁴ Strategic Plan for Regional Development (SPRD); OECS Development Strategy (2013)



- Identifying areas for specific urgent action—industries, sectors, markets, factors which constrains growth.
- Establishing policies, programs, initiatives, interventions, and other approaches to facilitate the growth process.

4.3 Pro-Poor Growth, Poverty Reduction and the New Economy

This Strategy adopts the definition of “pro-poor growth” as growth, which reduces the level of poverty. The “other popular definition” which refers to a greater decline in poverty than would have been the case if all incomes grew by the same rate, is subsumed within the definition adopted by this strategy.

In general, the strategy refers to absolute levels of poverty, though discussions are not necessarily confined to this construct, but extend to relative measures of poverty. Conceptually, when poverty reduction is the objective (for which economic growth is one of the instruments), then the rate of pro-poor growth is defined as a distributional correction term (the “other popular definition”) multiplied by the rate of economic growth. That is, rate of “pro-poor” growth = distributional correction times rate of economic growth.

The economic literature establishes that the debate about the “pro poor” character of economic growth is really a debate about the definition(s). If “pro poor” growth is defined as the extent to which the level of poverty declines if all incomes grew by the same rate, then economic growth is not typically, “pro-poor”. The empirical evidence, predicated on the adherence to the other definition of “pro-poor” growth, suggests that growth tends to be distribution neutral on average; hence, absolute poverty levels tend to fall with growth, Kraays (2003), and Fields (2001). Accordingly, economic growth tends to be “pro-poor” by the definition adopted by the Study.

Even so, having regard to the several caveats attached to the empirical studies, caution is advisable in interpreting the results of these studies as a basis for focusing on economic growth alone, if the objective is poverty reduction.⁵ Because the gains to the poor from growth are clearly not confined to people near the poverty line, but reaches far deeper, the finding that growth tends to be distribution neutral on average does not indicate that distribution is necessarily unchanging.

⁵ All these studies tell us is that there has been little effective redistribution in favour of the poor. Nothing can be inferred about the potential for “pro-poor” redistribution.

Evidently, the rate of growth is an important determinant of the rate of absolute poverty reduction. However, the evidence indicates that the same rate of growth can potentially bring about different rates of poverty reduction. The empirical work undertaken on a cross-section of countries indicates that two of the more important factors that account for cross-country differences in the poverty-induced dividend of economic growth are the initial levels of inequality and how this inequality changes over time. These two factors can therefore hold significant implications for the types of policies that are needed for rapid poverty reduction, in addition to promoting higher growth.

▪ ***Initial Levels of Inequality***

A number of evidence-based findings have emerged from a cross-section of studies which suggest that while absolute poverty does fall with positive economic growth, the higher the level of initial inequality in a country, the less the gains from growth tend to be shared by the poor. That means that a smaller initial share tends to infer a smaller subsequent share of the gains from aggregate economic expansion. Two simple conclusions emerge: (i) that poverty responds slowly to growth in high inequality countries and, (ii) high inequality countries will need to have high rates of growth to achieve rapid poverty reduction.

Even here, the results of cross-country comparisons are important to the evolution of a GPRS for Grenada at this time. During the consultation process in Grenada, some have advanced that the experience in a number of individual countries reflects an increase in average inequality with increases in economic growth. However, the results of work done by Kraay (2003)⁶ and others, suggests that aggregate economic growth has occurred. The results of cross-country studies lend some support to the policy conclusion that for reducing poverty (even in such circumstances), what is required is a higher rate of economic growth.

If growth in a low inequality country comes with a sufficient increase in inequality, then it may by-pass the poor. The cross-sectional results indicating that growth on average is distribution neutral implies that it increases roughly half the time during growth spells. Accordingly, policy efforts to keep inequality low will be crucial to generating pro-poor growth in developing countries.

⁶ Kraay, Aart (2003), 'When is Growth Pro-Poor? Evidence from a Panel of Countries,' mimeo, Development Research Group, World Bank.



In high inequality countries, growth will be fairly limited in its ability to depress levels of poverty, unless such growth is accompanied by falling inequality. In addition, depending on the source of growth, inequalities could perceivably widen, as the growth dividend “by-passes” the poor.

Having established that inequality is a key variable in policy determination when pro-poor growth is the target, the understanding of the various dimensions of inequality is essential. The literature is replete with factors that impinge on inequality, including access to public goods, private assets, including human, physical and social capital, inequalities in access to infrastructure and social services, access to information, ICT, among others.

▪ ***Changing Levels of Inequality***

Changing levels of income distribution is a second factor influencing the rate of poverty reduction, at any given rate of economic growth. However, changes in distribution among countries are casually linked to a number of common elements but also to a number of idiosyncratic features. Factors, such as economic shocks, changes in trade regimes, tax reforms, welfare-policy reforms, demographic changes and sectoral patterns of growth rank among these.

The higher incidence of poverty in specific communities, economic sectors, and parishes points to the importance of patterns of growth to overall poverty reduction. In addition, so do factors such as gender, age demographic, youth, among others. In Grenada, the extent to which growth favours the rural sector, youth and women will be central to its impact on aggregate poverty. The literature also establishes that the pattern of growth to the rate of poverty reduction will also be dependent on past and current differences between sectors and regions. Agriculture has limited potential to reduce poverty in the absence of significant institutional change and capital investment.

Evidence suggests that a counter-cyclical tendency exists between the present levels of poverty and inequality, and their future growth. For example, in Grenada where credit markets are relatively under-developed several persons are unable to seize growth-promoting business opportunities. The “resource-poor” are more likely to be the most affected by these constraints. In this context, the higher the proportion of “resource-poor” relative to other groups, the lower the economic growth rate, and the more will poverty be self-perpetuating.

The economic literature makes the point that, in the presence of capital market failure arising from moral hazard, high inequality can dull incentives for wealth accumulation. Other literature suggests that the presence of high inequality can slow growth-promoting reforms and resource-reallocations, requiring cooperation and trust.

Evidently, there are a number of pro poor policies that an enlightened Government can pursue. Among such policies are public policies, which assist the poor in acquiring the skills they need to escape the cycle of poverty, as well as public actions that contribute to good health enabling them to participate in the growth process.

An important theme arising in the literature is the importance of social insurance in mitigating longer-term poverty. A number of micro-economic studies have provided irrefutable evidence on the lack of insurance as a cause of longer-term poverty, Ravallion, (2004).⁷ Social protection policies have also turned out to have a far more significant role in assuring pro-poor growth than was previously thought. By recognizing that it is the poor more so, than any other group that are locked out from lucrative opportunities for self-development, well designed public policies against current poverty can promote growth and hence long-term poverty reduction.

The GoG recognizes the challenges to combining growth promoting policies with immediate, medium and long term policies and programs to ensure that the poor are able to fully participate in the opportunities unleashed and to contribute to that growth. In this regard, the GPRS:

- i. is informed by factors and variables at a national and sub-national level, which influence the distributional nature of economic growth.
- ii. recognizes that not all such factors are amenable to policy intervention.
- iii. recommends policy interventions that promote growth and are pro-poor.
- iv. considers alternative policies and arrives at the most prudent interventions which take into account redistributive social policies and alternative growth strategies, particularly the Strategy by Non-State Actors Panel (2013).

[moved OECS Economic Union to next Part]

⁷ Ravallion, Martin, Transfers and Safety Nets in Poor Countries: Revisiting the Trade-Offs and Policy Options,' in Abhijit Banerjee, Roland Benabou and Dilip Mookerjee (eds), Poverty and Development, Oxford University Press.



5. GETTING THE MACRO-ECONOMIC FUNDAMENTALS RIGHT **[WAS PART 6]**

5.1 External Environment

Global economic growth is projected at 3.6% in 2014, largely driven by the advanced economies. Growth in major emerging markets, although still strong, is expected to be weaker than in 2013. Growth in Latin America and the Caribbean (LAC) is projected to expand by 3.0 % in 2014, with domestic demand remaining the main driver.

Economic growth rates for the BRIC (Brazil, Russia, India and China) Countries have been adjusted downwards for 2014, reflecting continuing concerns about the faltering global economy and lagging export growth. China continues to lead with an expected growth of 7.3%, Brazil 2.5%, India, 5.1% and Russia, 3.0 %.

Two of Grenada's three largest trading Partners (USA, UK) have also undertaken revisions to their growth projections for 2014. In the United States, growth is projected to strengthen to around 2.5 % in 2014, as a continuing housing market recovery and still-accommodative financial conditions bolster private demand. The UK growth is now being projected at 2.4%, supported by an upturn in gross fixed investments and exports - indicators of rebounding private sector confidence.

For the Euro Area, growth is projected at 0.9% in 2014 and then by about 1.6% a year in 2015-17. The Year 2014 is the first positive result since 2011. The resilience of financial markets in the face of political turmoil in Italy and fiscal issues in the US have contributed to much needed confidence in the European Central Bank (ECB) as a backstop for Eurozone bond markets.

The ECB will also have a key role to play in 2014 in setting policy to counter any tightening in credit conditions imported from the US once the Federal Reserve starts tapering. Some downside risks remain - notably the ECB's asset quality review and the subsequent restructuring of the banking sector. Policy-makers must ensure that, at the very least, the relatively modest expectations of the markets are met so as not to threaten the current fragile stability of the entire Euro-zone Region.

In countries with low inflation and anchored inflation expectations, monetary policy should be the first line of defence if downside risks to the baseline materialize. Fiscal consolidation remains appropriate for countries with tight capacity constraints or limited fiscal space; it will also help constrain the continued widening of current

account deficits. Safeguarding financial stability is a key priority in an environment of tighter global financial conditions and increased asset price volatility.

The majority perspective is that the current outlook for Latin America and the Caribbean does not warrant an easing of fiscal policy for most of the countries. In fact for countries such as Grenada, sustainability issues constrain the space for fiscal policy. In most of the commodity exporters, economic slack is very limited, external current account deficits have widened, and fiscal balances are generally weaker than prior to the 2008-09 global financial crisis. Thus, attempts to maintain high growth rates through fiscal stimulus would only weaken public finances and external positions. For the countries which are heavily services oriented, particularly in tourism, the fall-off in demand from target markets severely constrains the efficacy of monetary or fiscal policy.

The evidence of a weak global recovery, led by Industrial Countries, portend that the economic recovery in Countries such as Grenada could take another three or four years, without accounting for various down-side risks. The prognosis for economic activity, employment and poverty reduction, driven by buoyancy in the external environment, will be somewhat subdued in the immediate period. Resource mobilization and readying of the domestic supply capacity to take advantage of the uplift in external demand for goods and services when the global environment improves, remains an imperative and will partially compensate through buoying domestic demand.

5.2 OECS Economic Union [was Part 5.3]

Grenada, a founding Member of the Organization of Eastern Caribbean States (OECS), established in June, 1981, has been successful in pursuing a far deeper form of integration and economic cooperation, than other similar arrangements within the Region. In June 2010, the OECS progressed from a sub-regional economic integration arrangement, to a customs union, deepening even further the scope and intensity of the integration efforts. The Revised Treaty of Basseterre establishing the OECS Economic Union envisions the free circulation of goods, services, labour, and capital.

The provisions of the Revised Treaty provide for a number of important institutions, which include the East Caribbean Supreme Court, Eastern Caribbean Central Bank, the Eastern Caribbean Telecommunications Authority (ECTEL), Eastern Caribbean Civil Aviation Authority (ECCAA), and the Eastern Caribbean Energy Regulatory Authority (ECERA).



The governance structure for the OECS Economic Union devolves supra-national authority to the OECS Authority -the principal organ within the Economic Union of the OECS, in five agreed areas: the common market and customs union; monetary policy; trade policy; maritime jurisdiction and boundaries; and civil aviation.

The Regional Assembly comprising Members of Parliament and legislators of Member States is the legislative arm of the Economic Union. The OECS Commission will guide the work of the Secretariat by providing critical oversight to the mandate approved by the Authority.

A status review of the OECS Economic Union, undertaken for the 58th Meeting of the OECS Authority, indicates that Grenada is in full compliance with the Legislative and Administrative commitments attaching to its membership in the Economic Union (including travel facilitation and free movement of OECS nationals, among others). Grenada is also an active participant in the unfinished agenda pertaining to the free circulation of goods, and Competition Policy and Law. In the instance of Competition and Law, the OECS will soon establish a new body - the East Caribbean Competition Commission.

There exists some concern at the conceptual level that the OECS Economic Union may conflict with some aspects of the Revised Treaty of Chaguaramas, where the same substantive areas of competence are covered (trade policy, common market and customs union).

Accordingly, an amendment to the Revised Treaty of Chaguaramas is presently being pursued (*Protocol to Amend the Revised Treaty of Chaguaramas to provide for Deeper Integration by Groups of Members and the Recognition of the OECS Economic Union*) to bring legal certainty to Economic Union, within the framework of the Revised Treaty of Chaguaramas.

Grenada has played an active role in concluding the OECS Growth and Development Strategy, the core of which is a four-part agenda viz. (a) Prospects for Growth and Development; (b) Leveraging the Growth Drivers; (c) Pushing the Growth Envelope; (d) Underpinning the Growth and Development Thrust.

The OECS Strategy identifies agriculture, manufacturing, services (tourism creative industries, construction, financial, education, health, and other services), ICT, social development and social protection, citizen security, energy, environmental management, and ocean governance as priority themes for the economic union.

Other priority issues to be addressed are transportation, trade policy and trade facilitation, business facilitation and the business climate.

As it enters the second decade of the 21st century, the OECS sub-region is at a crossroad. On the one hand, it could enter a period of strong economic growth based on greater sub-regional integration, investment in knowledge, and greater attention to the public sector's role as regulator rather than investor. On the other, if vulnerability to economic and natural shocks or to internal social pressures and demands are not adequately addressed, socio-economic gains could be threatened.

From a strategy standpoint, the Economic Union is important for Grenada as a response to the myriad challenges posed by the following:- small size; an already large and unsustainable public sector wage bill; and the growing administrative and institutional demands on the State, imposed by deepened global market insertion (e.g. competition policy, environment, financial reform and global compliance, among others). Conceptually, the OECS arrangement can assist through "burden-sharing" and rationalization of functions, thus reducing the cost of providing these services at the national level.

However, the Economic Union is also important from the standpoint that functional and economic cooperation, are areas which many argue provide greatest benefits to the small archipelagic States of the Eastern Caribbean. It is therefore critical that the actions and initiatives for growth and development strategies at the national and Economic Union levels are aligned to deliver the greatest synergies in the resource use. A clear example of this is the ECCU growth and stabilization Program. Member Governments formulated a comprehensive eight-point plan to address in a coordinated and strategic manner the economic challenges being faced by the member countries as a result of inter alia, the global financial and economic crisis, the Currency Union which renders them incapable of reducing unemployment and poverty and maintaining and improving their Human Development Indices, and the difficulties occasioned by the collapse of CLICO and British American Insurance companies.

The Plan provides a comprehensive framework for the consideration of the issues attendant to macro-economic stabilization and adjustment, economic growth and poverty. The Plan's core elements include the following:

- i. Suitably Adapted Financial Programs for each country
- ii. Fiscal Reform Programs



- iii. Debt Management Programs
- iv. Public Sector Investment Programs
- v. Social Safety Net Programs
- vi. Financial Safety Net Programs
- vii. Amalgamation of the Indigenous Commercial Banks
- viii. Rationalization, Development and Regulation of the Insurance Sector.

While acknowledging the importance of each of the eight Points of the Stabilization Plan, the Strategy focuses on Points 1 through Points 5. The relationship between growth and poverty in the 8-point Plan is that the poor will benefit from the positive impact of stabilization and economic growth, particularly through growing income and employment opportunities.

According to the ECCU, "The first three components - Financial Program, Fiscal Reform Program and Debt Management Program - of the eight point Program are aimed at first stabilizing the economies by addressing the deficiencies that have placed the region under severe stress. The PSIP and Social Safety Net Program are intended to stimulate the economy".

5.3 National Macro-Economy [new sub-header]

5.3.1 Fiscal Policy [was 6.2]

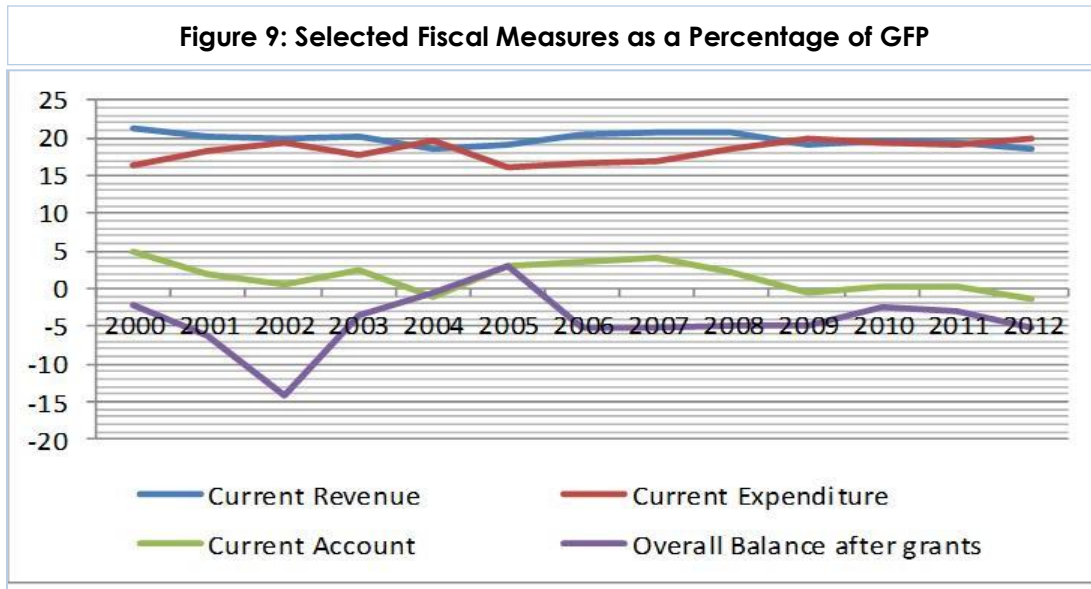
▪ The Reality

Grenada, like most of its OECS counterparts, has experienced difficult fiscal circumstances over the last two decades. The 1990s evidenced a steady decline in the country's revenues as performance in traditional agriculture continued to disappoint combined with procrastination in aggressive development of the tourism and other services sectors. Anecdotal evidence indicates that the slowdown in the 1990s and early 2000s was also associated, with declines in productivity growth.

The fiscal balance declined steadily throughout the 1990s, with an escalation from 1997 to 2000, due to rising levels of capital expenditure, undertaken in an attempt to compensate low levels of private investment and drastically reduced exports.

The external shock of the first half of the decade of the second millennium, the bombing of the World Trade Centre on September 11th 2001, followed by the natural disasters of 2004 and 2005, are well chronicled, so too were the impact on

revenues and current expenditure patterns both of which moved in adverse directions.



The primary and overall deficits for 2013 were 4.4%, and 4.9% of GDP, respectively. Current revenue was 19.45 % in 2013, and current expenditure was 19%. The period was also characterized by Grenada and other OECS counterparts taking on higher cost commercial financing. Even though Grenada is committed to repaying its debtors, the Government has been forced to dramatically tighten fiscal policy in order to appear credible to investors, hopefully reducing the risk associated with the restructuring. Grenada's fiscal circumstance will continue to be challenging for the next several years:

- Total expenditures exceed total revenues by between EC \$180 and EC \$192 Million per annum.
- 70 cents of every dollar collected are expended on personnel costs.
- 28 cents of every dollar raised is allocated in debt repayments.
- High unpaid claims and high debt are the results of this monthly deficit (approximately EC \$15.0 Million).
- Past wages and emoluments arising for the period 2013-2014 amounts to EC\$40.0 million.
- Total revenues fell short by EC \$40.0 Million.
- Capital expenditure of EC \$151.2 Million was 58% of estimate, but EC \$16.3 Million more than in 2012.



With the exception of Petro-Caribe, grants are also underperforming. EU Budgetary Support under the 10th EDF Program is critical, but realistically can only occur within the context of the 2014-2016 IMF Program.

In April 2006, Grenada engaged the IMF and entered into the Poverty Reduction and Growth Facility (PRGF). The PRGF was a comprehensive medium-term economic reform Program with the objectives of promoting sustained high economic growth, restoring fiscal and debt sustainability, reducing vulnerabilities and alleviating poverty. The Program was reviewed by an IMF team every six months against certain performance criteria and benchmarks. This Program was successfully completed in March 2010.

On April 02, 2010, the Executive Board of the International Monetary Fund (IMF) approved Grenada's request for a new three-year arrangement under the Extended Credit Facility (ECF) totalling SDR 8.775 million (about US\$13.3 million). Two disbursements were made to the Government under this Program. Following the second review conducted in March 2011, the ECF was placed on hold in June 2011 pending an evaluation by both parties and a reassessment of certain key assumptions by both the IMF and Grenada. At present, Grenada is engaged in discussions with the Fund about the resumption of the Program based on revised and appropriate assumptions of growth and revenue collection.

▪ **The Challenge**

Transitioning from a reactive macroeconomic management focus to a proactive growth focus: Grenada will have to reduce its fiscal deficits (fiscal consolidation). This will require synchronization of the reduction in fiscal expenditure, with the expansion of selected private sector investment, in order to reduce the adverse effects of reduced expenditure on the economy. New investment has to benefit from *fast-track treatment* (especially if earning or saving foreign exchange) as part of an efficient business facilitation strategy. Inflation has remained low after peaking in 2007-2008. Projections are that inflation will remain low, averaging between 1.6% and 3% over the next three years.

▪ **Current Approaches with Fiscal Policy**

In the coming years, the Country's fiscal strategy will focus on:

- Returning to sustained growth in the shortest possible time as well as advancing the Government's agenda on building the "New Economy".

- Raising the revenue effort from its current level (20.1% of GDP) to 27.0% of GDP over the medium term.
- Restricting current expenditure effort to no more than 22% of GDP.
- Government will generate a current account surplus of 5% of GDP to finance core capital expenditure and meet counterpart financing requirements.
- Adopting sustainable wage bill management practices which means, inter alia, avoiding retroactive salary negotiations to minimize large retroactive payments and adequate budgeting for agreed increases.
- Elaborating a strategy to reduce debt servicing and putting the debt to GDP ratio on a downward trajectory.

To close the “fiscal gap” Grenada will focus on fiscal adjustment – stronger revenue collection combined with expenditure cuts, debt restructuring, development cooperation, including securing increases in external loans and grants.

1. Revenue Measures, including, lowering the income tax threshold, increasing property taxes, implementing small business levy, reducing tax exemptions, improving tax administration and collection efforts, widening the withholding tax base to include lottery winnings and reducing exemptions on the VAT.
2. Expenditure Measures, including, implementing wage restraints with cooperation from labour, reducing public sector size, reducing the wage bill over time, undertaking comprehensive debt restructuring, reducing non-personnel expenditure by 20% (utilities, fuel, rent) and rationalizing statutory bodies.
3. Tax Administration Reforms, including, introducing license fees for professionals, recruiting skilled professionals in Inland Revenue Department (IRD) and providing training for IRD and Customs Staff.
4. Implementing the Citizenship by Investment Program.

Given the above, Grenada faced no option but to embark on an IMF Program (2014-2016) of fiscal adjustment and structural reforms, as a *sine qua non* for the emergence of the “New Economy”. The primary objectives of the Program are to:

1. Engender productivity & competitiveness through growth and job creation;
2. Create fiscal sustainability; and
3. Improve debt sustainability.

Other Keys to the Success Factors for the Home-Grown Program

1. Societal consensus on need for shared sacrifice
2. Comprehensive debt restructuring including debt reduction
3. Prospective wage settlements
4. Significant improvement in revenue collection
5. Well designed and implementable PSIP (Development Projects)

Benefits of the Program:

1. Stronger Economy
2. Increased confidence
3. Investment in high priority development projects
4. Significant debt relief
5. External support of at least US\$100mn (soft loans and grants)
6. Technical Assistance

5.3.2 Debt Management **[was 6.3]**

▪ Grenada's Debt

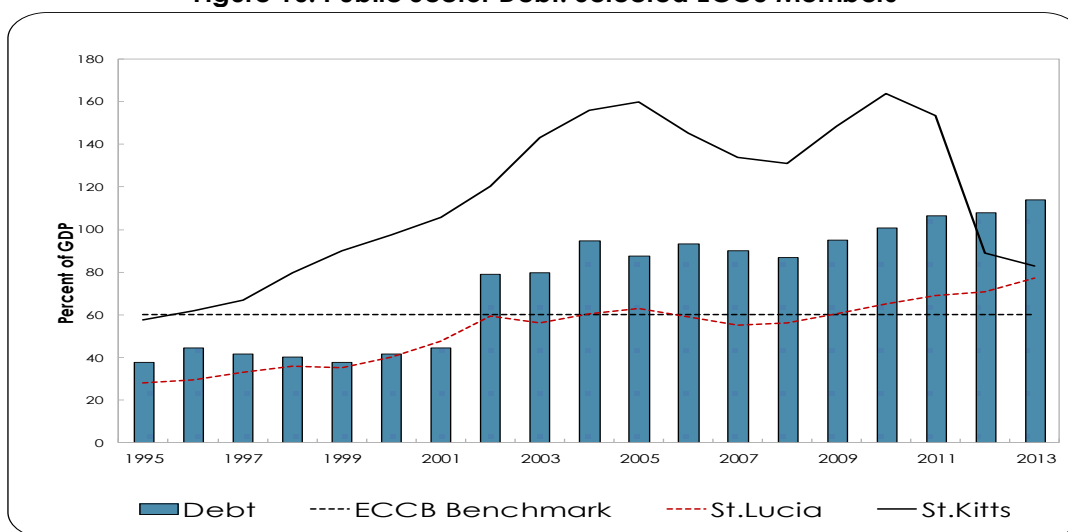
Grenada has accumulated a high level of public debt (debt to GDP ratio of 107% in 2013), which has constrained economic growth and poverty reduction. **(Table 4)** Caution must be exercised in ensuring that the debt does not act as a constraint/drag on growth especially with the imminent 2014-2016 IMF Programs to be implemented.

Table 4: Composition of Government Debt by Maturity Type		
Maturity Type	% of Central Government Debt	Interest Rate
Short Term		
Treasury Bills	13.6%	5-6%
Overdraft	0.7%	8.5 – 11.5%
Other Advances	1.0%	6.5%
Medium Term(3-7 years)	41.70%	7-9%
Long Term	43.0%	0.5%-9%

The impact of debt-creating exogenous shocks such as natural disasters has been considerable, with the OECS sub-region among the most disaster-prone in the world. In fact, years where the growth in debt-to-GDP ratios are largely unexplained by fiscal policy have tended to coincide with natural disasters, such as major hurricanes in 1998, 1999, 2004, 2007, and 2008, all of which had devastating effects. For example, the estimated damage from the 2004 hurricane in Grenada alone exceeded US \$1 billion. The impact of such external events significantly constrains the fiscal space, demonstrating their fiscal vulnerabilities and underscoring the importance of fiscal discipline and prudent debt management.

Since 2008 Grenada's debt situation has been exacerbated by the declining global economic activity and slow growth in the Caribbean (**Figure 10**).

Figure 10: Public Sector Debt: Selected ECCU Members



The global economic and financial crisis caused the Grenada economy to contract by 9.7% between 2008 and 2012. The debt to GDP ratio jumped 7.6 percentage points, as the economy descended into free fall. The 9.7% contractions in output together with the widening negative primary deficit (4.4% of GDP in 2013) led to increases in their debt-to-GDP ratios by 21 percentage points.

▪ **Debt Restructuring**

Reinhart and Rogoff (2010), conclude that across both advanced countries and emerging markets, high debt/GDP levels (90 percent and above) are associated with notably lower growth outcomes. In addition, they estimate that for emerging



markets, the threshold was more stringent for total external debt/GDP (60%), which is also associated with adverse outcomes for growth.⁸

Grenada confronts a serious debt problem, with a debt-to-GDP ratio averaging 109% in 2012 owing mainly to fiscal loosening and exogenous shocks. In analysing debt-to-GDP ratios from 1998 to 2008, two characteristics stand out-rapid debt accumulation and high interest payments from commercial borrowings.

Reinhart and Rogoff (2010) opine that seldom do countries simply “grow” their way out of deep debt burden. For countries such as Grenada other research by Reinhart, Rogoff, and Savastano (2003), advance that debt threshold is country-specific. Initiatives which hold promise for Grenada are oil and gas exploration, the “new-agriculture”, along with the extant promise of rapid expansion in the hotel and tourism industry. This notwithstanding the results of “debt intolerance” analysis, highlights that as debt levels rise towards historical limits, risk premia begin to rise sharply, facing highly indebted governments with difficult trade-offs.⁹ Even countries that are committed to fully repaying their debts are forced to dramatically belt tighten.

The conclusions of Reinhart, places in proper context the “Home Structural Adjustment Grown” Program being pursued by Grenada under the IMF Framework. Of course, there are other vulnerabilities associated with debt build-ups that depend on the composition of the debt itself.

As Reinhart and Rogoff (2009b, ch. 4) emphasize and numerous models suggest, countries that choose to rely excessively on short term borrowing to fund growing debt levels are particularly vulnerable to crises in confidence that can, in turn, provoke very sudden and “unexpected” financial crises. The same type of observations can be made about external versus domestic debt, as is evident in **Table 5**. This clearly indicates that traditional debt management issues will need to continue to form a strong focus of public policy in Grenada over the coming years.

⁸ Reinhart, M Carmen, and Kenneth S. Rogoff., “Growth in a Time of Debt”, Working Paper 15639 (<http://www.nber.org/papers/w15639>), National Bureau of Economic Research (January, 2010)

⁹ Reinhart, Carmen M., and Kenneth S. Rogoff and Miguel Savastano. “Debt Intolerance”, in William Brainerd and George Perry (eds.), *Brookings Papers on Economic Activity* (2003).

Table 5: Composition of Government Debt by Type		
Creditor Type	Interest Rate	% of Central Government Debt
Domestic		22.2%
External		77.8%
Bilateral	0-5%	9.8%
Multilateral	0.5- 6%	30.9%
Commercial	6-11.5%	37.03

Despite efforts to reduce the public debt through restructuring, the debt service burden continued to escalate. Accordingly, Grenada undertook comprehensive debt restructuring in the first quarter 2006. The Program was relatively successful in extending the tenor of a part of the debt stock, up to 12 years, and in reducing the debt service by 90% over the life of Fund Program. The Program also included a useful goodwill provision to assess Grenada's debt sustainability under the "Evian approach" at the conclusion of Fund Program.

The 2006 Fund Program (January 2006-Deember 2009) proved disappointing in that the economic growth dividend did not materialize. Whether this was as a result of the assumptions made in the Debt Sustainability Model, or the result of the financial instability arising from the failure of British American Insurance Company Limited (BAICO), and CLICO remain academic issues. However by the first quarter of 2012 debt servicing had risen to 28% of current revenues, with interest payments alone, accounting for 14.2 % of current revenues, effectively crowding out other public and private expenditures.

The GoG announced its intention to undertake a comprehensive and collaborative restructuring of its public debt, in March 2013, including its United States (U.S.) and Eastern Caribbean (EC) Dollar Bonds with maturity to 2025. Since then, the GoG has engaged in a series of actions pursuant to the decision to restructure.

5.3.3 Employment and Productivity **[was 6.4]**

Numerous authors and International Finance Institutions have offered commentary on the contribution of labour to declining national productivity and competitiveness. The argument advanced is that rigid labor market institutions were contributing to a trend toward rising unit labor costs and falling profitability. In this respect, it is noteworthy that while the request for the 2006 Poverty Reduction and Growth Framework (PRGF)/ECF arrangement noted that reform of labor markets would be an objective, labor market reforms have been noticeably absent.



Since the inferences of declining labour market productivity are taken from national accounts, the observations are economy-wide, applying equally to the public and private sectors. With regard to the public sector the Government had embarked on a manpower survey to receive the requisite data which will assist in rationalizing the size of the civil service. The intention is to eliminate the automatic filling of positions which become vacant, to offer shorter term employment contracts, and to privatize services which are best performed by the private sector, *inter alia*.

The discussion on reducing the size and share of the public sector wage bill is an indispensable element of the policy discussion, particularly as Grenada is about to embark on its three (3) year Structural Adjustment Program. However, a more comprehensive treatment is required, which contemplates approaches for eliminating existing labour market rigidities and developing the capacity of Grenadians to participate in the evolving global markets for services providers, including service workers.

According to the 2013 Labour force survey, the labour force is about 60,000.¹⁰ The Labour Force Survey also indicates that while the current unemployment rate has fallen to 33.5% since the decades of the nineties, unemployment rates, especially among the youth, have been unacceptably high. Youth unemployment stood at 55.6%. Such high unemployment rates have been compounded by the low and declining rates of productivity, thus exacerbating the social and economic hardships (poverty).

Macro-economic measures of productivity has evidenced decline since the decade of the 1980s (IMF, 2013) and prior to this period, it had not been particularly high. In order to improve the nation's productivity profile, at least, in the long term some fundamentals must be observed. A new ethos is required which places a higher value on time and human effort. All stakeholders, including government, labour and the private sector must collaborate in undertaking actions that demonstrate a shared commitment to sustained productivity as the only sustainable means of shifting the economy from stagnation to real growth.

For example consensus will need to be forged around approaches which link wage increases to productivity growth. Far reaching Institutional changes will also be required, including by the Labour Department, which will need to develop the

¹⁰ The labour force is defined as the aggregate of the number of persons employed and those who are unemployed.

capacity, to not only monitor nominal wages, but also non-wage impacts on productivity performance. Enhancing labour productivity, as an essential element in overall national productivity will also require the development of appropriate monitoring and evaluation modalities.

▪ **Critical Skills and Attitudes for Service**

Both domestic and global factors hold influence for the diversity and scope of critical skills and attitudes required for the development of effective services oriented labour force. The combination of missing markets, inefficient information transmission and labour market rigidities, including policies which inhibit the free movement of labour in pursuit of opportunities, in addition to absent institutions for both training and certification have retarded the development of an adequate skills competence at the national level.

For some time now successive governments have advocated for the development of a service-oriented economy to replace the traditional and increasingly inefficient and uncompetitive commodity export-based economy. At a structural level these changes were already occurring. The 2000 Central Statistical Office (CSO), report indicated that by 1999, 62% of the labour force was employed in the services industry. Despite this noticeable shift in employment patterns, the majority of persons employed in the services sectors have no form of certification and the majority have not benefitted from any formal training.

Accordingly, the pursuit of a broad policy guideline on the issue of “critical skills needs” must lead to the development of a training and educational system that produces workers with the requisite skills and competencies, which are employable at the national/regionally and at the global level. However, the sustained marketability of the Grenadian worker will also depend on the acquisition of vital positive attitudes to work, in addition to critical skills attainment.

The New Economy, recognizes that the development of critical ‘skills for service’ will need to be somewhat redefined to provide for a more appropriate understanding of the new role of workers in development process. The ‘New Economy’ at its core recognizes that four critical ‘batteries of skills’ will be essential for improved employability and increased productivity of the national labour force, *inter alia*:

- **Academic Skills:** These skills provide the fundamentals for the individual to acquire and keep a job and to advance in it. Also crucial is the ability to read, comprehend and objectively evaluate situations and solve



problems through the application of knowledge from the various fields that bring effectiveness to the job. This battery of skills outfits the worker with the capacity to learn for life.

- **Personal Management Skills:** The proponents of the 'New Economy' view the acquisition of a bundle of skills, attitudes and behaviours that allows the worker to excel in his/her job as necessary for improving productivity in the work place. Positive attitudes towards learning, personal growth and development coupled with the ability to set and achieve goals (responsibility) and positive attitude to change (adaptability) will deliver a superior worker to the 'New Economy'.
- **Team Work Skills:** The 'New Economy' emphasizes high performance in the context of teamwork. In that regard, the necessity for collective contribution to work place goals, collective effort in planning and making decisions, tolerance for divergent views and the readiness to lead and mobilize the workforce for high performance are hallmarks of the spirit of the new development agenda.
- **Employability Skills:** The **Corporate Council on Education of Canada** defines 'employability skills' as a set of "...generic skills, attitudes and behaviours that employers look for in new recruits and that they develop through training programs for current employees." Many of the requisite skills are not included in the education programs at primary, secondary or tertiary level. Though there has been a tendency in the more recent period to redress this situation at primary and secondary levels, further interventions will be required through the national education curricula. In addition, a more rigorous programmatic approach will be needed in addressing these short-comings particularly among the working population. These recommendations will be central to the achievement of high quality employment and to enhancing labour productivity which remains central to Grenada's transition to the "New Economy" and to poverty reduction.

▪ **Labour Market Improvements:**

Grenada ratified the International Labour Organization (ILO) Convention on the 15th day of July 1979. Since then, the Country has ratified about thirty-one (31) conventions, the most recent one being the Convention on Occupational Health and Safety. In 2011, the Government, through the passage of the Minimum Wages Order, endeavoured to bring structure and predictability to the minimum wage regime. Thirteen broad categories of workers, ranging from industrial, clerical,

domestic, caregivers, bakery workers, agricultural workers, construction and vehicle operators to hospitality workers, among others, were affected in terms of the minimum wage requirements.

There are concrete plans to develop the Labour Market Information System (LMIS), beginning in January of 2014, with technical assistance from the ILO. According to the Commissioner of Labour, the purpose of the LMIS is to create a data base of labour information at one hub in which the stakeholders such as Finance and Statistics, Ministry of Education, Department of Labour and National Insurance Scheme (NIS) will provide and access labour information interactively. One of the expected outcomes is to use labour information and data to readily influence employment and training policies.

The Ministry of Labour intends to pursue a greater level of collaboration with other Ministries and Government Departments, including collaboration with Ministries of Education, Finance and Labour itself, with the deliberate policy objective of enhancing the marketability of Grenadians in the domestic economy without contravening the regional treaties and protocols. In developing this domestic capacity, various information sources will be utilized, such as information on work permits, which will be used to identify labour market gaps and to orient man-power training and development. Mining such labour market information would also be important to curricular planning and development, including via continuing education programs.

Table 6 shows the revenues earned in 2012 and 2013 according to the types of work permits and the origin of applicants. This information may be used to establish relationship between local employment opportunities and the need to finance educational and training programs aimed at making Grenadian nationals more employable in various economic areas.

A second objective of systematically developing these data sources as an input into public policy is that it can point to areas in which the financing of various programs can provide national with the skills set to compete for higher income earning jobs in the hospitality, yachting and marina services areas. Quite importantly, these skills deficit areas are in the sectors identified as “sun-rise” sectors in the “New Economy”. Accordingly, properly developing and employing this data can lead to both public policy interventions at the macro level, but also to discrete interventions at the community level which can significantly reduce the inequalities at the individual level, but also at the national level (as among Grenada and other Countries (where labour embodies a relatively higher endowment of skills).



Table 6: Work Permits by origin of applicant and revenues earned, 2012 and 2013

Status	No. of Applicants		Revenues Earned	
	2012	2013	2012	2013
New Applicants				
CARICOM	271	307	\$135,500.00	\$153,300.00
Commonwealth	333	366	\$333,000.00	\$366,000.00
Others	73	66	\$219,485.77	\$202,500.00
Total	673	739		
Renewals				
CARICOM	189	303	\$94,500.00	\$151,500.00
Commonwealth	417	612	\$417,000.00	\$612,000.00
Others	56	98	\$170,000.00	\$293,252.19
Total	652	1013		

Source: Ministry of Labour, 2013

6. TRANSFORMING GRENADA [WAS PART 7]

6.1 The New Economy

The long-term downward trend in Grenada's economic growth, over the last two decades is evidence that fundamental changes are urgently needed if the expectations of the population for improvements in their standards of living, including reductions in the level of poverty are to be realized.

The challenging level of economic growth and unemployment recorded and forecasted for the Grenada economy signals the urgency for a fundamental change in the development paradigm, to that of the "New Economy" which will be driven primarily by endogenous knowledge, technology, innovation and entrepreneurship.

The characteristics associated with the "New Economy" are in direct contrast to those which drive the "Old Economy". For instance, while the 'Old Economy' emphasizes stable markets, in the 'New Economy, markets are dynamic. The scope of competition in the "Old Economy" is local; however, competition in the new economy is regional and ultimately global. Hierarchal and bureaucratic forms are associated with the 'Old Economy' while the 'New Economy' is based on networking. The drivers of growth in the 'Old Economy' are capital and labour, while the 'New Economy' is driven by innovation and knowledge. While the 'Old Economy' is based on lowering the cost of production, the new economy is based on innovation, quality, time to market and costs.

The importance of research and innovation in the 'Old Economy' is low to moderate, while research and development are high in importance in the new economy. The relationships among firms in the 'Old Economy' are based on "going it alone", while collaboration and alliances drive the new economy. Contrastingly, skills within the 'Old Economy' are job-specific while skills in the 'New economy' are broad-based and founded on cross training, particularly vocational training. Industrial relations in the 'Old Economy' are adversarial but those relationships in the 'New Economy' are based on cooperation and collaboration.

The nature of employment in the 'Old Economy' is stable; however, employment in the 'New Economy' is marked by risk and opportunity. In its relationship with Government, the 'Old Economy' is based on "command and control" even where there is a perception of consultations, while the 'New Economy' is distinguished by the promotion of growth opportunities.



Competition from low cost but relatively high-educated and skill-intensive countries, such as China, Brazil, India, and Latin America, among other Developing Countries, will continue to threaten and render obsolete the traditional sectors based on labour and capital. With rapidly declining returns to capital and sharply increasing unit labour cost of production, Grenada must speedily equip its traditional sectors for the transition to the New Economy by infusing a strong technological capacity in agriculture, particularly in youth farmers. The same is true of the manufacturing sector, where innovation and technology offer immense opportunities to level the playing field. The survival of both traditional sectors of agriculture and manufacturing in the "New Economy" will depend on an accelerated rate of productivity growth and their ability to speedily adapt to the imperatives of the New Economy.

The 'Old Economy', based on land, labour and capital, which has driven Grenada's economy since the colonial era, has all but run its course as a development paradigm. Globalization forces have placed limits on the efficacy of the "Old Economy" to generate economic growth, to create sustainable jobs and to reduce the ranks of the poor. Information and telecommunications technology have drastically reduced the cost of transferring not just capital, but also information from high-cost locations in Developed Countries to low-cost locations among Developing Countries. Considered together this means that economic activity in a high-cost location such as Grenada is incompatible with routine tasks and with business as usual under the "old economy". Globalization has shifted the competitive advantage of high-cost locations to knowledge based activities and "New Economy" enterprises, and is also driving the search for business activities which will constitute new sources of growth.

The "New Economy" constitutes an effective response to the "twin horn" dilemma of unprecedented unemployment and low economic growth, manifested by deteriorating competitiveness and rising manufacturing and services costs at the firm level, misaligned expansionary fiscal policy stance, need for pro-business and pro-investor reforms and an urgent focus on education and vocational training.

The GoG envisions that the "New Economy" will comprise *inter alia* a world class tourism, yachting and marina destination, complemented by efficient business, finance and information technology services, an efficient light manufacturing sector, a well-diversified agricultural sector focused on "value added" products, a dynamic oil and gas and renewable energy sector, and a highly efficient agro-industrial sector cluster dedicated to oils and flavour extraction for health, food, cosmetic and pharmaceutical applications.

Grenada has no viable option but to urgently transition to a “New Economy”. This transition, will unleash forces of creative destruction leading to the replacement of some sunset (“Old Economy”) industries with sunrise (“New Economy”) industries. Without such a transition the prospects for economic growth, which closes the income inequality gap and reduces levels of poverty, will continue to disappoint.

[added this new text] Pursuing a ‘New Economy Agenda’ will require precision with respect to the focus for development and definition of strategic interventions. In this regard, the GPRS will focus on four distinct yet mutually-beneficial Thematic Areas, namely:

1. Building Resilience
2. Developing Competitiveness with Equity
3. Reducing Vulnerability
4. Strengthening Governance and Security

[Removed the section on sub-components]

6.2 Thematic Focus I: Building Resilience **[was 7.2]**

Priority Area	Strategic Objective (s)
1: Stabilizing the Macro-Economy	1.1 Boosting growth and job creation; 1.2 Improving fiscal sustainability; 1.3 Improving debt sustainability
2: Enabling the Business Environment	2.2 Enhancing international trade and market access capacity 2.3 Developing financial services for “pro-poor” growth (MAP) 2.4 Adopting a ‘ Doing Business’ Agenda 2.5 Expanding the MSME sub-sector(MAP)
3: Leveraging the Growth Sectors	<i>Development of:</i> 3.1 Health and Wellness (Geriatric Care) 3.2 New Agriculture and Agribusiness 3.3 Tourism and Hospitality Industries 3.4 Energy Development and Energy Security 3.5 ICT and Management



Priority Area	Strategic Objective (s)
	3.6 Other Services Sectors (<i>educational, construction, cultural, financial, professional, personal care</i>);
4: Developing Sustainable Energy	4.1 Explore and exploit a hydro-carbon development strategy; 4.2 Up-scale investment in the development of clean and renewable sources of energy.

The declining growth trajectory for Grenada over the last two decades provides strong anecdotal evidence of declining productivity at the level of the macro-economy. The volatility across sub-periods, demonstrate that the Country remains highly susceptible to global volatility and reflects the weak resilience of the growth and development process. The analysis in earlier sections also demonstrates that a few of the areas to which Grenada has given a focus in recent years, namely those of services (particularly tourism, financial and other services) are becoming increasingly challenging from a policy standpoint and contestable from a competition perspective.

To build economic resilience, Grenada will need to focus on macro-economic stabilization, which will involve adjustment as the economy transitions from the “Old Economy” to the “New Economy” driven by new sources of competitiveness. The factors which humbug and distort the emergence of the new growth sectors/clusters will also need to be dismantled, so that all the sources of comparative and competitive advantage can be laid at the service of the growth and development process.

Accordingly, the first thematic area, envisages a focus on three complementary strategic objectives - at the macro level, at the meso-level (business environment), and at the sector level (growth drivers).

Priority Area 1: Stabilising the Macro-Economy

The 2013 and 2014 Budget Statements convey a clear intention by the GoG to address the macro-economic issues of debt and fiscal instability which have stymied growth and private sector activity over the past two decades. Previous sections of the extant Strategy have established the relationship between macro-economic stability, growth and poverty reduction. This commitment is now embodied in a “Home Grown Program” of fiscal adjustment and structural reforms, with the support of the IMF and other development partners to extend for 2014-2016.

The elements of the "Home Grown Program" have already been presented earlier in the Strategy. The benefit of the extant Strategy is that it explicitly recognizes the relationship between the many existing poverty alleviating projects or initiatives planned and announced by the GoG and this macroeconomic framework, with a focus on debt and fiscal sustainability. This strategic objective recognizes that a stable macro-economic situation is a sine qua non for sustainable economic growth and poverty reduction. [deleted rest of para]

[Inserted and reformatted text for Strategic Objectives]

Strategic Objective 1: Boosting Growth and Job Creation

Boosting growth and job creation for poverty reduction and shared prosperity will be an important pillar for the Grenada economy for the foreseeable future. In this regard, a number of major constraints will need to be addressed, such as improving access to credit and finance, including by those presently locked out of these markets, facilitating improvements in the business environment, including eking out efficiencies which exist in the area of trade facilitation (Single electronic window for trade processing, etc.), facilitating investment, online access to laws and regulations, strategic trade policies.

Strategic Objective 2: Improving Fiscal Sustainability

Macroeconomic stabilization policy over the next three to five years will also need to focus on improving fiscal resource mobilization - central to the three areas enumerated, above. In addition, macro-policy for Grenada must focus on improving public resource management including management of the Country's oil and gas development program.

Strategic Objective 3: Improving Debt Sustainability

The evidence of the past five years demonstrates that where debt levels are not prudently managed, that the overhang, becomes an excessive burden leading to expenditures being diverted from social programs to debt servicing. In this context, this Strategy also establishes a clear orientation for approaches to growth which are "pro-poor".

The precipitous decline in investments, including FDI, and too the failure of BAICO and CLICO, but also in the face of home-grown institutions such as Cap-Bank and SGL, and the disproportionate cost of these failures borne by Grenadians is de facto justification for the pushing through with critical reforms in the financial services



sector, including in insurance services. Ensuring a robust financial system, including lasting solutions for Cap-Bank, and the further development of the regulatory framework, along with prudential safeguards will be important ancillary elements of the “New Economy”.

Priority Area 2: Enabling the Business Environment

The Eastern Caribbean Currency Union (ECCU)'s Eight-Point Program establishes the importance of partnering with the private sector and highlights the needs for policy coordination within and between countries and for improved policy making capacity within the public service.

[Inserted and reformatted text for Strategic Objectives]

Strategic Objective 1: Enhancing International Trade and Market Access Capacity

Grenada is engrossed in a global change process, which will hold far-reaching implications for the Country's market access prospects as well as for the development of the domestic market. Increased pressures for tariff liberalization and liberalization of the services and investment regimes, competition policy, trade facilitation, free-circulation of goods, treatment of free zones, product standards, among others, highlight the importance of the trade agenda. Actions in this area will include:

- i. Promotion of intense stakeholder participation through the National Trade Policy Coordinating Committee (NTPCC) in the trade reform and negotiations process, aimed at developing domestic supply capacity and eliminating market access constraints— *Trade and Market Development strategy*.
- ii. Strengthening of diplomatic and trade links with new trading partners with upward growth trends. Such mission should be given targets to reach with respect to exports and investment—*International Cooperation strategy*

Strategic Objective 2: Developing Financial Services for “Pro-Poor” Growth (MAP)

Capital and finance markets in Grenada remain somewhat under-developed. Increasing access to those whose collateral does not qualify them for investment funds in the formal commercial bank sector; as well as, improving access to finance for promoting investments by improving the business environment, particularly in the new sectors with strong linkages to the local economy will increase the opportunities for new job creation.

Improving access to finance by facilitating the development non-bank financial institutions, and other institutional frameworks designed to provide a stable and predictable credit market will also be important. Attention also needs to be placed on supporting changes to the credit requirements, such as allowing a diversified set of investments, including stocks and equipment.

Strategic Objective 3: Adopting a 'Doing Business' Agenda

System-wide institutional modernization and other reforms will be undertaken throughout the public sector and in critical support organizations, consistent with the benchmarking criteria used in the World Bank's "Doing Business" Report. The GoG is also committed to creating an environment which nurtures private sector development, particularly for Micro Small and Medium Sized Enterprises (MSMEs).

Actions in this area will include engagement in a reform of regulation and legislation to reduce transactions costs and enhance efficiency—including, setting of standards for activities, boosting overall productivity and business facilitation (approvals, permits, licenses, rebates etc.) *Institutional Reform strategy*

Strategic Objective 4: Expanding the MSME Sub-Sector (MAP)

Creating and sustaining an environment which enables all forms of business development, manages risk and uncertainty, bolsters investor confidence, and facilitates the delivery of goods and services on terms and at costs which are competitive with the rest of the world, will continue to be an indispensable element of the growth and poverty reduction agenda for Grenada. Over the next five years, a dynamic agenda of institutional development and reform will be unleashed in response to the changes occurring at the national, EU, CSME and global levels.

The focus on micro, small and medium sized enterprises (MSMEs), while not being a sector per-sé, is an imperative, particularly given the impact which the financial and economic crisis has had on these sized businesses since 2008. The attention to the MSMEs is also important given the diminished capacity of the public sector as primary employer in the future.

Priority Area 3: Leveraging the Growth Sectors

While avoiding the well-known pitfalls of "picking winners", Grenada's "New Economy" will command a focus in six strategic areas. These are defined as the six (6) Strategic Objectives, namely: **Inserted the Strategic Objectives**



- ***Strategic Objective 1: Developing Health and Wellness (Geriatric Care)***
- ***Strategic Objective 2: Developing New Agriculture and Agribusiness***
- ***Strategic Objective 3: Developing Tourism and Hospitality Industries***
- ***Strategic Objective 4: Developing Energy Development and Energy Security***
- ***Strategic Objective 5: Developing ICT and Management***
- ***Strategic Objective 6: Developing Other Services Sectors***

These sectors have been identified on the basis of their ability to compete at a regional and/or global level, given innovation, and/or the application of science, technology, or entrepreneurship. Selection was also based on the emergent revealed competitive advantage in sectors such as education (St. George's University), yachting, and the excess demand and projected tendencies evident for certain agri-food products, high-end tourism products, renewable sources of energy, among other factors.

[removed the 2 paras inbetween]

The orientation in this priority area is the removal of constraints to successful performance by these growth drivers, through the provision of critical support and incentives to support the enterprise, entrepreneurship and growth in the aforementioned seven areas. While properly constituting critical growth drivers in their own right, three areas - new business, energy development and ICT - constitute substantive priorities which cut across all four thematic areas, with far reaching implications for virtually all priority areas. Needless to state, these three areas are also germane to poverty reduction and economic growth.

Priority Area 4: Developing Sustainable Energy **[edited & shortened text]**

Meeting the energy needs of the poor in a sustainable manner is a key challenge for Grenada so as to: (i) decrease dependence on petroleum fuels; (ii) diversify the energy matrix by substantially incorporating "country-appropriate" renewable energy sources and increasing energy efficiency; and (iii) take advantages of global carbon market opportunities.

The cost of energy in Grenada is, on average, among the highest in the world, primarily as a result of the very high cost of transportation, associated with the relatively small quantities of imported fuel delivered to the country; Grenada

spends, on average, over EC\$ 600,000 per day for more than 2,200 barrels of oil (calculated at EC\$ 270 per barrel).

For energy and energy development as a growth sector in the 'New Economy', attention will be accorded at energy conservation, enhancing the efficiency of energy utilization, reducing the cost of energy, and developing alternative sources of energy (geo-thermal, solar and wind).

[Inserted and reformatted text for Strategic Objectives]

Strategic Objective 1: Exploring and Exploiting Hydro-Carbon Development

Grenada's proximity to the Republic of Trinidad and Tobago and Venezuela raises the potential for commercial discovery of oil and gas resources. The Government of Grenada is committed to managing the exploration and exploitation of whatever hydrocarbon resources are discovery and extracted for the benefit of present and future generations.

In pursuing its hydro-carbon development strategy over the next five years, emphasis will be placed on:

- i. Concluding negotiations with Trinidad and Tobago for the joint development of maritime resources in the "overlapping" boundary space. This will include concluding subsidiary Agreements that will allow for the commencement of development;
- ii. Undertaking a comprehensive development plan for the Oil and Gas industry, including a review and updating of legislation, training, research and development needs;
- iii. Providing for training and scholarships to build capacity in disciplines related to the oil and gas industry;
- iv. Pursuing negotiations with Venezuela and other CARICOM Member States for a just and equitable outcome in Hydro-Carbon development;
- v. Commencing joint research programmes on the possible options of the utilization of the Country's gas resource;
- vi. Expanding and improving the institutional arrangements for the governance of the oil and gas sector.

These actions are intended to contribute to Grenada's energy-security within the shortest possible timeframe.

Strategic Objective 2: Up-scaling Investment in Development of Clean and Renewable Sources of Energy

There is an urgent need to “up-scale” investment in the development of clean and renewable sources of energy, such as wind, hydro and solar power through:

- i. Encouraging the development of alternative sources of energy for domestic and industrial use;
- ii. Providing direct incentives to energy service providers who produce direct heating, cooling, or mechanical services such as solar water heating and other mechanisms which reduce demand for electricity from the grid;
- iii. Considering the use of tax rebates and other fiscal incentives for technology used in the stabilization of the grid;
- iv. Evaluating the use of geothermal and PV energy;
- v. Prioritizing steps towards third party financing of energy efficiency services and products for the public, commercial and, to a lesser extent, the domestic sector;
- vi. Launching the Pay-as-You-Save (PAYS) and Lease Financing Initiatives to support financing of energy efficiency activities;
- vii. Mainstreaming the sustainable energy economy into climate change adaptation strategies so that the focus of the sustainable energy strategy becomes *resilience-building*.

[Inserted this text from section on Strategic sub-components at end of Thematic Focus presentation]

Thematic Focus 1 -‘Building Resilience’ will, of necessity, require emphasis on some key elements, namely:

Competitiveness Development, which will include, inter alia, the development of:

1. A Trading and Marketing Strategy to promote the use of trading agreements with established trading partners– e.g. EPA with greater information flow on accessing markets for new goods and services via EPA Units. Supply and market access constraints should be removed.
2. An Export Expansion Strategy to strengthen diplomatic and trade links with new trading partners with upward growth trends. Such mission should be given *targets* to reach with respect to exports and investment.

3. An Investment Strategy to create an investment plan with respect to FDI, public infrastructural investment, improvement in the quality of production assets (e.g. hotels, public buildings) and linked to the financial strategy. PPPs can form part of this strategy.

Private Sector Development, with emphasis on actions to:

1. Develop a private sector development plan to guide the Government's facilitation process. For example a plan to boost agricultural production to reduce the high import bill and develop agro-processing facilities.
2. Deepen the Social Partnership at the firm level to enhance greater cooperation/consultation, boost productivity, performance based pay, provide for decent work, building trust, creating workplace flexibility etc.

Development Finance and Investment, in particular, the need to:

1. Establish new arrangements for financing new and expanding enterprises with strong foreign exchange potential (saving or generating) and integrated with technical assistance. Enhanced role for the CDB to access funds, new members, CC funds for Green and Blue economic activity and also for Credit Unions.
2. Systematize the formulation of government projects and programs in a manner such that once they arrive at the PSIP they can be effectively monitored and evaluated once implementation begins. This is also important in the attempt to minimize the mismatch between government's policy intentions and what actually occurs on the ground. In the final analysis, the goal is to make investments where they are needed and obtain the optimal returns because the governmental actions and interventions are those that would attract private sector activities for the propulsion of economic growth.

6.3 Thematic Focus II: Developing Competitiveness with Equity

Priority Area	Strategic Objective (s)
1: Education and Human Resource Development	<p>1.1: Promotion of accessible and relevant education and vocational training</p> <p>1.2: Improvement of education for competency based learning</p>



Priority Area	Strategic Objective (s)
	1.3: Enhancement of affordable health services
2: Social Transformation and Social Care	2.1: Improvement in targeting, coverage and efficiency of social safety net
3: Youth Development	3.1: Technical and vocational education and training 3.2: Certification and labour mobility
4: Gender Equity	4.1: Mainstreaming gender 4.2: Policy intervention to support gender equality

Stable institutions, sound macroeconomic policies, trade and market openings and privatization have long been considered to be the pillars of economic development. Indeed, sound fiscal and monetary policies, a trusted and efficient legal system, a stable set of democratic institutions, and progress on social conditions will contribute greatly to a healthy economy.

“New Economy” thought however, recognizes that these factors are necessary, though not sufficient, conditions for economic development. These broader conditions provide the opportunity for wealth creation but do not by themselves create wealth. Wealth is actually created at the microeconomic levels of the economy. Wealth can only be created by firms. The capacity for wealth creation is rooted in the sophistication of the operating practices and strategies of companies, as well as in the quality of the microeconomic business environment in which companies compete. Unless these microeconomic fundamentals/capabilities improve, macroeconomic, political, legal, and social reforms will not flourish.

True competitiveness is achieved by the productivity growth and technical change which a nation derives when it presses into service, its human, capital and natural resources. Competitiveness is therefore achieved by a nation developing its underlying source of prosperity.

Grenada's greatest source of prosperity is its people resource, and the population's standard of living will be determined by the productivity of its economy. Productivity will depend on the ability of the Grenada economy to mobilize its available human resources. Such productivity will depend on the value of the Country's products and services– measured by the prices they can command in open markets – and

by the efficiency with which these same goods and services can be produced - even those services produced solely for domestic consumption.

Equity considerations are best achieved through productivity, which will allow a nation to support high wages, attractive returns to capital, and maintain strong exports and high quality domestic products – and with them, sustain a high standard of living. The focus in this thematic area is on the development and empowerment of the Country's people resource. By developing and empowering people resources through education and health, productivity can be impacted through wages and efficiency, thus having a major impact on the cost of doing business and the cost of living in the country.

Grenada has collaborated with other OECS Countries, in strengthening safety nets in order to avoid potential declines in living standards, while maintaining and improving investments in human capital. These Countries also committed to strengthen the resilience of their societies by improving the quality and relevance of education, the capacities of the health systems to address the growing burden of non-communicable diseases (NCDs); and the efficiency of social expenditures.

Priority Area 1: Education and Human Resource Development

Human resources development is regarded as facilitating the development of national human capacities to achieve sustainable, inclusive, equitable development and, at the same time, enhancing the well-being of individuals. For the GoG, Human Resources Development (HRD) lies at the core of the economic, social and environmental dimensions of the "New Economy". Indeed, HRD in its myriad dispensation is also a critical component of Grenada's interface with the OECS Economic Union and in its cooperation with the international partners and donor institutions. The extant Strategy establishes too, that realizing the HRD targets are a vital element of achieving the Millennium Development Goals, and for expanding opportunities to all people, particularly the poor and other vulnerable groups.

Human resource development has been defined as empowering people by fostering the contributory capacities that they can bring to the improvement of their own quality of life and that of their families, communities, enterprises and societies. In this context, this Strategy has identified meaningful collaboration with non-state actors and civil society, in addressing the deficiencies in this priority area.



The findings of the Non State Actors Panel, on “An Alternative Growth and Poverty Reduction Strategy for Grenada” (March, 2012) are useful in identifying the need for a comprehensive, and integrated human resources development approach that is sensitive to gender considerations and which is attuned to the specific needs of the poor and other vulnerable groups. The conclusions of several development consultations highlight the importance of incorporating vital areas, such as demographics, health and nutrition, education and training, science and technology, and employment, as central HRD factors.

The learning since 2008 highlights the importance of addressing HRD at the national/society-wide level. The importance of non-state actors in developing strategies for sustainable livelihoods, which are grounded in local communities and governance structures, with full involvement of key representatives of civil society, will be the key to successful inroads being achieved over the next several years.

Strategic Objective 1.1: Accessible and Relevant Education and Vocational Training

Education is also an important instrument for reducing poverty, contributing to individual wellbeing, and developing cohesive and harmonious communities. Grenada is committed to achieving targets for education of 20% of total expenditures and 5% of annual GDP.

Grenada is also committed to several important United Nations, CARICOM and national conventions on education and the Rights of the Child, including the UN Millennium Development Goals (MDGs) and the OECS Education Sector Strategy (2012-21), which will guide public policy in education over the next five years.

▪ Early Education

Enhancing all aspects of early childhood education, in terms of dietary needs, physical facilities, quality teaching, support services for students and sound management.

▪ Primary Education

Primary education lays a foundation to enable persons to participate effectively in the social, economic and political activities of their communities. Delivering high quality primary education is an important foundation for economic growth. Over the next five years, some of the set objectives include:

- i. Repairing and/or renovating all the nation's primary schools, including upgrading and equipping schools with proper facilities for teaching and learning in ICT and the sciences to improve structures and facilities;
- ii. Strengthening learning environment quality by focusing on diagnostic and remedial work (esp. in reading, literacy, numeracy and technology, to raise the quality of teaching of English Language and Mathematics).
- iii. Incorporating a school feeding Program at schools to ensure that every child is properly nourished and ready to receive instruction.

▪ **Secondary Education**

Completion of secondary education is seen as the minimum standard for basic preparation for the world of work. Some of the set objectives for this area include:

- i. Improving the physical structures and facilities of Secondary Schools by reviewing and upgrading those in critical need of repair;
- ii. Implementing needs-based text book and educational materials and aid in developing libraries at all Secondary Schools;
- iii. Strengthening programs to encourage students to achieve maturational goals consistent with their secondary education;
- iv. Implementing common standards to identify learning disabilities or curriculum deficiencies and take appropriate corrective actions; and
- v. Introducing conflict-resolution programs for both teachers and students.

▪ **Post-Secondary Education**

Transforming the TAMCC into a centre of excellence by:

- i. Building on its successes in Technical and Vocational Education and Training (TVET); teacher training, nursing, building technology and pharmacology among other programs of study;
- ii. Maintaining high levels of enrolment in TAMCC programs in order to maintain the courses and programs being offered;
- iii. Ensuring accessible education at TAMCC regardless of socio-economic constraints; and
- iv. Establishing Student Support Services as part of the universal access and quality of education mandates.



TVET is an important aspect of lifelong learning. Opportunities will be provided for learners to develop knowledge, skills and attitudes to enable them to continue developing and obtain productive employment. This is to be done by:

- i. Mainstreaming appropriate technical and vocational education throughout the education system;
- ii. Establishing a National Tourism & Hospitality Institute within the TAMCC;
- iii. Designing and offering relevant TVET programs sanctioned by employers, learners and Government;
- iv. Expanding the list of TVET electives to improve the quality and relevance of the technical and vocational programs;
- v. Enhancing access to technical and vocational programs through “online” and specially designed modules offered through the National Training Agency (NTA), TAMCC, among others; and
- vi. Increasing funding and pursuing scholarship and training opportunities for students in TVET disciplines critical to national development.

▪ **Tertiary Education**

To compete on a global and sustainable level, the Grenadian economy requires a far greater percentage of university graduates and citizens committed to lifelong learning. In pursuing the goal of at least one university graduate per household by 2030, it would be necessary to:

- i. Mobilise, coordinate and secure opportunities for scholarships, bursaries, grants and placements to enhance access to university education by:
 - collaborating with the TAMCC, St. George's University (SGU), the University of the West Indies (UWI) and other Tertiary Institutions, to offer a wider range of degree programs;
 - establishing a “special purpose” Division of full-time professionals, including a Student Services arm to enable students to develop their full potential and to attain their educational goals;
 - introducing a special revolving loan fund to assist students with meeting the cost of university education; and
 - providing scholarships to economically disadvantaged students based on transparent criteria.
- ii. Strengthen remedial programs and adult literacy by:

- introducing remedial programs in English, Mathematics and Critical Thinking and providing access to learning in areas where students are gifted; and
 - renewing the focus on adult and continuing education, with particular emphasis on re-training of unemployed persons and delivering TVET programs.
- iii. Improve the quality of teaching and the learning environment at all levels by:
- improving Teachers' Quality Management and Motivation, including exploring ways to enhance remuneration packages and conditions of service for all teachers at all levels, including collaborating with the TAMCC personnel to ensure that those employed under the TAMCC Council benefit from salaries and compensation packages consistent with their counterparts in the Public Service Commission;
 - prioritizing recruitment of teachers who are subject specialists, including exploring options for attracting more teachers in vital subjects, such as mathematics, science and engineering.
- iv. Strengthen processes and structures for Management of Education, including:
- improving the quality and accountability of leadership and management in schools, Ministry of Education and other institutions;
 - designing curricula and delivering first degree and post-graduate diploma courses in Education Administration;
 - continuing to reform the management systems in the Ministry of Education in order to improve the delivery of education policies and programs; and
 - building strong parent-teacher associations and school boards as a means of building communities across the education system including learners, teachers, administrators and the home.

▪ ***A Renewed Role for Parents***

The "New Economy" requires parents to co-partner with teachers in the school education system; thus, moving parents from the periphery of the process to the centre of school and child development and success.

▪ ***Information and Communication Technology (ICT) in Education***



ICT is to be fully utilized to facilitate learning and develop the technological competencies of a variety of learners in the formal and non-formal sectors. This is to be done through a variety of modalities:

- i. The provision and effective use of computer labs in schools; and
- ii. Introduction of students to ICT as a tool for learning and accessing knowledge.

▪ **Special Education:**

- i. Develop a Special Needs Education Policy, which recognizes the needs of the differently-abled and which maximizes their potential as productive members of society;
- ii. Provide appropriate learning tools, including IT, for the delivery of the curriculum; and
- iii. Provide and/or upgrade appropriate facilities at special needs institutions.

Strategic Objective 1.2: Improvement of Education for Competency-based Learning

Consultations with the private sector has identified competency-based education and training (CBET), to be of particular importance to matching job opportunities with skills sets. CBET may be defined as a training system founded on standards and recognized qualifications based on competence - the performance required of individuals to do their work successfully and satisfactorily.

CBET is particularly important for Grenadian workers to improve their productivity and customer satisfaction, to enhance their skills in a highly competitive market, to create a workforce that keeps abreast of technological advancements in specific fields, and for them to take advantage of the freedom to move under the CSME.

The National Training Agency (NTA) is the competent authority in Grenada which delivers the CBET programs. Improving the CBET in Grenada will require a substantial uplift in financial and technical resources to ensure that the trainers can continuously improve their capacities, and that courses materials and the resulting courses are truly competency based.

Strategic Objective 1.3: Enhancement of Affordable Health Services

Pursuing a long, healthy and productive life is central to human development. This requires access to quality healthcare and a healthy lifestyle. In addition to maximizing the opportunities of the individual citizens, good health and well-being are critical to economic activity. The provision of and access to quality healthcare and the shift to healthy lifestyles have been highlighted as core issues, requiring concrete action within the development context.

The GoG is committed to ensuring that adequate resources are available on a continuous basis to improve the quality of life through improved public health systems and facilities. Strengthening and entrenching primary health care in Grenada, Carriacou and Petite Martinique remain the focus of the health care system in Grenada. Priority will be placed on strengthening community health facilities; hospitals, will become the second level of intervention. Over the next several years the focus will be on the provision of quality health care.

Accordingly, the following initiatives will be undertaken:

- i. Rationalize the number of medical stations.
 - ii. Expand and develop the range of medical services available at the medical stations and district health centres in order to reduce pressure on the General Hospital;
 - iii. Ensure that basic medicines are available at the Medical Stations and at the District Health Centres;
 - iv. Involve NGO's, community- and faith-based organisations and other stakeholder groups in the education, prevention, management and delivery of primary health care services;
 - v. Refurbish and equip the Medical Stations and the District Health Centres to better cater to patient needs;
 - vi. Provide the resources required for "extended hours" shift system at the District Health Centres;
- **Hospitals:**
 - i. Invest in tertiary health care improvements at the Princess Royal and Princess Alice Hospitals, by modernizing infrastructure, and providing the basic package of pharmaceuticals;
 - ii. Fill positions throughout the medical system, as a matter of highest priority, in specialist areas such as cardiology, chronic pain management and chronic non-communicable diseases;

- **Financing:**



- i. Cover the cost of “core” health care services to nationals who cannot afford to do so, and provide assistance where services are not available in the Public Health Care System;
 - ii. Immediately establish a task force of leading management experts to analyse the budget allocations of health care to identify cost-savings and areas for greater efficiencies;
 - iii. Review options for health care financing, including feasibility of a **National Health Insurance** and take steps to implement sustainable financing methods for the Health Care System.
 - iv. Leverage creative models of financing and partnering with the private sector, the OECS Drug Procurement facility, and bi-lateral arrangements with producer Countries to reform the national drug service.
- **Management**
 - i. Review management of the Health Care System, which will explore alternative models including, but not limited to **establishing Health Authorities'**
 - ii. Establish a **Charter of Rights** as a means of balancing and respecting both the rights of the patient and the rights of the medical practitioner;
 - **Critical Infrastructure Support**
 - i. Collaborate with the St. George's University in developing a Primary Health Care Education Program for junior doctors and nurses;
 - ii. Partner with the T.A. Marryshow Community College (TAMCC) and SGU in revitalizing a nursing school to substantially increase the number of female and male nurses trained;
 - iii. Create new opportunities to develop medical skills in areas, such as, Paramedics, Family Nurse Practitioners, Occupational Therapists, Radiographers, Pharmacologists, Social Workers, Councillors, Lab Technicians;
 - iv. Pursue work opportunities abroad for Grenadian-trained health practitioners.
 - v. Establish a modern National Ambulance Service (NAS), by reviewing, expanding and decentralizing the existing service to the District Medical Stations, Health Centres. The NAS will be staffed with paramedics, emergency medical technicians (EMT's), emergency dispatchers, and will have its own management structure;
 - **Human Resource Development**

- i. Create new opportunities to develop medical skills in areas, such as, Paramedics, Family Nurse Practitioners, Occupational Therapists, Radiographers, Pharmacologists, Social Workers, Councillors, Lab Technicians;
- **IT Capability**
 - i. An effective monitoring and evaluation protocol will be instituted for the delivery of the health care system.
 - ii. IT based Medical Records Management System will be introduced, to allow the confidential sharing of patients' records in real time;
 - iii. "e-infrastructure" will be used to deliver "e-medicine/telemedicine" and to enhance access to medical research and technology.
- **International Cooperation**
 - i. Enter into agreements with CARICOM, Commonwealth, and advanced developing countries, to help build capacity and access specialized medical procedures which are either unavailable or too costly in Grenada;
 - ii. In collaboration with PPS, negotiate, procure and source "generic drugs" from developing countries in Latin America, Asia and India, as a means of increasing cost effectiveness of critical medicines.
- **Public Health and International Cooperation:**
 - i. The occupational health and safety legislation is implemented;
 - ii. Legislation amending the Solid Waste Management Authority to maintain its own accounts is brought to Parliament;
 - iii. Landfill management is strengthened, particularly in the treatment of hazardous waste.

Priority Area 2: Social Transformation and Social Care

Strategic Objective 2.1: Improved social safety net targeting, coverage & efficiency

A review of the social development and social protection interventions in Barbados and the OECS makes the cogent observations that many of the programs are delivered in a piecemeal, unfocused and untargeted manner.¹¹ The lack of a comprehensive social policy framework, to guide many of the interventions was

¹¹ Sub-regional Analysis of the Development Context in Barbados and the OECS, by the United Nations Sub-regional Team for Barbados and the OECS (2011).



also highlighted. Grenada suffers too, from the absence of a national beneficiary register, which will allow for a far more evidence-based approach to Program targeting, particularly where streamlining of programs to beneficiaries is prudent.

The period since 2008, has been marked by an increase in poverty levels and a general deterioration in the social condition. Grenada, as well as other OECS Governments, has attempted to strengthen safety nets in order to counter the declines in living standards, while at the same time maintaining and improving investments in human capital. These countries also aim to strengthen the resilience of their societies by improving the efficiency of social expenditures.

Grenada has decided to undertake policy reforms with a view to strengthening social safety nets—one part of the broader spectrum of social protection programs that attract support from many donors, including the Bank, CDB, DFID, EU, OAS and UNIFEM and UNICEF.

The GoG has made significant investments in social development and social protection interventions over the last five years. In fact, the GoG reiterated that social safety nets will be protected under the Home Grown Program with the IMF.

Over the next five years the GoG will:

- i. Review the National Poverty Mapping and Assessment to identify those persons and communities most in need;
- ii. Refine its targeting strategies through conditional cash transfer programs and use of means testing to ensure that the country's social safety nets reach the neediest;
- iii. Reform the pension system, guided by a review of public and private sector systems, to determine strengths, weaknesses and specific strategies;
- iv. Streamline the public assistance Program for more targeted and effective support to the vulnerable;
- v. Strengthen NGOs at the community level to enable them to provide adequate support for social interventions; and
- vi. Create multi-purpose community-based tele-centres to provide training, research, social networking, connectivity and other support for community-building and sustainable micro-businesses.

[removed Gender section and placed as Priority Area section which was missing]

▪ **Persons with Disabilities**

Disability and poverty are closely linked in a cycle of exclusion and marginalization. To promote the welfare of persons with disabilities, the GoG will seek to provide:

- i. Opportunities for persons with disabilities to have greater and easier access to education, housing, transport, public facilities, rehabilitation and social services, through:
 - increasing benefits under the disability grant;
 - retrofitting public buildings, facilities and transportation systems to ensure that they are accessible to the differently-abled;
 - expansion of special projects for persons with disabilities, aimed at providing skills training, economic empowerment and employment; and
 - expansion in support of institutions that provide special care to the differently-abled, such as the Grenada Council for the Disabled, to allow them to provide diagnostic, therapeutic, rehabilitation and related care.

The latter two actions will be informed by a baseline study of persons with disabilities which will determine the nature and prevalence of disabilities in Grenada.

▪ **Senior Citizens**

The social development and social care strategy will also seek to care and provide for the aged and protect their rights.

The following initiatives will be pursued as priorities in the GPRS:

- i. Strengthen legislation in support of protection, health care access, physical and social needs of senior citizens;
- ii. Gradually expand the benefits available to old age pensioners; and
- iii. Enhance the Senior Citizen's portfolio in Ministries responsibility for families.

▪ **Welfare**

A society of aspirations and opportunities will be incomplete if the GoG fails to address the needs of the country's welfare recipients. In this connection, the Government will seek to:

- i. Strengthen and expand existing welfare programs to include a broader range of services such as food vouchers and health exemption cards;
- ii. Replenish the Social Investment Fund to provide additional resources for persons below the poverty line;



- iii. Strengthen the Child Welfare Authority;
- iv. Implement a “zero” tolerance stance on child abuse, domestic violence and violence against vulnerable persons;
- v. Implement the legislation for the protection of children;
- vi. Conduct a developmental needs analysis of children in state care, to develop strategies for intervention and support.

Priority Area 3: Youth Development

Youth are among the groups most affected by global economic and financial crisis which threatens to persist for the next three years.

[Inserted Strategic Objectives]

Strategic Objective 1: Technical and vocational education and training

Accordingly, formulating interventions which target the critical bottlenecks leading to youth disenfranchisement and poverty is paramount in charting a “pro-poor” growth and development strategy. The GPRS must be oriented towards:

- i. Supporting faith-based organizations, NGOs and other stakeholders in delivering youth-focused programs and interventions;
- ii. Supporting co-curricular groups and organizations;
- iii. Partnering with the private sector in providing on-the-job training (OJT) opportunities for youth graduating from academic institutions, and from all Youth Skills Development programs;
- iv. Financing options which empower youth to work for themselves by providing access to specialised business loans, start-up capital, technical assistance, entrepreneurial training and business support and business mentoring. This must be an essential component of the GPRS.
- v. Collaborating with the private sector and the donor community to provide resources to strengthen the institutional capacity to address at-risk youth;
- vi. Establishing a new institution for at-risk youth and young adults which fills the gap between adolescence and young adulthood (18 and 21), left by existing institutions;
- vii. Providing counselling and establishing support networks for youth confronting the challenges of adulthood; and
- viii. Completing the rehabilitation centre at Bacolet for juvenile offenders.

The success of the skills development interventions, such as the Government-led IMANI Program, suggest the need to first evaluate the areas of coverage, and extension of the Program to the areas in strong demand by the private sector. The provision of certification, such that these graduates are eligible for jobs throughout the Region, is also a logical extension. Specifically, intervention should:

- i. Limit duplication by working through established programs at existing institutions and collaborating with other partners to develop additional programs and facilities critical to youth;
- ii. Partner with the private sector to introduce skills training programs geared towards the development of “well-rounded” youth; and
- iii. Work through the existing institutions, (6 TAMCC Campuses, Youth Training Centres, schools and community centres, among others) in delivering youth skills and apprenticeship programs. These Centres will:
 - be inter-connected through the ICT strategy; and
 - educate youth in personal development skills, basic literacy and numeracy, and occupational skills such as plumbing, welding, construction carpentry, food preparation, garment construction, small appliances, auto mechanics, computer literacy, sport, culture and agriculture, seamanship, and skills pertinent to the yachting industry.

Strategic Objective 2: Certification and Labour mobility

To fill in

Priority Area 4: Gender Equity [inserted this moved from above]

Gender inequity and inequality also account for a large component of social marginalization and poverty among women, youth, children and the elderly. The reality is that the institutions of Caribbean society have not been conducive to dynamic social mobility nor economic change. Increasing the role of women in Government will be important to facilitate their participation in decision making and policy implementation.



In pursuit of this priority area, the GoG shall seek to:

- i. Re-commit to implementation of the National Gender Policy which contemplates special measures to achieve greater balance in the representation of males and females;
- ii. Discuss the implementation of Paternity Leave;
- iii. Encourage a more family-friendly work environment via such measures as day-cares and after-school facilities for Government employees, and encourage the private sector to provide similar facilities for their employees;
- iv. Establish programs through the Gender Affairs Division and in collaboration with other organizations for women to develop and enhance their leadership skills; and
- v. Strengthen legislation and enforcement to combat domestic violence and sexual harassment at work.

[added text] All these will be encapsulated into and implemented through the two Strategic Objectives, namely:

- ***Strategic Objective 1: Mainstreaming gender***
- ***Strategic Objective 2: Policy intervention to support gender equality***

6.4 Thematic Focus III: Reducing Vulnerability

Priority Area	Strategic Objective (s)
1: Rural, Community and Parish Development	1.1: Promoting Vibrant and Active local communities 1.2: Promoting and Developing Growth Poles 1.3: Equitable Spatial Distribution of Growth Poles
2: Local Development	2.1: Improving Local Governance
3: Improved Human Settlements	3.1: Improving Housing Availability and Access 3.2: Improving Tenure Security and Land Markets 3.3: Increased Environmental Health 3.4: Urban Renewal

Priority Area	Strategic Objective (s)
4: Environmental and Sustainable Natural Resource Management	4.1: Sustainable Land Management 4.2: Strengthened Community Co-Management

Vulnerabilities emanating from natural forces such as droughts, hurricanes, floods, landslides and sea surges not only surpass, but also significantly contribute to Grenada's economic susceptibilities.

Grenada is located to the north of Trinidad at a latitude of 11° 58' N and 61° 20' W longitudinally. This location exposes it to the annual hurricane threats that visit the region during the second half of the calendar year. The threat is significant as was demonstrated by Hurricane Ivan (2004) when the damages sustained exceeded 200% of the island's Gross Domestic Product, only to be aggravated by a devastating Category 3 Hurricane Emily (2005). While hurricanes cannot be stopped, the challenge is for the island to pursue a type of development, especially infrastructural, that can withstand the hurricane forces and minimize the premature losses of established investments. It is also important to examine the potential for developing insurance schemes that can eliminate or diffuse the financial costs of natural disasters.

Due to the range of natural vulnerabilities mentioned above, the nation's environmental management agenda must comprise a comprehensive portfolio of development programs that includes:

- i. Biodiversity conservation
- ii. Climate Change Mitigation
- iii. Climate change adaptation
- iv. Elimination of persistent pollutants and agrochemical substances
- v. Land degradation prevention measures
- vi. Coastal and fresh water eco-system protection
- vii. Conservation and sustainable use of biological diversity.

Grenada must continue to be an active player in the regional organizations – CARICOM and the OECS. Regional developments have assumed a character that clearly points to the fact that Grenada, like other regional states, will continue to



enhance its national development through its participation in regional initiatives. For example, the OECS Energy Regulatory Authority Project (ECERA), when fully implemented should lower production costs and make regional industries and businesses more competitive. Another is the Reduce Risks to Human and Natural Assets Resulting from Climate Change (RRACC) Project that is managed by the OECS Secretariat.

In face of the December natural disasters in St. Vincent, St. Lucia and Dominica, CARICOM is actively pursuing the establishment of a Climate Fund for the CARICOM. The continued management and implementation of the OECS HIV/AIDS Project highlights the necessity of regional development as an essential appendage of Grenada's development agenda, now and in the future. The developmental advisory role of the ECCB, in addition to its central bank functions for the Eastern Caribbean States, speaks to the symbiosis between national development and regional development. In brief, the relevance and utility of Grenada's membership to the various regional organizations will be defined by the extent to which those relationships support and encourage overall regional development and national development, in particular.

Priority Area 1: Rural, Community and Parish Development

The proposed National Development Plan for the period, 2014-2016, has some common features across rural, community and parish spaces as follows:

- i. People-focused and people-oriented
- ii. Deep concentration on vocational and technical development of individuals
- iii. Use of ICT to drive employment generation and community wealth creation
- iv. Strong emphasis on self-employment and small business development
- v. Demographic emphasis on youth (18-24) and women
- vi. Wide but concentrated emphasis on health, sports and recreation, as drivers for improving human productivity
- vii. Democratization of the developmental process and the encouragement of continuous consultation between stakeholders/beneficiaries and government.

Government will continue to emphasize and deepen these characteristics of the development plan.

Strategic Objective 1.1: Promoting vibrant and active local communities (MAP)

Vibrant and active local communities continue to be the pillars of growth and development at the national level. For local communities to contribute to poverty reduction and increased incomes, balanced and sustainable regional and local development must be mainstreamed in policy dialogue. Such prioritization will hold implications for the governance process through: (i) devolution of the power of Central Government and empowering community-based and parish-based organizations and structures and (ii) greater emphasis on spatial and regional planning;

Sustaining vibrant local communities will also require qualitative shifts in the approach to regional and parish development. The development of infrastructure, services and economic enterprise has been largely unplanned over the years, resulting in measurable disparities between urban centres and towns and rural areas. Consistent with its liberal market philosophy, the GoG intends to address the urban-rural divide through the provision of infrastructure and services throughout the country, such that these disparities as they exist are eliminated.

In order to achieve balanced growth the Government will ensure the provision of critical public goods, such as electricity, roads, water, health services, ICT connectivity, emergency services etc. Various types of financing modalities will be pursued by the Government, including Public-Private Partnerships (PPP), grant financing, and “user fees”, and encouraging private investment, including Foreign Direct Investment (FDI).

In a deliberate break with the past, the approach by the GoG will not be to substitute market forces, or to replace private initiative or enterprise by “picking winners”. The shift in the approach by the Government towards balanced regional/parish development will be supported by a renewed emphasis on planning; environmental protection, and empowerment of the citizenry.

The GoG completed important national planning instruments that provide a framework consistent with the new direction for the development of parishes, as well as for closing the development gap that presently exists between the quality of services and infrastructure among urban and rural centres. Among the more important plans are: (i) National Physical Development Plan: Grenada-Carriacou-Petit Martinique completed in August 2003 and approved by the Cabinet in 2004; and (ii) Physical Planning and Development Control Act, 2002.

The National Physical Development Plan addresses only one of a twin of spatial planning objectives, i.e., planning and development of human settlements. The



GOG intends to address the other main spatial planning objective — the management of the competing uses for land through the revision of the National Physical Development Plan.

Strategic Objective 1.2: Promoting and developing growth poles

In addition to the provision of critical 'public goods', the Government will use the most efficient modalities for the creation of additional infrastructure where these deficiencies represent binding constraints on the private sector. Several approaches will be used to properly target these opportunities for the public interventions capable of yielding the best outcomes.

The GoG has identified six strategic sectors for economic growth and development, health and wellness; new agriculture and agribusiness; new tourism and hospitality industries, including an emphasis on yachting; energy development and security; ICT and management; and other services (construction, cultural, financial, professional). Evolving dynamic local communities will be based on the development of these same six strategic sectors. Spatial planning, legislation and the development of a new regulatory framework within which enterprises in the six strategic sectors can grow and thrive will be required. Indeed, if public policy has benefitted from learning from the past, the systematic failure of approaches which seek to allocate industries to geographic areas, based solely on public priorities is the central lesson. A fundamental shift needs to occur in land use, zoning, and planning, based on full consultations by the stakeholders.

Strategic Objective 1.3: Equitable Spatial Distribution of Growth Poles

Traditionally, development of service and manufacturing industries has been associated with the major towns, while agricultural production remained a rural activity. Even the earlier attempts to diversify the agricultural activity with a modest introduction of secondary industrial activities did not lead to those industrial units being located in the rural areas. The massive investments in farm roads infrastructure, also failed to transform the rural Poles into centres of improved agricultural and agri-industrial developments.

The new and concentrated developmental thrust that is characterized by an emphasis on ICT and other enabling technologies are destined to make every village, irrespective of location, a potential pole of development. Actually, ICT is potentially the great equalizer.

The increased infusions of financing for small business development by government, and the greater accessibility enjoyed by youth and women, are added drivers in support of a more equitable spatial distribution over the national growth pole. It is necessary for the National Training Agency, among other national bodies, to ensure that the rural communities benefit significantly from the programs and courses in vocational and technical training and education. A modality for delivering business training and coaching, cost effectively and conveniently, to potential candidates in the rural communities will be pursued with vigour and purpose.

Priority Area 2: Local Development

Strategic Objective 2.1: Improved Local Governance

There is an impressive exhibition of consultative engagement between government and the social and community partners on numerous issues of national significance. Government, in its 2014 national budget presentation, declared its intention to deepen the engagement by naming three social and non-governmental groupings to play a role in the monitoring functions of the Public Sector Investment Program (PSIP).

This is yet another initiative in favour of improving governance in the governmental system.

The committees are:

- i. Committee of Social Partners
- ii. Planning and Priorities Consultative Committee
- iii. Growth and Competitiveness Council

Government has indicated its intention to embrace constitutional changes pending continued consultations and a referendum in 2014. Government will use that process and opportunity to define the character and nature that improved local governance will take. At the same time, the requirement may not be to create new organs and processes, but rather to intensify and deepen the existing processes, structures and relationships.

Priority Area 3: Improved Human Settlements

Hurricanes Ivan (2004) and Emily (2005) exposed the vulnerabilities of the national housing stock. However these events presented the nation with two inescapable challenges. Firstly, public and private housing providers became more conscious of



the need to approach housing construction in the context of established building standards codes, utilization of improved building materials and particular respect for sustainable land use principles. Secondly, the further pauperization of certain groups in society, compelled government to embark on a series of housing programs that hopefully would improve the housing stock for their accommodation. Government's financial incapacity to provide on its own propelled it to seek housing and settlement assistance from external bilateral partners.

Strategic Objective 3.1: Improved Housing Availability and Access

A successful approach to improving the availability and accessibility to housing requires a response to a myriad of different groups and housing needs. The housing solutions would have to be a hybrid of public and private initiatives. However, in the short to medium term, Government will have to pursue an aggressive Program that would rely on government and grant financing. In that regard, Government has outlined a comprehensive housing approach in its 2014 Budget presentation. The elements of that Program are, inter alia,

- i. Significant expansion of the **Housing Repair Program** for those who are desirous of making strategic improvements to their existing homes
- ii. Creation of a **Housing Soft Loan Program** to be made available to clients who have the capacity to finance the award of a loan of EC\$25,000 or less.
- iii. The creation of Housing Facility for the Socially Displaced
- iv. Expansion of the People's Republic of China-financed Housing Settlements Program
- v. The Grenada Housing Authority **Housing Loans Program**
- vi. Private-Public Partnerships for housing solutions that are cost-effective and building codes compliant

While Government will continue to intensify these programs in response to its long-term housing problems, it intends to use these housing solutions as necessary elements in its mechanism for minimizing the negative effects of the rural-urban drift.

Strategic Objective 3.2: Improved Tenure Security and Land Markets

According to UN-Habitat, land tenure in Grenada is characterized by legal pluralism and a high degree of informality. Hurricane Ivan did not affect the existing land tenure relationship [legal or illegal]. Land tenure insecurity is intimately related to the national housing challenges, which manifests itself in the squatting on crown lands and, at times, private lands.

While the mentioned housing solutions will provide a partial answer to land tenure insecurity, other initiatives such as the following are worthy of consideration:

- i. A proper and practical review of existing laws aimed at making the process of regularizing land tenure on family properties reliable and affordable.
- ii. Implementation of a government project specifically aimed at regularizing existing informal settlements.
- iii. The formulation of “do-no-harm” to land rights and interim measures for the facilitation of disaster -relief interventions.
- iv. The categorization of lands according to land use criteria to discourage prospecting and the unsustainable transfer of lands into inappropriate uses.

Strategic Objective 3.3: Increased Environmental Health

Grenada is guided by the WHO's definition of 'Environmental Health' "... those aspects of the human health and disease that are determined by factors in the environment. It also refers to the theory and practice of assessing and controlling factors in the environment that can potentially affect health." By extension, it includes, in addition to pathological effects from chemical and biological causes, the effects on well-being by social and cultural agents like housing, urban development, land use and transportation, among others. In this definitional context, all the initiatives pursued by Government in its social and human resource development programs and infrastructural and disaster reduction initiatives are contributors to improved environmental health.

Improvements in health and the delivery of health services will be enhanced because of the two mainstream initiatives that Government has agreed to undertake. The first mainstream initiative is an aggressive expansion and modernization of the health infrastructure (both hard and soft) to improve the physical environment in which health services are delivered. Secondly, the conscious focusing on a primary and preventative health care Program would complement the infrastructural investments while, simultaneously, improve the returns on the investments in environmental health.

Strategic Objective 3.4: Urban Renewal

The character of Urban Renewal in the “New Economy” is presented from two definitional but developmental perspectives. One is the broad process in which attempts are made to improve a geographic space through the use of public financing that hopefully empowers the citizens in that geographic space to improve their socio-economic well-being. In fact, it is often seen as public



responsibility of Government. In micro-states like Grenada, urban renewal could literally mean an attempt to transform the entire society in response to a protracted period of economic stagnation. Thus, the potential transformational intent of the Public Sector Investment Program (2014-2016) if successfully transferred to the major urban centres in Grenada, the claim of urban renewal becomes a reasonable and viable claim.

The second and more traditional definition also applies to another aspect of urban renewal developments in Grenada. The commitment of Government and its willingness to attract investment for the development of the St. David Town Centre is the most explicit support for an 'Urban Renewal' project. The realization of that urban development will not only provide St. David with a town, but could also provide a new and unique template for town development in the future.

Priority Area 4: Environmental and Sustainable Natural Resource Management

Sustainable economic and social development is premised on a deliberately rational approach to the management of the nation's natural and environmental resources. In Grenada, like the rest of the OECS, Government and Civil Society have become more vocal and active in advocating policies and undertaking actions to arrest the degradation of fragile ecosystems, over-exploitation of scarce natural resources, the curtailment of upstream land use practices and the unplanned and uncontrolled expansion of coastal developments. There is recognition that negative natural resource practices must not compromise Grenada's ability to produce goods and services for national investment, consumption and trade in a sustainable manner now and into the future.

Strategic Objective 4.1: Sustainable Land Management

The most recent attempts at mainstreaming sustainable land management into national development with capacity building activities have occurred primarily within the agricultural sector, and came about under a project funded by the Global Environment Fund (GEF), United Nations Development Program (UNDP) and the GoG in 2009¹². The long-term goal of the project is to ensure that the agricultural, forest and other terrestrial activities in Grenada, promote sustainable ecosystem productivity and ecological functions while contributing to environmental economic and social well-being of [Grenada] (FAO, 2008).

¹² Grenada has a total land area of 26,492 hectare (65,463 acres) but only 2.5% is suitable for agriculture (UNDP).

Implementation of public awareness and education strategy on land degradation and sustainable land management is central to combating the problem of degradation in Grenada. According to a 2008 study, 64% of the interviewees claimed that they had no knowledge of land degradation and 52% knew nothing about sustainable land management. Although farmers were exposed to more than 2.5 times more training than the non-farmer participant, farmers were reported to have had less knowledge than other groups.

Notwithstanding that significant public awareness gap, the proportion of protected terrestrial and marine areas has been increasing since 2000, through the establishment and management of new marine parks such as the Moliniere Marine Park and the soon-to-be-commissioned Clarkes Court Marine Park. Allied to this innovative concept is the requirement for the declaration of Carriacou as a special land ecological zone, with special emphasis on future agricultural development, plant and animal quarantine systems and near coastal areas protection systems.

As part of the “New Economy”, Grenada needs to address the issue of invasive plant and animal species and their impacts in the context of land degradation, in its combative response to that phenomenon. This would give special importance to Carriacou as a protected, non-traditional, relatively pest-free agricultural area, but not to the exclusion of other economic sectors.

Strategic Objective 4.2: Strengthened Community Co-Management

The successful strengthening of community co-management in Grenada is a function of a marriage between properly focused sustainable land management, public awareness and educational initiatives, local agencies with the strongest fielding capacities; and the entities that have the strongest community grounding.

Continued support to community-based organizations like the Grenada Network of Rural Women (GRENROP), the Clozier Young Farmers' Cooperative (CYFC); commodity organizations such as the Grenada Cooperative Nutmeg Association (GCNA), the Grenada Cocoa Association (GCA); and non-governmental organizations such as the Agency for Rural Transformation (ART) and Grenada Community Development Agency (GRENCODA), would certainly advance community co-management. However, within the new development paradigm dispensation, the “New Economy”, the expertise and experiences of the Forestry Department will have to play a leadership role in the strengthening of the community co-management system.



The existing Forestry Policy (2001) is the most comprehensive framework on sustainable land management and the best local example of community co-management at work. The policy and the expertise and experiences resident in the Forestry Department¹³, provide the best foundation for the replication of co-management models for the furtherance of good practices in a sustainable land management regime. One such regime is the use of 'social mapping' as a mechanism for improving co-management in a sustainable land management system.

'Social mapping' is the active and democratic involvement of stakeholders in deciding on best uses for land resources, whether it be agriculture, agro-forestry, livestock development, tourism, soil and water protection or any other industrial undertaking. In addition to establishing the integrity of the utilization of the natural land resources, a basis will be created for the democratization of socio-economic development that could be reflected in the observance of co-management agreements – a new feature under the "New Economy".

6.5 Thematic Focus IV: Governance, Justice and Citizen Security

Priority Area	Strategic Objective (s)
1: Human Security	1.1: Law and Order 1.2: Law Enforcement Reforms 1.3: Natural Disasters
2: Governance	2.1: Constitutional Reform 2.2: Local Government 2.3: Consensus Building
3: Institutional and Legal Reform	3.1: Transparency in Public Procurement 3.2: Integrity in Public Office 3.3: Gender Equity and Welfare Legislation

¹³ Currently, the Forestry Department is the focal point for the Convention on Biodiversity, the Convention on Wetlands (RAMSAR), the United Nations Convention to Combat Desertification (UNCCD), and the Convention on International Trade in Endangered Species of wild life Fauna and Flora, among others.

Priority Area 1: Human Security

The GoG is cognizant of the critical relationships between economic recovery, growth, and justice and citizen security. To this end, the legislative agenda will include reforms and measures to transform and modernize the justice system and its key institutions by which, and through which, any reforms are to be effected. Grenada's justice system can be divided into the following three arms:

- i. Law Enforcement (RGPF)
- ii. Court System (Magistrates Courts and High Court of Justice)
- iii. Correctional System – H.M. Prisons

Strategic Objective 1.1: Law and Order

The Establishment of a **Law Reform Commission** comprising skilled persons in law and legislative reform as well as the inclusion of various persons from civil society will be an urgent priority. Such a body will do much to enhance public participation in holistic administration of justice.

There is also some urgency to the **modernization of the Court system**. Attention needs to be placed on the efficiency of the Supreme Court Registry and of the High Court itself particularly as regards the processing of litigation. Additionally, attention will be paid to the human resource development within the Court system. The situation confronting under-staffing of Judges and registry personnel, court reporters or stenographers acts as a critical constraint to the operation of the justice system. Infrastructure and equipment modernization also needs addressing. There is an urgent need to create specialist Courts to field matters that require separate address viz:

- i. Industrial Court
- ii. Family Court
- iii. Drug Offences Court

▪ Justice, Law and Order

Treating with the issue of criminal offenders, a large number of who are youth offenders will be important given the imperative of ensuring that such persons are successfully reintegrated into society. Accordingly, building rehabilitative and restorative programs into the correctional system will be critical in ensuring that criminal offenders, including youth offenders achieve their true potential as contributors to the development process.



To this end, the following reforms will be pursued over the next five years –

- i. **Prison Review Board** will be fully appointed and made functional.
- ii. **The Juvenile Act** will be amended to associate it with a specialized Court and specific offences and a separate correctional facility other than the Prison.
- iii. **The Criminal Code** and the **Criminal Procedure Code** must be revised with a view to reviewing sentencing options for the Courts in certain cases.

Strategic Objective 1.2: Law Enforcement Reforms

There is an urgent need for a strategic revisiting of the national security apparatus of our Country. Urgent actions include the following Law Enforcement Reforms:

- i. Modernize legislation and regulations governing the Royal Grenada Police Force as part of a broader reform of the criminal justice system.
- ii. Undertaking repairs to the existing Police Stations across the country and the identification of new sites for new Police stations.
- iii. Revisit and rationalise the benefits package of police officers and other security personnel.
- iv. Substantially increase the scholarships and training opportunities for all police officers, in management, ICT, forensics, and other areas critical to the efficiency of the Police Force, and to the dispensing of law and order.
- v. Equip police with modern communication facilities, audio and video surveillance, monitoring equipment, radios and recording devices.
- vi. Provide equipment and raw materials required by the Police Force to undertake effectively their functions.

In addition, a major thrust will be organizing the security forces for greater synergies and operational effectiveness. Priority will be given to Capacity Building in the form of provision of greater resources to study and understand crime patterns and behavioural issues linked to crime and criminality.

Collaborative relationships between local law enforcement and international counterparts in the spheres of technical assistance, training, modern equipment and grant programs will be pursued and supported. Infrastructural upgrading of the Forensic Lab facilities and increasing capacity to meet internationally accepted standards will be germane to the capacity building agenda. The nation's overseas

Diplomatic Representations will play a role in fostering bilateral exchanges and cooperation with receiving states on surety arrangements, particularly in the area of infrastructure support, training and access to technology.)

The conduct of a **Management Audit and Strategic Needs Assessment of the National Security Apparatus** having regard to the threats, risks and responses will underpin a new **Strategic Plan** for the development of a more responsive, modern and relevant National Security Apparatus and arrangements, which will ensure that Grenada (land and sea), remains among the safest Countries in the world.

▪ **Infrastructure Support - Reform to Courts and Registries**

The GoG has identified the work required to maintain and upgrade the physical infrastructure and human resources at the Magistrates' Court and the Supreme Court. There is a commitment that needs to be supported to strengthen the management and knowledge capabilities of the Staff of the Country's Registries and of the Supreme Court.

By way of physical infrastructure, there is a commitment to refurbish the existing Magistrates' Courts and to seek to create two specialist courts for family issues (**Family Court**) and industrial issues (**Industrial Court**).

Strategic Objective 1.3: Natural Disasters:

Citizen security also requires a high degree of coordination of the agencies and bodies engaged in defending against man made threats as those emanating from natural disasters. While the remit of these bodies/agencies to act individually is well established, a legal framework is required to guide cooperation and action to act pre-emptively as well as in recovery and reconstruction.

The **National Security** Act is the legal framework that will coalesce the actions of the various state agencies and apparatus to prepare for and to defend from threats to the Country's national security. This will provide for the establishment of the National Security Council to co-ordinate in a structured and comprehensive manner the security services and resources of the State in times of National Emergency or disaster as well as provide for the treatment of other national security matters. Such legislation exists elsewhere in the Caribbean and the Prime Minister will be designated as the Chairperson of the NSC.

Priority Area 2: Governance

Strategic Objective 2.1: Constitutional and Legal Reform



Grenada's future growth, transformation and poverty reduction will require far reaching reforms in the legislative agenda, including constitutional reform. While poverty levels are strongly determined by diverse circumstances linked to particular context, ample evidence exist on the positive causality to slow growth and rising poverty from weak economic structures at the family level, crime and social disorder and limited access to impartial and equitable avenues to justice.

▪ **Constitutional Law Reform**

Constitutional law reform will be the central element of the overall Governance process. This reform process will involve the establishment of a Select Committee of constitutional law experts and other experienced personnel who will offer written recommendations to the Cabinet. The constitutional law reform process will cover important areas such as form of government (constitutional monarchy or republican etc.), citizenship and nationality and regulation of Parliament.

Other areas of immense importance are the executive powers of Cabinet, the authority of the Prime Minister and powers of recall. The establishment of an Electoral Commission as a constitutional authority to provide a mechanism for independence and impartiality in the electoral process is another innovation for consideration. Issues to be determined by the new Constitution will also include whether or not to accede to the Caribbean Court of Justice as the final appellate court. A draft Constitution has been prepared and several consultations have been held with participation of civil society and Non-State Actors.

The task ahead is to deepen and complete the consultations and to make arrangements for the conduct of a National Referendum.

▪ **Employment Laws**

Unleashing economic growth and reducing poverty will also involve the enactment of legislation to remove workplace gender based discrimination. The Country's employment laws will also be amended upon broad-based consultation, perhaps with the end goal of establishing an Industrial court.

▪ **Property Law**

Bringing unemployed and under-employed assets into gainful economic activity over the short to medium term is a major thrust of this GPRS. In several instances, the familial ownership of land and other assets acts as an impediment to business enterprise. Enacting a system of registered title and conveyance as well as other

real property reforms will be an imperative in placing these assets at the service of growth and poverty reduction.

Grenada will also need to enact legislation to introduce a modern and secure means of monitoring and regulating the transfer of shares and other securities and assets other than land and the taking of security of such assets by external interest. A second raft of property reforms will be required in order for Grenada to benefit from the global trends in property ownership, such as time share, fractional ownership, condominiums ownership, among others, particularly since Grenada has only recently enacted the Grenada Economic Investment Program (GEIP).

▪ **Enabling Domestic Market Regulation**

As a primary producer of services, Grenada will quickly undertake legislative reforms that entrench important domestic regulations as part of its *acqui*. The legislative reforms which must be enacted at the domestic level will extend to both goods and services, with far-reaching implications on banking and finance, including Internet Banking, capital markets operations, alternative forms of financing, restructuring and reorganization, insurance, insolvency and bankruptcy, off shore financial services, and consumer protections. Prudential safeguards will be supported by reforms emanating from the ECCU as part of the Monetary Union, and from domestic initiatives such as the reform to the FIU Act.

The enactment of fair trade and business practices legislation, competition legislation, procurement legislation will take cognizance of the unfolding agenda in these areas at the sub-regional level.

▪ **ICT Legislation**

The GoG has begun to introduce legislation in the area of ICT, legislation on cyber-crimes and electronic defamation have been addressed. Other important legislative items such as unlawful content, privacy, internet banking, piracy, consumer protection, intellectual property rights and infringement remain to be treated.

Strategic Objective 2.2: Local Government

Currently, Grenada does not have local government. Although a limited form of local government (for Carriacou and Petite Martinique) is a key aspect of the governance architecture provided for in the Constitution of Grenada of 1974. While it is explicitly mentioned for Carriacou and Petite Martinique, there is an



appreciation that at its core local government is concerned with improving the linkages between all sections of the population with the central government, thus providing for greater empowerment and opportunities for the populace.

The GoG intends to first effect the arrangements pertaining to the introduction of local government in Carriacou and Petite Martinique, as a means of delivering quality services to these communities.

Strategic Objective 2.3: Consensus Building

▪ National Unity

In the exercise of sovereignty, Grenada as a Small Developing Country faces challenges equal to those of states that are larger and more populous. This places a responsibility on the citizenry and the Government to be even more efficient with the limited resources, including its human resource available for development. Grenada too, has endured an extra-ordinary epoch of political activism which pre-dates the Country's independence, which has fashioned law and institutions in directions which are profound, yet deeply often misunderstood.

Against this backdrop creating modalities for broad societal consensus, while respecting the deep democratic traditions that have endured, will be an essential if the Country is to expeditiously respond to the ongoing debt, growth and poverty reduction agendas.

In forging a consensus policy agenda, the GoG will establish a National Unity Commission to recommend approaches and concrete actions that may be undertaken in the creation of a harmonious society. The National Unity Commission will be central to forging consensus on key policy issues at national, sub-regional (OECS), regional (CARICOM) and global levels. The work of the Commission will transcend political parties, and will be important in avoiding the policy-reversals often associated with changes in Government. The National Unity Commission therefore will be successful when National Unity is mainstreamed in the approaches and institutions of Government and the private sector. Inter alia, key benchmarks for monitoring and evaluation need to be urgently determined.

▪ Labour and Industrial Relations

Given the nature of the Grenadian economy, the relationship with labour and more generally industrial relations holds far-reaching implications for the success of the GPRS. The revelation by the IMF, 2012 Article IV Consultations Report that unit cost of

labour in Grenada is high and rising is noteworthy. The implication for industrial relations will be a shift towards an increased focus on increasing productivity, while advancing worker rights. Only when common ground exists amongst the stakeholders will a growing Grenada economy provide the sustainable jobs and opportunities for the citizenry. In order to reap these growth and employment dividends, within a context of the dynamic changes spawning the “new economy” cooperation and collaboration, rather than the adversarial and confrontational relations, have to be a necessary condition for satisfaction.

In crafting Grenada's “New Economy” deep reflection on new institutions for industrial relations and industrial cooperation will be required. The new institutional modalities will need to take account of the changing nature of job creation, arising from a heavy dependence on entrepreneurship and self-employment.

Sustained improvements in the labour relations climate in Grenada consistent with the prerequisites of the “New Economy” will require concerted actions on several fronts, legislative, institutional, capacity, cultural, *among others* by all social partners. The engagement with the Trade Union Movement as a key stakeholder in policymaking will therefore be crucial. So too will the actions aimed at strengthening the Division of Labour, Ministry of Labour, and other confidence building actions which engender a new ethos in industrial labour relations.

▪ **Social Protocol**

The GoG has prioritized the development of a Social Protocol. This “Protocol” is an indispensable element of the “New Economy” and will be aimed at improving national productivity and a sharing of the burden of adjustment, particularly wages and prices (where possible), during the three year (3) economic recovery period defined by the IMF Home Growth Structural Adjustment Program.

The social partners are now expected to engage in discussions with their membership and provide feedback for the finalization of the Memorandum of Intent (MOI), which will give effect to the Social Protocol. The action plan for the Committee of Social Partners will require strong technical support over the period of the SAP Program.

▪ **Committee of Social Partners**

In the absence of an elected Parliamentary Opposition, the Governance arrangements have been challenged to create innovative modalities for balanced consensus building. The innovation of the Committee of Social Partners, comprising



representatives from the Grenada Trade Union Council, the Grenada Private Sector Organizations, faith-based organizations, civil society organizations and the Government, offers a sensible, socially friction-neutral, and practical point of departure.

The Committee of Social Partners derives its mandate(s) from consultations with their constituents as well as other Groups and Organizations. The work program of the Committee includes the development and implementation of a Social Protocol as a strategic mechanism for the formulation and implementation of national policies; as well as, developing participatory solutions on policy issues of national importance.

▪ **Growth and Competitiveness Council**

In the 2008 Throne Speech, the GoG stated its commitment to stronger economic management through the establishment of a Growth and Competitiveness Council (GCC), which will provide independent expert, advice to the Cabinet of Ministers on matters related to national and global economic policy. It will also ensure that policy decisions and programs taken and pursued are consistent with Government's economic goals.

The GCC will also monitor the implementation of Government's economic agenda and make suitable recommendations to the Cabinet of Ministers. The Council will therefore play a leading role in monitoring the implementation of the GPRS as a platform for the restoration of fiscal and debt sustainability. The Cabinet of Ministers will appoint the Council and shall comprise a team of eminent persons drawn from the public sector, private sector and academia.

▪ **Revenue Enhancement and Waste Reduction Commission**

The GoG has established a Revenue Enhancement and Waste Reduction Commission comprising a cross section of persons from the public and private sectors to identify areas of waste in Government and to make recommendations for their reduction and/or elimination. This Commission will be chaired by someone outside of Government and will also be tasked with monitoring the implementation of those recommendations and reporting annually to Cabinet. Such reports will also be tabled in Parliament.

There is a clear relationship between the extant GPRS and the achievements of the Revenue and Waste Reduction Committee (the more resources, which can be

saved, the more resources would be available for growth enhancing and poverty reduction initiatives).

▪ **National Trade Policy Co-ordinating Committee (NTPCC)**

The GoG has established a National trade Policy Co-ordinating Committee comprising representatives from the public sector, private sector and Non-Governmental Organisations. The NTPCC will cover the regional integration arrangements, CARICOM, OECS Economic Union, as well as the bilateral, plurilateral and global arrangement (WTO). The NTPCC will coordinate the countries trade and commerce positions, across various disciplines, such as market access for goods and services, government procurement, intellectual property rights, investment, labour market mobility, trade and labour, trade and environment, trade facilitation, dispute settlement, among others. The NTPCC is tasked with analysing, developing strategies and approaches and making recommendation to the Cabinet on policy direction, consistent with the interest of the GoG. Following up on implementation is also an important aspect of the NTPCC work Program.

Priority Area 3: Institutional and Legal Reform

Strategic Objective 3.1: Transparency in Public Procurement

The GoG in a previous PRGF with the IMF, committed to replacing the Public Procurement and Contract Administration Act No. 25 of 2007 Act, with new legislation. This work is currently ongoing and the expectation is that the enactment of the new legislation will bring greater efficiency and transparency in public procurement.

Strategic Objective 3.2: Integrity in Public Life Legislation

As a safeguard against corruption by persons involved in public life, two items of legislation were passed in Grenada in 2007. These are the Prevention of Corruption Act and the Integrity in Public Life Act. The two pieces of legislation are inter-related. The main purpose of the Prevention of Corruption Act is to outline the offences, which may be committed by public officers, and to establish the related penalties. The objective is to dissuade public officers from becoming engaged in corruption. The main purpose of the Integrity in Public Life Act is to establish an Integrity Commission in order to ensure that integrity is continuously maintained in public life by demanding that persons in public life declare their assets, liabilities, income and interest in relation to property and conducting relevant investigations



where necessary. These laws were enacted consistent with the Government's obligations under the Inter-American Convention Against Corruption.

The Integrity Commission has not been able to function at its full capacity. The Members of the Commission have been appointed, and have benefitted from extensive training. However, the full operationalization of the Commission is still plagued by financing issues. Resolving, and sustaining the remaining financing which preclude the full operation of these items of legislation, critical to Governance remains a priority of the first order.

Strategic Objective 3.3: Equity and Social Welfare Legislation

Grenada, ratified the Convention on the Rights of the Child [CRC] in November of 1990, but, as the Grenada Constitution is silent on these issues, it is unclear what binding effect the Convention has in domestic law. However, since 1990, Grenada has passed several laws incorporating the CRC's principles, including the 1991 Status of the Child Act, the 1991 Maintenance Amendment Act, the 1994 Adoption (Amendment) Act and the 1998 Child Protection Act, and the Child Protection Act, 2008.

The Ministry of Social Development is responsible for providing counselling and other social services to children and families, including carrying out investigation of "at risk" cases. Grenada passed the Child Protection Act in 1998, establishing the Child Welfare Authority which works in collaboration with the Division of Social Services. The Ministry of Social Development has regulatory responsibility for the Child Welfare Authority. The resources and systems to strengthen the Child Welfare Authority is a necessary area of intervention. So too is the lack of adequate facilities to accommodate and treat "at-risk" children and the accompanying legislation.

▪ **Matrimonial and Family Law**

The disproportionately high incidence of poverty in homes, which are headed by single women, as well as the statistical evidence of rising poverty among the youth requires multi-dimensional modalities of redress. From a legislative standpoint, there is a pressing need for reform and modernization of matrimonial and family laws, including special emphasis on maintenance and enforcement proceedings to make it consistent with the core value of the society and with acceptable international norms.

Grenada will also introduce a **Domestic Partnership or Cohabitation Act** to remove the present legal disadvantages of unmarried women who cohabited for many

years as a domestic partner and who are, at present, not entitled to strict legal rights as other domestic situations.

Reforms will also need to be targeted at accelerating the processes associated with the juvenile justice and rehabilitation to provide more humane consideration and treatment of juvenile delinquency.

[moved this text from Strategic Sub-components section] These elements are essential for good governance and national development. Without effective public sector governance mechanisms, gains achieved in all other Thematic Focus areas may not be sustained. Public Service reform will be an essential pre-requisite to guide, facilitate, monitor and maintain equity between economic recovery and growth imperatives and social development and poverty reduction initiatives. In addition to the elements described above, there will be need, generally to undertake Institutional and public service reform, including, *inter alia*, to:

1. Engage in a reform of regulatory and legislative systems to reduce transactions costs; use of IT and setting of standards for activities, boost overall productivity and facilitate business transactions (approvals, permits, licenses, rebates etc.)
2. Establish an incentives system in the public sector to create greater response in keeping with the requirements of reform and to boost labour productivity/performance.

6.6 Cross-Cutting Issues **[sub-header change and added sub-sections]**

The GPRS isolates critical cross-cutting issues which are essential to establish the base for actions through the four (4) Thematic Areas, as follows:

6.6.1 Human Resource Development (HRD)

Human Development can be viewed as both a Thematic Focus, requiring specific interventions and as well, as a classic cross-cutting issue since it underpins all efforts to drive growth and reduce poverty. This issue, perhaps more than any other, requires genuine public-private-civil society partnership, as a vehicle to realise gains in both the equitable growth and social development agenda.

Some key elements of HRD that must be addressed include:



1. Human Security and Governance, to improve the social/governance environment/arrangements within which businesses have to operate– reduction in criminal activities, removal of corruption.
2. Human Resource Development, to strengthen the educational system at the tertiary level to create a pool of skilled persons in technical and vocational areas (the missing middle problem in the labour market - 40 % of labour force uncertified and public service lacking mid-level persons).
3. Social Protection and Social Development, to strengthen social protection schemes to provide support for the vulnerable and poor.

6.6.2 Human Health and Wellbeing

To fill in: re where do we need to cross- agri (food), sport (physical fitness), education (knowledge), health (wellbeing, medical etc).

6.6.3 Information and Communication Technologies (ICT)

To fill in:

6.7 Monitoring Development: [was last part of Strategic subcomponents]

1. Implementation strategy: Implement, monitor and evaluate agreed policies, programs, projects in a timely manner.
2. Coordinating Strategy: Establish a coordinating agency (national and regional levels) for growth and development initiatives.
3. Regional Integration Strategy: Promote greater regional cooperation as part of a production integration process using the Strategic Plan for Regional Development (SPRD) as a base for regional development.

7. IMPLEMENTATION, MONITORING AND EVALUATION **[NEEDS REVISITING]**

7.1 Implementation: Public Sector Investment Program 2013-18

The Public Sector Investment Program (PSIP) will become a formalised institution of the 'New Economy' as the construct for bringing planning, monitoring, evaluation and deliberate investment focus to the national development program for economic growth and an equitable distribution of the fruits of growth throughout the Grenadian society. The investment efforts of the last five years clearly offer instructive lessons as to the practices to avoid and demonstrate the necessity for a PSIP, managed by a dedicated formal institution. **Table 7** presents the behaviour of capital expenditures for the period, 2007- 2011 in the presence of a defunct PSIP.

Table 7: Actual Local Expenditures, Provisional Grants and Loans and Approved 2007-2011 Capital Budgets, EC\$				
Year	Actual Local Expenditure	Provisional Grants	Provisional Loans	Approved Capital Budget
2007	\$121,833,627	\$20,420,026	\$51,076,765	\$225,463,825
2008	\$118,828,332	\$47,539,774	\$32,576,588	\$241,823,937
2009	\$91,104,410	\$18,621,921	\$30,783,712	\$179,825,649
2010	\$80,991,144	\$10,017,763	\$18,553,216	\$159,035,947
2011	\$100,417,526	\$46,571,886	\$16,201,195	\$203,704,550
Source: Estimates of Revenue and Expenditure, 2008, 2009, 2010, 2011, 2012, Ministry of Finance, Grenada				

Table 8 presents a tracking of the percentage changes in trends in actual local expenditures, provisional grants, provisional loans and the approved capital budgets for the period, 2007-2011, using 2007 as the base year. Examination of the behaviour of these indicators over this period leads to the following conclusions:

- i. The public sector Program planning approach was unfocused and lacked technical and policy leadership
- ii. The implementation of public sector programs was ineffective and inefficient
- iii. The actual flows of expenditure finances (local expenditure, provisional grants, provisional loans) lacked predictability
- iv. The violent fluctuations, for example, in actual local expenditure, is a strong suggestion that the public sector Program was not focused to respond to a well-defined development objective



Table 8: Tracking Changes in Trends in Actual Local Expenditures, Provisional Grants and Loans and Approved 2007-2011 Capital Budgets, (%)

Year	Actual Local Expenditure	Provisional Grants	Provisional Loans	Approved Capital Budget
2008/2007	97.5%	232.8%	63.8%	107.3%
2009/2007	74.8%	91.1%	60.3%	79.8%
2010/2007	66.5%	49.1%	36.3%	70.5%
2011/2007	82.4%	228.0%	31.7%	90.3%

Source: Calculations by the author using the data in Table 3

The proposed Public Sector Program, 2014-2019, is a response to the demands of the transformative agenda for the creation of the 'New Economy'. **Table 9** presents a partial list of projects and proposals identified by Government for inclusion in the new PSIP.

Table 9: Nucleus of projects for inclusion in the Public Sector Investment Program, 2014-2019

Project Title	Funding Institution	Project Cost
National Athletics and Football Stadium	PRC, GoG	\$68.0million
Grenada House of Parliament	UAE Australia, GoG	\$30.0 million
Agricultural Feeder Roads-Phase II	Kuwaiti Fund, OFID, GoG	
Regional Disaster and Vulnerability Reduction Project	World Bank, Climate Investment Fund	\$70.0 million
St. Patrick's Road Project	OFID	\$27.0 million
Basic Needs Trust Fund	CDB, GoG	\$2.5 million
Road Rehabilitation and Maintenance Project	GoG	\$10.0 million
Grenville Market Development Phase II	CDB, GoG	\$10.0 million
School Rehabilitation Project	OFID	\$28.5 Million
Airport Upgrading Project – Maurice Bishop International Airport and Lauriston Airport		
Market Access and Rural Enterprise Development Project	CDB, IFAD, GoG	\$20.0 million
Small Business Development Fund Project	GoG	\$5.0 million

7.2 Financing Summary

Needs content

7.3 Monitoring and Evaluation: Principles, Tools, Plans [consolidated into a new sub-section']

Currently, a PSIP does not exist; however, the discussion in recent times helps to highlight the necessity for such a program in order to bring the benefits of program planning, program monitoring and program evaluation to the economic development agenda of the country. However, before implementation issues related to a public sector investment Program, it must be fashioned into a basic structure that is defined by its own internal planning logic.

From the management and planning perspectives, it is reasonable to envisage the existence of a Public Sector Investment Program Unit located within the Ministry of Economic Planning having central administrative and management responsibility and to provide Program direction. However, the efficiency and effectiveness with which it executes these functions will be constrained by the nature of the relationships that are established and maintained between it and those institutions that would have responsibility for Program and project implementation. Relationships have to be formal with clear lines of communication and authority, even when the relationship is of a specific duration.

Principles: The institutional relationships also help to determine the modalities for monitoring and evaluation, i.e.:

- i. Who does what?
- ii. What tools are used?
- iii. When are the various tools used? For what purposes – monitoring or evaluation?
- iv. What is the periodicity for monitoring, evaluation and reporting?
- v. Should that periodicity be rigid across the Program or should there be built-in flexibility that is determined by the character of the project?

Consistent with the requirements of the 'New Economy' a new philosophy and mode of operation are required within the civil service in order for the PSIP to deliver optimal utility. Another consideration is the categorization of candidate projects for the PSIP, given that they would not all have the same status. Sets of criteria have to



advise which projects are in the pipeline in contrast to those that are ready for implementation.

Another principle for consideration has to do with management accountability of the PSIP to policy-makers and affording the latter the opportunity to evaluate the performance of the PSIP. Former systems offered that type of accommodation through the construct of a policy committee comprising ministers in government. However, it was unsuccessful because ministers had little time to attend those structured meetings. Consequently, government is being offered a different modality, which potentially, improves the utility of the exercise without undue impositions on the time of ministers.

At the ministerial or portfolio level, the individual minister should assume policy oversight for the projects that are being implemented by his/her ministry. The minister, as a matter of duty, should report to the Cabinet on implementation of projects specifically within the PSIP. Cabinet feedback will travel back to the management of the PSIP with a periodicity determined by the Cabinet.

Tools: The tools for employment in monitoring and evaluation processes depend on the type of Program to be monitored or evaluated, the objectives of the process and for whom the processes are being conducted.¹⁴ Some of the tools that the PSIP will employ are as follows:

- i. Performance Indicators
- ii. Logical Framework Approach
- iii. Theory-based Evaluations
- iv. Formal Surveys
- v. Rapid Appraisal Method
- vi. Participatory Method
- vii. Public Expenditure Tracking Surveys
- viii. Cost-Benefit and Cost-Effective Analysis
- ix. Impact Evaluation

Plans: The monitoring and evaluation plan is designed to satisfy four basic goals, i.e., to:

¹⁴ Evaluation is the systematic and objective assessment of ongoing and/or completed projects, Programs and policies in respect of their objectives, efficiency, effectiveness, impact and sustainability. (World Bank)

- i. permit learning from experience that would influence future actions
- ii. provide an objective basis for assessing Program results
- iii. provide accountability in the achievement of the objectives
- iv. frame recommendations for project improvements, now and in the future

Within the PSIP, monitoring and evaluation will be tied to planning, budget decision-making and accountability. For example, the Ministry of Economic Planning and the Ministry of Finance would have interest in outcome budgeting hence the suggestion for the creation of an independent Monitoring and Evaluation (M&E) Sub-committee with that responsibility. At the same time, they have to maintain a deep interest in the aspects of monitoring and evaluating project and Program outlay activities.

The social partners, not exclusive of government and other players, would have a stronger interest in monitoring and evaluating programs and projects as a deliberate response to the slowness of progress in the Millennium Development Goals (MDGs) while, at the same time, monitoring the effectiveness of government spending. In the final analysis, however, monitoring and evaluation resources have to be expended with a clear bias in favour of the flagship programs and projects of the government, without ignoring the others.

The monitoring and evaluation plan has to, also, devote resources to monitoring and evaluating issues of staff and capacity because they impact on Program and project delivery which, in turn, would, in part, determine the efficiency and effectiveness of scarce resources and the PSIP's ability to deliver on its mandate. The monitoring and evaluation of financial transfers from central government to the line ministries and other centres of project implementation would be a critical function of the Monitoring and Evaluation Sub-committee within the PSIP. Here timeliness, effectiveness and efficiency of Program delivery could be influenced (and should be influenced) significantly.

The success of the system, among other factors, requires sound intellectual leadership with a forward looking and innovative posture. In the evolutionary process of the Public Sector Investment Program System, the monitoring and evaluation plan would embrace the creation of a Monitoring Information System (MIS) and a Performance and Evaluation System (PES).

7.4 Institutional Arrangements

The UNDP formally defines institutional arrangements as "... the policies, systems and processes that organisations use to legislate, plan and manage their activities efficiently and to effectively coordinate with others in order to fulfil their mandates." The Washington Office of Community Development offers an operational definition that states, "... institutional arrangements refer to delegation, distribution or sharing of power related to growth management decision making and implementation authority."

These two definitions, though from different perspectives, provide a critical set of essential parameters for the composition of the institutional arrangements that would guide the PSIP. These institutional arrangements have to meet a minimum set of basic criteria that contribute to effectiveness and efficiency of the PSIP. Some of the more critical ones are, as follows:

- i. The centre of policy formulation and policy direction must be clearly defined and universally respected
- ii. Formulation of operational systems for the orderly implementation of processes
- iii. Clarity of definition of processes and the roles of operatives within those processes and their interrelations
- iv. Creation of a centre for the coordination of roles and processes
- v. Establishment of implementation authority
- vi. Arrangements must satisfy set and agreed objectives (the mandate), in this case, economic growth and its optimal distribution among the population
- vii. Monitoring and evaluation mechanisms for the enforcement of accountability throughout the system (PSIP).

While these conditions are comprehensive in scope, the PSIP will have to satisfy its mandate using approaches and structures that are simple, focused, and practical in the application of functions and their interrelatedness. Lines of authority have to be logical and unambiguous, with the various players having the capacity and authority to perform their required tasks.

The basic institutional framework could conform to a set of broad functional arrangements. **Chart 1** is a graphic representation of that framework. It speaks

generally to functional relationships that would bring effectiveness and efficiency to the PSIP System.

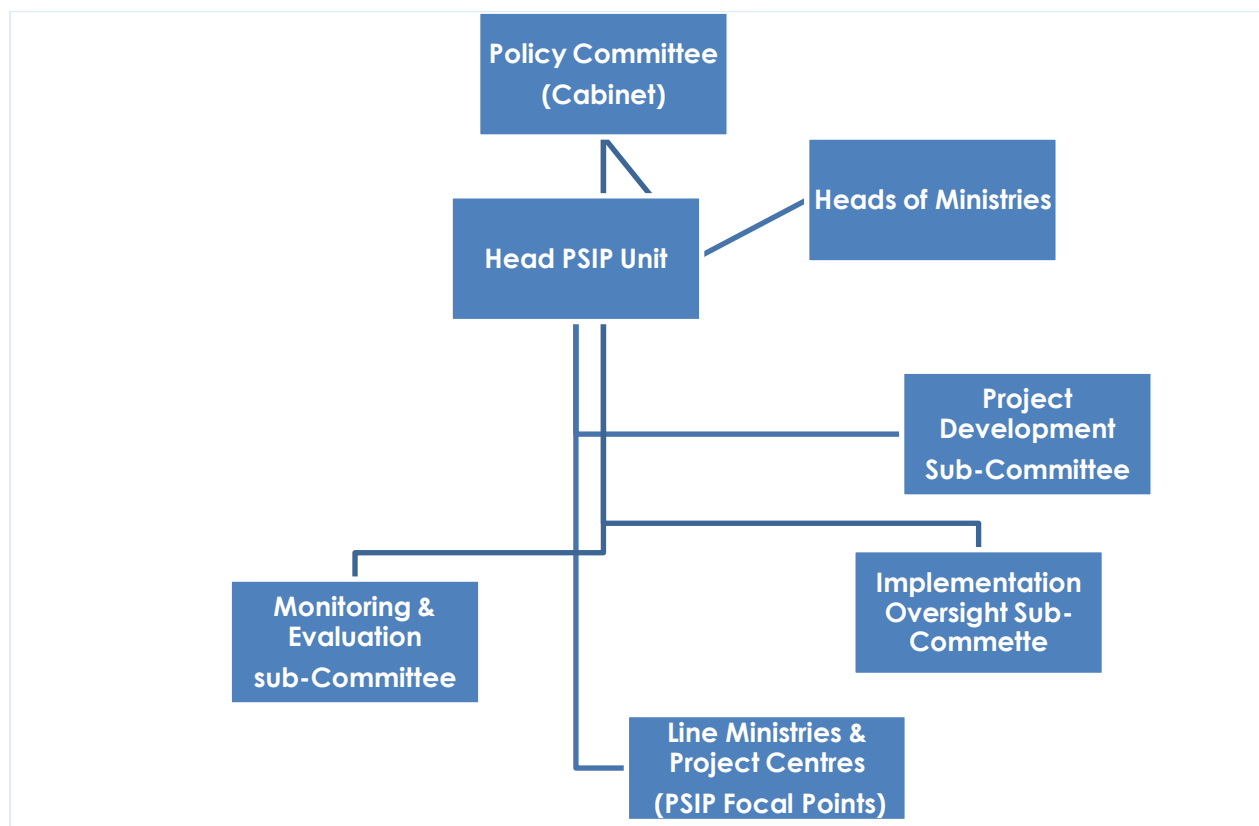
The Cabinet will perform the functions of the Policy and will be responsible for causing the formulation and refining of policies to govern the management of the PSIP and its relationship with all the units that make up the system. The Head of the PSIP Unit will receive its directives and instructions from the Cabinet and conduct live formal reporting to the Policy Committee (Cabinet) at times appointed by the latter. As a complement to the live reporting, the Head/PSIP will provide the Policy Committee (Cabinet) with quarterly reports detailing the performance of the programs and projects of the PSIP and other related factors that impact on its performance.

The expectation is that every line minister in Cabinet and the parliament will be mandated to report formally at convenient but regular intervals on the programs and projects that form part of the PSIP portfolio and residing within their ministerial authority. There will be a formal relationship between the Head/PSIP and the permanent secretaries within the line ministries, within which programs and projects reside.

This arrangement is viewed as being necessary in order to maintain consistency and discipline in the conduct of the functions of the ministerial focal points that would be seated on the Technical Committee. The Technical Committee will be made up of heads of planning units or technical heads of the ministries where planning units do not exist.

Chart 1:

A presentation of the broad functional relationships within the institutional arrangements of the PSIP



There will be three sub-committees within the PSIP Unit. The Project Development Sub-Unit will oversee the general formulation of projects and programs within the PSIP and ensure that they conform to the design parameters and structures required by Government and donor agencies. The Implementation Sub-Unit will oversee the general implementation of major projects. The Monitoring and Evaluation Sub-Unit will provide objective oversight of project performance.

ANNEX 1 RESOURCE FRAMEWORK

RESOURCE FRAMEWORK								
STRATEGIC ORIENTATION AND OBJECTIVES	ACTIVITIES	DEVELOPMENT PARTNER(S)	TOTAL COST (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
Core Social and Economic Development Program	Market Access & Enterprise Development Project	CDB/IFAD/GOG	18,000,000	3,000,000	3,750,000	3,750,000	3,750,000	3,750,000
	Establishment of ECERA	World Bank	\$7,000,000	500,000	500,000	3,000,000	3,000,000	
	Caribbean Regional Infrastructure Project (CARCIP)	World Bank	\$11,000,000	\$1,000,000	\$3,000,000	\$2,000,000	\$4,000,000	\$1,000,000
	Government Information Technology Project	GOG	\$1,500,000	\$500,000	\$1,000,000			
	Basic Needs Trust Fund	CDB	4,000,000	1,000,000	1,000,000	1,000,000	1,000,000	-
	Small Business Development Fund	GoG	\$6,000,000	\$2,000,000	\$2,000,000	\$1,000,000	\$1,000,000	
	Support for SME Development	CDF	\$8,000,000		\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Core Physical Infrastructural Development Program	Regional Disaster Risk Reduction Project	World Bank	\$68,000,000	20,000,000	20,000,000	20,000,000	8,000,000	
	St. Mark's Flood Mitigation Project	CHEC	\$13,000,000	10,000,000	5,000,000			
	Guyave Flood Mitigation Project	CDB	\$18,000,000	2,500,000	2,500,000	5,000,000	5,000,000	3,000,000
	Grenville Bus Terminus-Phase II	CDB	\$7,000,000	2,500,000	5,000,000	500,000		
	St. John's River Flood Control Project	World Bank	\$22,000,000	2,000,000	5,000,000	5,000,000	5,000,000	5,000,000



RESOURCE FRAMEWORK								
STRATEGIC ORIENTATION AND OBJECTIVES	ACTIVITIES	DEVELOPME T PARTNER(S)	TOTAL COST (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
	National Asphalt Roads Rehabilitation Program	GOG	\$18,000,000	9,000,000	9,000,000			
	National Concrete Roads Rehabilitation Program	GOG	\$15,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
	Special Community Projects	GOG	\$40,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Enhancement of Good Governance and Citizen Justice	House of Parliament	Australia Aid, United Arab Emirate	\$30,000,000	5,000,000	15,000,000	10,000,000		
	Lowther's Lane Govt Office Complex (Housing of Good Governance Institutions such as Integrity Commission and Ombudsman's Office)	PPP	\$20,000,000		10,000,000	10,000,000		
	Bacolet Juvenile Rehabilitation Centre	UNICEF	\$2,500,000	1,500,000				
	National Referendum on the New Constitution	OAS, Commonwea lth Secretariat, GOG	To be determined					
Development of Health	General Hospital Phase 2	Venezuela	10,000,000	10,000,000	-	-	-	-
	New Hospital	China?	150,000,000	-	37,500,000	37,500,000	37,500,000	37,500,000
	Gouyave Polyclinic	EU	8,000,000	-	2,000,000	2,000,000	2,000,000	2,000,000

RESOURCE FRAMEWORK								
STRATEGIC ORIENTATION AND OBJECTIVES	ACTIVITIES	DEVELOPMENT PARTNER(S)	TOTAL COST (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
	Primary Health Care Program	GOG	6,000,000	2,000,000	1,000,000	1,000,000	1,000,000	1,000,000
	Princess Alice Hospital Upgrade	PPP	-	-	-	-	-	-
	Princess Royal Hospital Upgrade	-	-	-	-	-	-	-
Agriculture and Agr-Business	Agricultural Feeder Roads Phase II	Kuwait	45,200,000	20,000,000	20,000,000	5,200,000	-	-
	Farm Labour Support	GOG	4,500,000	1,500,000	1,500,000	1,500,000	-	-
	Export Development Program	MNIB/GoG	5,000,000	2,000,000	2,000,000	1,000,000	-	-
	Root Crop Program	GOG	1,000,000	350,000	350,000	300,000	-	-
	Support for Extension Services	FAO/GoG	1,000,000	300,000	300,000	400,000	-	-
	Support for the Fisheries Industry	GOG	1,000,000	300,000	300,000	400,000	-	-
	Small Farmers Vulnerability Project Phase II	GOG	-	-	-	-	-	-
	Fruit Development Project	GOG	\$1,000,000	\$400,000	\$300,000	\$300,000	-	-
	Market-Support Project for High Demand Produce	GOG	\$300,000	\$300,000	\$400,000		-	-
	Root Crops Development Project	GOG	\$1,000,000	\$300,000	\$300,000	\$400,000		
Development of Tourism & Culture	Support for Marketing	GOG	60,000,000	20,000,000	20,000,000	20,000,000	-	-
	Support for Airlift	GOG	30,000,000	10,000,000	10,000,000	10,000,000	-	-
	Support for Spice Mas Corporation	GOG	2,100,000	700,000	700,000	700,000	-	-



RESOURCE FRAMEWORK								
STRATEGIC ORIENTATION AND OBJECTIVES	ACTIVITIES	DEVELOPMENT PARTNER(S)	TOTAL COST (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
	Maurice Bishop Airport Upgrade and Runway Paving	EXIM (China)	80,000,000	1,000,000	19,750,000	19,750,000	19,750,000	19,750,000
	Lauriston Airport Upgrade	PPP	40,000,000	10,000,000	10,000,000	10,000,000	10,000,000	-
	Establishment of Tourism Authority	GOG	3,500,000	2,000,000	1,500,000	-	-	-
	Support for Development of Attraction Sites	GOG	3,000,000	1,000,000	1,000,000	1,000,000	-	-
	Support For Community Tourism	GOG	1,000,000	\$250,000	\$250,000	\$250,000	\$250,000	-
	Restoration of Fort George	-	-	-	-	-	-	-
Energy Development	Wind Energy - Carriacou	EU/GRENLEC	15,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
	Sustainable Energy for the eastern Caribbean Program (SEEC)	IDB/ EU/CDB	11,000,000	1,000,000	2,500,000	2,500,000	2,500,000	2,500,000
Education & Human Resource Development	OFID/GOG School Rehabilitation	OFID/OPEC	27,000,000	8,000,000	8,000,000	8,000,000	3,000,000	-
	Free Textbook Program	PETROCARIBE	7,500,000	2,500,000	2,500,000	2,500,000	-	-
	Uniform Program	PETROCARIBE	3,000,000	1,000,000	1,000,000	1,000,000	-	-
	School Feeding Program	PETROCARIBE	9,000,000	3,000,000	3,000,000	3,000,000	-	-
	Human Resource Development/Scholarship Program	GOG	6,000,000	2,000,000	2,000,000	2,000,000	-	-

RESOURCE FRAMEWORK								
STRATEGIC ORIENTATION AND OBJECTIVES	ACTIVITIES	DEVELOPMENT PARTNER(S)	TOTAL COST (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
	Online Teacher Training Program	GOG	1,000,000	300,000	300,000	400,000	-	-
	Student Connectivity Program	PPP	25,000,000	25,000,000	-	-	-	-
	School Rehabilitation Program	World Bank/GOG	\$27,000,000	\$8,000,000	\$5,000,000	\$5,000,000		
Social Services	SEED Program	WORLD BANK	13,000,000	3,000,000	2,500,000	2,500,000	2,500,000	2,500,000
	Implementation of OECS Family Law Reform	OECS/UNICEF	100,000	50,000	50,000	-	-	-
Housing Infrastructure and Services	Provision of Sites and Services for PRC Housing Project- Phase II	GOG	10,000,000	\$2,000,000	\$3,000,000	\$2,000,000	\$3,000,000	
	The PRC Housing Project – Phase II	Peoples' Republic of China (PRC)	\$80,000,000	16,000,000	24,000,000	16,000,000	24,000,000	
	House Repair Program	GOG	10, 000,000					
	Government Home Loan Program	GOG	\$3,000,000	\$1,000,000	\$1,000,000	\$1,000,000		
	Grenada Home Improvement Program	GOG	6,6000,000	\$5,350,000				
	Home for Socially-Displaced Persons	GOG, GRENLEC	\$250,000	\$250,000				
Youth and Sport Development	Financing the IMANI Program	GOG	\$81,000,000	27,000,000	27,000,000	27,000,000		
	Youth Enterprise Fund	GOG	\$6,000,000	2,000,000	2,000,000	2,000,000		
	Support for the Youth Parliament	GOG	\$150,000	50,000	50,000	50,000		



RESOURCE FRAMEWORK								
STRATEGIC ORIENTATION AND OBJECTIVES	ACTIVITIES	DEVELOPME T PARTNER(S)	TOTAL COST (\$)	2014 (\$)	2015 (\$)	2016 (\$)	2017 (\$)	2018 (\$)
	Sport Development Program	GOG	\$2,100,000	700,00	700,000	700,000		
	National Athletic & Football Stadium	PRC	\$85,000,000	50,000,000	35,000,000			
	Night Lighting of National Cricket Stadium	GOG	\$4,000,000	2,500,000	1,500,000			
	Kirani James Mini Stadium	PPP	\$20,000,000	1,000,000				
TOTAL			\$1,216,000,000	\$259,850,0000	\$333,700,000	\$256,600,000	\$147,250,000	\$89,000,000

ANNEX 2 PLANNING FRAMEWORK

Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Macroeconomic Stabilization	Strategic Objective 1.1: Promoting Sustainable Fiscal And Debt Management								
	Activity 1.1.1: Increase Fiscal Revenue								
	1.1.1a. Continue Taxpayer Education And Promotion Of Voluntary Tax Compliance Programs	X	X	X	X	X	IRF/MoF	Policy Unit	
	1.1.2b. Integrate Tax Functions With Mainstream IRD Operations	X	X				IRD/MoF	Policy Unit	
	1.1.3c. Strengthen The Capacity Of Tax Collection Departments	X	X				IRD/Customs	Policy Unit	
	1.1.4d. Develop Audit Capacity Within The Public Sector	X	X	X			Audit Dept.	Policy Unit	
	1.1.5e. Update System Of Single Unique Tax Identification Number	X					MoF	Policy Unit	
	1.1.6f. Reduce Revenue Leakages Within Govt Collection Agencies	X	X	X	X	X	IRD/Customs	Audit Dept.	
	1.1.7g. Rationalize All Existing User Fees And Charges	X	X				IRD/Legal Affairs	Policy Unit	
Enabling Business Environment	Activity 1.1.2: Reduce Fiscal Expenditure And Management								
	1.1.2a. Employ Control Mechanisms to Restore Growth In Wage Bill To Less Than Growth Rate Of Nominal GDP	X	X	X	X	X	MoF	Policy Unit	
	1.1.3b. Refine And Employ Waste Management Systems To Improve Spending From The Consolidated Fund	X	X	X	X	X	MoF	Policy Unit	
	1.1.2c. Implement Effective Budget Controls Systems	X	X	X	X	X	MoF	Policy Unit	



Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
	1.1.2d. Manage Effectively The Transfers, Concessions, Waivers & Subsidies Regimes	X	X	X	X	X	MoF	Policy Unit	
	1.1.2e. Implement A PSIP Mgmt System	X	X	X	X	X	MoF	Policy Unit	
Enabling Business Environment	Activity 1.1.3. Improve Government Debt And Financial Management								
	1.1.3a. Implement Legislation To Set Ceiling On Government Borrowing Of Foreign Funds		X				MoF/Ag		
	1.1.3b. Develop And Finance A Debt Management Unit (DMU)	X	X	X	X	X	MoF/Debt Unit		
	1.1.3c. Build Capacity In Debt Negotiating Skills Of The DMU	X	X				MoF/Debt Unit		
	Strategic Objective 1.2: Sustainable Investment Flows And Robust Financial System								
	Activity 1.2.1: Strengthen Financial System Supervision								
	1.2.1a. Improve GARFIN's Capacity To Carry Out Its Regulatory Functions	X					MoF		
	1.2.1b. Improve Capital Regulatory Framework In The Banking Sector	X					GARFIN		
	Activity 1.2.2: Facilitate Private Sector Access To Capital								
	1.2.2a. Improve Access To Credit For Investment In Growth Sectors	X	X				MoF		
	Activity 1.2.3: Risk Management								
	1.2.3a. Encourage Banks To Conduct Their Own Credit Risk Analysis	X					MoF		
	Strategic Objective 2.1: International Trade And Market Access								
	2.1.1a: Employ Trade Attaches In Strategic Embassies To Promote Exports		X	X			Cabinet/Parl.		

Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Enabling Business Environment	2.1.1b: Implement Comprehensive National Trade & Export Policy for Global & Regional Market integration	X	X	X	X	X	Trade Dept.		
	2.1.1.c Fund the Coalition of Services for Five Years	X	X	X	X	X	MOF	Trade Dept.	GCIC; MoT; MoLA; TRADE DEPT
	Activity 2.1.2: Increase Manufacturing Output And Competitiveness								
	2.1.2a: Promote The Use Of Local Products And Services.	X	X	X			MoA; MoT; MoTour.		
	2.1.2b: Mobilise Resources For The Production Of Value Added Products.	X	X				MoT		
	2.1.2c: Promote Development Of The Arts And Crafts Industry For Exports.	X	X				MoT		
	2.1.2d Build National Capacity For The Exploitation Of Business Opportunities Arising From Trade Agreements To Which Grenada Is A Signatory		X	X					
	2.1.2e: Assist Manufacturers To Comply With International Standards.	X	X	X	X	X	MoT		
	2.1.2f: Assist Manufacturers In Packaging Branding And Labeling Regionally And Internationally.	X					B.Std/MoT		
	Activity 2.1.3: Strengthen The Legal And Regulatory Framework To Support Trade								
	2.1.3a: Ensure Effective Enforcement Of Trade Rules	X	X				MoT		
	2.1.3b Establish A Well-Managed Mechanism For The Dissemination To Business Of The Proper Interpretation And Application Of Trade Rules		X	X			MoT		



Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Enabling Business Environment	2.1.3c: Improve The Speed And Efficiency Of Business Registration And Licensing	X	X				MoT/GIDC/ MoF/ Legal Affairs		
	2.1.3d Further Strengthen Capacity Of The GBS To Conduct Certification Process & Monitor Manufacturers' Compliance With Requirements For Certification Maintenance.		X	X	X		MoT/GIDC		
	2.1.3e: Use The Fiscal System To Improve Domestic Manufacturing Competitiveness	X	X	X	X	X	Cabinet	MoT	
	Strategic Objective 2.2: Engendering And Securing Participation Of Communities In The "Pro-Poor" Growth Development Agenda								
	2.2.1a: Facilitate Easy Financing Services For The Poor	X	X	X	X	X	MoSD/MoCD	NSA	
	2.2.1b: Promote Equity In Accessing Financing	X	X	X	X	X	MoED	NSA	
	2.2.1c: Create Environment For Village Banking To Improve Convenience and Access	X	X	X	X	X	MoF	NSA	
	2.2.1d: Engage Financial Sector To Provide Financing For Investment For Provision Of Services To The Poor	X	X	X	X	X	MoF/MoSD.	NSA	
	2.2.1e: Provide Flexible Financial Instruments Such As Reducing Borrowing Conditions	X	X	X			MoF	NSA	
	2.2.1f: Train, Organize & Establish Community Persons/Groups Into Commercial Units To Provide Agri-Services & Unique Goods	X	X	X	X	X	MoA; NTA, TAMCC	NSA	MoCD; MoSD; E.U,

Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
	2.2.1g: Pilot Small Appropriately-Sized Poultry Abattoirs to drive Commercialization Of Poultry Production By Small Impoverished Groups And Individuals In 3 Communities	X	X	X			MoA; NTA; TAMCC	NSA Community Orgs.	MoCD; MoSD; E.U.
	2.2.1h: Support Development Of Small Agro-Processors Clusters Around The Root Crops Production Sub-Sector	X	X	X	X	X	MoA (PLC), NTA, TAMCC	NSA; Com. Orgs., Farmer Orgs.	MoCD; MoSD; E.U., FAO Farmer Orgs.
	2.2.1i: Pilot Infrastructural Support The Establishment And Commercial Operations Of Root Crops-Based Products In St. Andrew And St. Mark						MoA (PCL), NTA; TAMCC	NSA Community Orgs.	MoCD; MoSD; E.U., FAO, CARDI, IICA
	2.2.1j: Implement Product Standardization Practices To Render Root Crop-Based Agro-Processed Products Homogenous In Composition/ Packaging Across Production Centers						MoA (PCL), NTA, TAMCC	PCL, GBS	MoCD; MoSD; E.U., FAO, CARDI, IICA, Farmer Orgs.
	2.2.1k: Equip Financially-Challenged Community Persons And Groups To Become Commercial Drivers Of A Viable 'Natural Herb' Sub-Sector	X	X	X	X	X	MoA, MoSD	GDB, TTA, Commercial Banks, Credit Unions	MoCD; MoSD; MoYS; MoW/ICT; Farmer Orgs. GIDC, GDB, Commercial Banks, Credit Unions
	2.2.1l: Support The Commercial Participation Of Financially-Challenged Groups And Individuals In The Apiculture Industry	X	X	X	X	X	MoA; MoCD; MoSD	GDB, NTA, Commercial Banks, Credit Unions	
	2.2.1m: Expand Establishment of ICT Hot Spots As A Vehicle For The Delivery Of Poverty Reduction Strategies	X	X	X	X	X	Cabinet, The National Parliament	NTA	MoSD; MoSD; MoYS; MoW/ICT; Farmer Orgs.. GIDC, GDB, Commercial Banks, Credit Unions
	2.2.1n: Conduct Community Training & Sensitization Actions Emphasizing ICT Tools As Vehicles For Empowerment	X	X	X	X	X	NTA	NTA	



Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
	2.2.1o: Pilot Minimum Maintenance Low Cost Solar Energy Generating Models For Domestic And Micro-Industrial Uses In Poor Communities	X	X	X	X	X	Energy Unit, MoCD; MoSD;	NTA	
	Activity 2.3.1: Create And Sustain An Environment Which Enables All Forms Of Business Development								
	2.3.1a: Improve The Process Of Starting A Business By Reducing The Processing Time	X	X	X			GIDC		Mod, Mod, Mos, Mow/ICT; Farmer Orgs., GDB, Comm. Banks, Credit Unions
	2.3.1b: Provide Local Financing For Capital Projects	X	X	X	X	X	MoF	NSA	MoCD; MoSD; MoYS; Mow/ICT; Farmer Orgs., GIDC, GDB, Commercial Banks, Credit Unions
	2.3.1c. Design And Implement A Training Program In Business Process Improvement	X	X	X			GIDC		MoCD; MoSD; MoYS; Mow/ICT; Farmer Orgs., GDB, Com. Banks, Credit Unions
	2.3.1d. Explore Opportunities For Market Access Through Offshore/International Incubators	X	X	X	X	X	GIDC		MoCD; MoSD; MoYS; Mow/ICT; Farmer Orgs., GDB, Com. Banks, Credit Unions
	2.3.1f: Revise Company Law To Tighten Loop Holes In Starting A New Business	X	X				Legal Affairs /GIDC		
Leveraging The Growth Sectors	Strategic Objective 3.1: Development Of Health And Wellness Sector								
	Activity 3.1.1: Bridge The Gap In Access To Health Care								
	3.1.1a: Improve The Community Health Care Services	X	X	X	X	X	MoH	NMA; NSA	SGU
	3.1.1b: Redeploy Nurses And Nursing Assistants To Community Clinics	X	X	X	X	X	MoH	NMA; NSA	SGU
	3.1.1c: Improve Access To Reproductive Health Services	X	X	X	X	X	MoH	NMA; NSA	SGU

Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
	3.1.1d: Provide Outreach Services And Clinics In Deprived Rural Areas.	X	X	X	X	X	MoH	NMA: NSA	SGU
Leveraging The Growth Sectors	Activity 3.1.2: Strengthen Efficiency In Service Delivery								
	3.1.2a: Train Imani Participants As Health Services Providers	X	X	X	X	X	MoH	Cabinet; NSA	MoCD; MoYS,
	3.1.2b: Provide Incentive Packages To Support The Retention Of Trained Health Personnel	X	X	X	X	X	MoH	Cabinet, NSA	SGU, PAHO
	3.1.2c: Expand Community Based Health Service Delivery	X	X	X	X	X	MoH	Cabinet, NSA	SGU, PAHO
	3.1.2d: Strengthen Monitoring & Evaluation System in Health Sector	X	X	X	X	X	MoH, MoSD	External Evaluator	SGU, PAHO
	3.1.2e: Collaborate Efforts With SGU								
	3.1.2f: Strengthen Primary Health Care Facility To Ensure Availability Of Specialist In Rural Communities.	X	X	X	X	X	MoH	Cabinet, NSA	SGU
	3.1.2g: Institute 24 Hour Primary Health Care Services	X	X	X	X	X	MoH, SGU	NSA, Targeted Beneficiaries	PAHO
	3.1.2h: Ensure An Effective System To Collect Fees For Extended Hours Of Operation Of Community Services	X	X	X	X	X	MoH, Hospital Authority	Inland Revenue Dept.	SGU, PAHO
	Activity 3.1.3: Promote Good Nutrition								
	3.1.3a: Promoting Nutrition As A Contributor To Good Health	X	X	X	X	X	GFNC	MoH	Media Houses
	3.1.3b: Develop And Implement An Efficient Supervision System Of The School Feeding Program	X	X	X	X	X	MoE/MoA	Participating Schools, NSA	GFNC



Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Leveraging The Growth Sectors	Activity 3.1.4: Develop A National Food And Nutrition Policy								
	3.1.4a: Finance The Development Of A Food And Nutrition Policy	X	X				GFNC	MoE	PAHO
	3.1.4b: Develop A Multi-Media Public Awareness And Public Education Strategy And Program	X							National Media Houses, FAO, Com. Secretariat
	3.1.4c:Ffinance The Publicizing Of The Public Awareness And Public Education Messages		X	X	X	X	Gov't Information		Media Houses
	Activity 3.1.5: Promote Geriatric Care As A Specialized Health Care Service								
	3.1.5a: Strengthen Public Education Programs on Benefits Of Caring For The Aged.	X	X				MoH, SGU	NTA ; MoSD, Non-State Actors	Media Houses
	3.1.5b: Provide Geriatric Care As Community Health Service	X	X	X	X	X	MoH, SGU	MoSD	SGU, PAHO
	Activity 3.1.6: Establish A Management Information System								
	3.1.6a: Create A National Database For Communicable And Non-Communicable Disease	X	X	X	X	X	MoH, SGU		Private Consultants
	Activity 3.1.7: Develop Policy And Legislative Framework For Bio-Prospecting Industry		X	X			MoH, SGU		Private Consultants
	Activity 3.1.8: Pilot And Evaluate A National Health Insurance Scheme		X	X			MoH	Cabinet-Appointed Cmte	SGU, PAHO, NIS, NSA
	Activity 3.1.9: Improve The Operational Efficiency Of Health Sector Management Agencies	X	X				MoH	Audit Dept	SGU

Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Leveraging The Growth Sectors	Activity 3.1.10: Expand And Improve Existing National Hospital Infrastructure	X	X	X			MoH, MoW	NHS	Gov't Of Venezuela
	Activity 3.1.11: Achieve 100% immunization rate in "vaccinable" childhood illnesses	X	X	X	X	X	MoH	MoE	CBOs, NGOs, HS
	Activity 3.1.12: Reduce infant mortality rate to 99% over the next five (5) years	X	X	X	X	X	MoH	Hospitals	CBOs, HS
	Activity 3.1.13: Finance Universal Access Program for retroviral drugs for HIV/AIDS patients		X	X	X	X	MoF	MoH	Community Clinics, HS, SGU, PAHO, WHO
	Strategic Objective 3.2: Development Of Agriculture And Agribusiness Sector								
	Activity 3.2.2: Develop And Implement And/Or Strengthen Program To Promote Potential Benefits From Farming And New/Modern Farming Techniques Amongst Youth	X	X	X	X	X	MoA, MoYS	NTA	ICT
	Activity 3.2.3: Develop & Implement Programs To Address Barriers To Success In Farming, Incl. Factor Issues Such As Wages And Output Issues	X	X	X	X		MoA	Labour	Financial Institutions, MNIB
	Activity 3.2.4: Establish & Manage Agricultural Research Station On 10 Acres Of Lands In Grand Bras	X	X	X	X	X	MoA	UWI	CARDI, IICA
	Activity 3.2.5: Review & Reform Archaic Agribusiness Arrangements & Institutional Structure for Efficiency	X	X	X			MoA	GDB	MNIB, Financial Institutions
	3.2.6a: Support Appropriate Use Of Irrigation Techniques	X	X	X	X	X	MoA	NAWASA	Farmer Orgs., MNIB
	3.2.6b: Promote Equity Among The Genders To Land Access	X	X				Cabinet	NSA	MoA



Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
	3.2.6c: Promote Use Of Greenhouse Technology In Agriculture Production	X	X	X	X	X	MoA	MNIB	CARDI, IICA
	3.2.6d: Manage Leasing Of Govt.	X	X	X	X	X	MoA	MOLA, MoF	MNIB
Leveraging The Growth Sectors	3.2.6e: Implement Programs That Target Non-traditional Agri-Products	X	X	X	X	X	MoA	MNIB	Farmer Orgs., CARDI, IICA
	Activity 3.2.7: Enhance Growth & Development In Livestock Industry	X	X	X	X	X	MoA	MNIB	Supermarkets, Framers, CARDI
	3.2.7a Develop & Manage A Land Bank System For Agri- Enterprises	X	X	X	X	X	MoA	MOLA	Agricultural Land Owners
	3.2.7b: Promote Honey Production	X	X	X	X	X	MoA	GBA	GBA, SGU
	3.2.7c: Intensify Pest And Disease Control Management	X	X	X	X	X	MoA	Farmers	CARDI, IICA, FAO, Farmers
	3.2.7d: Collaborate With SGU to develop Vet. Public Health Services	X	X	X			MoA/SGU		
	Activity 3.2.8: Strengthen Marketing And Agriculture Financing Arrangement								
	3.2.8a: Improve Access To Credit For Financially Disadvantaged Farmers	X	X	X	X	X	MoA	NSA	Credit Unions, GDB, Commercial Banks
	3.2.8b: Promote Farmer Based Organization And Cooperative		X	X			MoA		
	3.2.8c: Encourage Private Sector Initiatives To Purchase Produce Directly From Farmers		X	X	X		MoA	NSA	GHA, MNIB, Restaurants Supermarkets,
	Activity 3.2.9: Create The Environment To Ensure Food Security								
	3.2.9a: Promote Use Of Local Raw Material	X	X	X	X	X	MoA	NSA	MNIB
	3.2.9b: Facilitate Establishment Of Small Scale Agro-Processing Industries For Exports	X	X				MoA/Trade	Asap	MNIB, GBS,

Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Leveraging The Growth Sectors	3.2.9c: Develop Environmentally Friendly Food Processing Technology	X	X	X	X	X	ICT/MoA	Asap	GBS, MNIB, Trade
	3.2.9d: Develop Post-Harvest Management Methods	X	X	X	X	X	MoA	Farmer Orgs., MNIB	CARDI, IICA, UWI
	Activity 3.2.9e: Increase Plant Propagation Capacity	X	X				MoA	Farmer Orgs.	CARDI, IICA
	Activity 3.2.9f: Support The Commercial Development Of Composting Units	X	X	X	X	X	MoA	Farmers' Orgs.	GDB, Credit Unions, GBS
	Strategic Objective 3.3: Development Of Tourism And Hospitality Sector								
	Activity 3.3.1: Refine Tourism Policy To Optimize Product Mix	X	X				MoT/GTA	GHTA	CTO
	Activity 3.3.2: Optimize Cruise Tourism Targets And Increase Quality Of Tours And Site Amenities.	X	X	X			MoT/GTA	GHTA	
	Activity 3.3.3: Optimize & Ensure Quality of Yachting Product	X	X	X			GTA	GHTA, Yachting Sailing Festival	
	Activity 3.3.4: Increase Emphasis On Eco-Tourism	X	X	X	X	X	MoT, GTA	MoEnv	MoA
	Activity 3.3.5: Ensure Balance/ Sustainability Of Natural Environment Through Collaboration On Conservation Initiatives.	X	X	X	X	X	MoT, GTA	MoEnv, Forestry, Fisheries	OECS Sec
	Activity 3.3.6: Expand And Invest In The Promotion Of Annual Festivals	X	X	X	X	X	GTA	MoF	MoT
	Activity 3.3.7: Establish And/Or Strengthen Policy, Legislative Framework/Mechanism For Community Tourism/Eco-Tourism.	X	X	X			MoT	GHTA	GTA, CTA



Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Leveraging The Growth Sectors	Activity 3.3.8: Advance And/Or Maintain Program To Improve Quality Of Service Of Hotel, Restaurants/Other Tourist Facilities.	X	X				MoT	GHTA, GTA	TAMCC
	Activity 3.3.9: Improve Monitoring To Ensure Authenticity Of Quality Of Local Content Of Activities, (e.g. Road-Side Fare, Cultural Shows, Events, Displays, Niche Destinations, esp. Carriacou).	X	X	X	X	X	MoT	GTA	MoH
	Activity 3.3.10: Improve Marketing Of Destination	X	X	X	X	X	GTA	MoT, MoF	CTA
	3.3.11a: Market Grenada As A Competitive Tourist Destination						GTA	MoT, MoF	CTA
	Activity 3.3.12: Host Public Awareness Campaign To Sensitize The Public On The Importance Of Tourism								
	Activity 3.3.13: Conduct study on obstacles to foreign investments into the tourism/tourism-related business	X	X				GTA	MoT	GCIC, GHTA, GIDC
	Activity 3.3.14 Implement an investment strategy to attract foreign investment into the tourism and tourism-related businesses		X	X	X	X	GTA	MoT	GCIC, GHTA, GIDC
	Activity 3.3.15: Conduct study on the geographic diversification of tourism facilities		X	X			GHTA	MoT	GCIC, GHTA, GIDC
	Activity 3.3.16: Conduct study to develop strategies to effectively link tourism facilities and activities to optimize tourism earnings		X	X			GHTA	MoT	GCIC, GHTA, GIDC

Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
	Activity 3.3.17: Conduct study to develop strategies to increase room stock in high-end market segment		X	X			GHTA	MoT	GCIC, GHTA, GIDC
	Strategic Objective 3.4: Energy Development And Energy Security								
	Activity 3.4.1: Use Cost Effective & Reliable Renewable Sources For Electricity in Areas off the National Grid.	X	X	X	X	X	Energy Division	Non State Actors	MoF, Mow, MoSD
	Activity 3.4.3: Employ Co-Generation Approach To Enable Reliable Energy Supply To Meet Growing Demand.	X	X	X	X	X	Grenlec	Energy Division	Ecera
	Strategic Objective 3.5: Improved Access To And Application Of Information And Tele-Communications Technology (ICT) And Management								
	Activity 3.5.1: Construct Resource Center With Tele-Center Facilities With Online And Physical Libraries	X	X	X	X	X	Mow,	ICT	MoCD
	Activity 3.5.2: Expand Schools' Computer Lab. Dev. Program	X	X	X	X		MoE	ICT	
	Activity 3.5.3: Complete Implementation of E-Govt Initiative(S)	X	X	X			DPA	ICT	OECS Sec
	3.5.5a: Create More 'Hot Spots' In Rural Communities	X	X	X	X	X	MoCD	ICT	Lime, Digicel, Flow
	3.5.5b: Improve The Quality Of Internet Service	X	X				Lime, Flow, Digicel	ICT	
	Activity 3.5.6: Promote E-Services Strategies								
	3.5.6a: Implement National E Governance Programs	X	X	X	X	X	DPA ICT/DPA	ICT	OECS Sec, CIDA
	Activity 3.4.7: Promote The Use Of ICT In Education								
	3.4.7a: Ensure It Is A Compulsory Subject In Secondary Schools	X	X	X	X	X	MoE		ICT



Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Leveraging The Growth Sectors	3.4.7b: Install Wifi Services In Every Secondary School	X	X				MoE	ICT	Lime, Flow, Digicel
	3.4.7c: Provide Scholarship In ICT	X	X	X			ICT/MoE	ICT	NTA
	3.4.7d: Monitor And Track All It Trained Personnel	X	X				DPA	NTA	ICT
	3.4.7e: Equip Schools With Proper Functioning Labs	X	X	X			MoE	ICT	MoF
	3.4.7 f: Increase universal access to land line phone services	X	X	X	X	X	MoC CSO	NSA	MoSD, MoCD
	Strategic Objective: 3.6: Expand Micro, Small And Medium Enterprise Sub-Sector								
	Activity 3.6.1: Facilitate Innovation And Entrepreneurship								
	3.6.1a: Promote Innovation Entrepreneurship Training in Curriculum	X	X	X	X		MPE	ICT	GDB, GIDC
	3.6.1b: Strengthen The Imani Program To Provide Skill To Youth	X	X				MoYS	NTA	MoE
	3.6.1c: Provide Incentive Packages For New Ideas	X	X	X	X	X	MoEd	NTA	Gcic
	Activity 3.6.2: Empower The Private Sector To Provide Leadership								
	Activity 3.6.3: Explore Opportunities For Market Access Through Offshore /International Incubators	X	X	X	X	X	MoEd	Cabinet	MoFA
	Activity 3.6.4: Provide Technical Support For MSMEs	X	X						GIDC, GDB, Credit Unions, Non-Trad Financial Institutions
	3.6.4a: Provide Technical Support For Standards And Business Management Practices To MSMEs	X	X	X	X	X	GIDC	Small Business Association (SBA)	MoFA

Thematic Focus I Macroeconomic Stabilization - Engendering Resilience									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
Leveraging The Growth Sectors	Strategic Objective 3.7: Other Services Sectors (Construction, Cultural, Financial, Professional)								
	Activity 3.7.1: Provide Legal Framework to Promote Performing Arts Industry	X					MOLA	Ministry Of Culture (MoC)	GCA, Dance companies
	3.7.1a: Review Existing Cultural Policy To Help Protect Grenadian Culture	X	X				MoC/MOLA		
	3.7.1b: Enforce Copyright And Intellectual Property Right Laws	X	X				The Courts	Copyright Association	Practitioners
	Activity 3.7.2: Provide Human Resource Capacity Building Training								
	3.7.2a: Train Industry Professionals	X	X	X	X		MoC; Cultural Associations	MoE	
	3.7.2b: Mobilise Resources To Create Awareness	X	X						
	3.7.2c: Establish Institutes (Private/ Public) To Identify Youth Talents	X	X	X					
	3.7.2d: Strengthen The Administrative Structure Of National Organizations	X	X	X					
	Activity 3.7.3: Promote And Build The Capacity Of Construction Industry								
	3.7.3a: Promote The Use Of Local Consultants And Contractors In Undertaking Projects	X	X	X	X	X	Mow	Labour	MoCD, NTA
	Activity 3.7.3b: Encourage The Use Of Sustainable Methods On Projects	X	X				Mow		
	Activity 3.7.3d: Develop A Construction Sector Industry Council To Regulate & Promote Development in the Sector		X	X			Cabinet	NSA	Mow

Thematic Focus II: Developing Competitiveness With Equity – Human Resource Development, Social Transformation And Social



Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
Promoting And Improving Human Resource Development	Strategic Objective1: Accessible And Relevant Education And Vocational Training								
	Activity 1.1: Renewed Emphasis On Vocational Training And Skills Development For School Leavers								
	1.1a: Offer Regionally Certified Vocational Courses	X	X				MoE	NTA	TAMCC,
	1.1b: Broaden Scope And Curriculum Of The Vocational Training School		X	X			MoE	NTA	TAMCC
	Activity 1.2: Enhance The Quality Of Teaching And Learning								
	1.2a: Provide Four Weeks Of In-Service Training To All Untrained Teachers Before They Enter The Classroom	X	X	X	X	X	MoE	NTA	TAMCC
	1.2b: Support Efforts To Have Teachers To Achieve Graduate Status	X	X	X	X		MoE	NTA	TAMCC, UWI
	1.2c: Provide Incentives To Retain Teachers In The System		X	X	X	X	MoE	MoF	NTA
	Activity 1.3: Fostering Efficiency In The Educational System								
	1.3a: Strengthen/Improve Education Supervision, Planning/Management		X	X	X		MoE	DPA	TAMCC, UWI
	1.3b: Empower The Administrative Staff To Provide Efficient Services	X	X				MoE	DPA	PTAS
	1.3c: Encourage The Private Sector To Invest In The Education System		X	X	X		MoE		Cabinet
	1.3d: Expand Infrastructure To Cater For The Necessary Changes	X	X				MoE	MoE, Private Consultants	MoW
	1.3e: Improve The Managerial Link Between The MoE And Schools	X	X	X	X	X	MoE	NTA	Police Service, PTAS
	1.3f: Comprehensively Computerize The Data Bases In The MoE	X	X	X	X	X	MoE	DPA	NTA, UWI, TAMCC, ICT
	Strategic Objective 2: Education For Competency Based Learning								

Thematic Focus II: Developing Competitiveness With Equity – Human Resource Development, Social Transformation And Social									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
	Activity 2.1: Transitioning Into Competency Base Learning	X	X	X	X	X	MoE	Independent Monitor, School Admin.	NTA, DPA, Schools
	Strategic Objective 3: Affordable Health Services								
	Activity 3.1: Provide Easy Access To Health Care For Primary & Secondary Schools	X	X	X	X	X	MoH	Independent Monitor, NSAs	MoE
	3.1a: Develop Compulsory & Free Health Clinics For All School Children	X	X				MoH	Independent Monitors	PAHO, Who, MoE
	3.1b: Aids Testing On World Aids Day	X	X	X			MoE/MoH		SGU
	Strategic Objective 4: Improved Targeting, Coverage And Efficiency Of Social Safety Net								
	Activity 4.1: Implement Effective Targeting Mechanisms								
	4.1a: Develop Clear Criteria To Assess Socio -Financial Status Of Disadvantaged Households	X	X				MoSD	NSA	MoH, MoHo,
	4.1b: Conduct Proper Research And Study At The Community Level For Better Screening Of Households	X	X				MoSD	NSA	MoH, MoHo
	4.1c: Enhance Community Based Selections With The Proxy Means Test		X	X			MoSD	MoF	MoH, MoHo
	Activity 4.2: Strengthen The Monitoring And Evaluation Systems								
	4.2a: Train Officers To Monitor Social Safety Net Program Implementation	X	X				MoSD	NSA	PAHO
	4.2b: Set Realistic Benchmarks And Objectives For The Various Programs	X	X	X	X	X	MoSD	NSA	SGU
	4.2c: Reduce Leakages In Programs By Reducing Amount Of Intermediaries	X	X	X	X	X	MoSD	MoF	SGU
	Strategic Objective 1: Skills Development								



Thematic Focus II: Developing Competitiveness With Equity – Human Resource Development, Social Transformation And Social									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
	Activity 1.1: Provide A Mechanism For National Resource Development								
	1.1a: Conduct Needs Assessment Survey on Specific Needs Of The Youths		X				Cso/MoY		
	1.1b: Review The Human Resource Development Policy	X					MoE/MoY		
	1.1d: Strengthen Life Skills Training	X					MoY/MoE		
	Activity 1.2: Provide Vocational Skills And Entrepreneurial Training								
	1.2b: Encourage The Formation Of Cooperatives Among The Youths		X				MoY		
	1.2c: Set Global Standards For Vocational Training And Entrepreneurial Development		X				MoY		
	1.2d: Pursue Public & Private Sector Partnership To Negotiate Scholarship Opportunities	X					MoY/MoE/ Private Sector		
	1.2e: Provide More Skills Based Training Through The Imani Program	X					MoY		
	Strategic Objective 2: Youth Inclusion								
	Activity 2.1: Establish A National Youth Forum								
	2.1a: Mobilise Young People For Constructive Engagement With Peers		X				MoY/ Media		
	2.1b: Provide A Permanent Platform For Youth To Be Heard/Taken Seriously		X				MoY		
	2.1c: Facilitate Consultation With Young People On An Ongoing Basis On Matters Of National Importance		X				MoY		
	Activity 2.2: Develop An Elderly Citizen		X				Social Dev./		

Thematic Focus II: Developing Competitiveness With Equity – Human Resource Development, Social Transformation And Social									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
Youth Development	<i>Integration Program In Schools And Community Enterprises</i>						MoE		
	<i>Activity 2.3: Set Up A Youth Advocacy, Health & Leadership Succession Machinery</i>		X	X			MoY/MoH		
	Strategic Objective 3: Financing For Business								
	<i>Activity 3.1: Create More Financing Opportunities For Youths In The Area Of Business Development</i>		X				MoY/GIDC		
	3.1a: Provide Soft Loans For Small Business Development For The Youths		X				MoY/GDB		
	3.1b: Establish Enabling Environment For Business Cooperatives/Business Clusters		X				MoY/MoED & Co-Op.		
	Strategic Objective 4: Creating Opportunities For Young Women								
	<i>Activity 4.1: Develop Policy/Mechanisms To Address Constraints Affecting Excluded And Marginalized Young Women</i>		X				Social Dev./MoY		
	<i>Activity 4.3: Utilize The Skills Of Women Within The Community</i>		X				Social Dev.		
	<i>Activity 4.4: Provide Micro Financing For Women To Expand Small Businesses</i>		X				MoY/MoF/GDB		
	<i>Activity 4.5: Set A Male-Female Ratio to Recruit/Employ Persons In Key Sectors</i>		X				Social Dev./MoY		
	Strategic Objective 5: Strengthening Of Social Institutions								
	<i>Activity 5.1: Establish New Institution to fill institutional Gap For At-Risk Youth/ Young Adults</i>		X				Social Dev.		
	<i>Activity 5.2: Construct At Least Two</i>		X				Social Dev.		



Thematic Focus II: Developing Competitiveness With Equity – Human Resource Development, Social Transformation And Social									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
Towards Gender Equity	Centres For Juvenile Offenders								
	Activity 5.3: Provide Counseling And Establish Support Networks For Youth Confronting Challenges Of Adulthood		X				Social Dev./MoE		
	Strategic Objective 1: Bridging The Gender Gap								
	Activity 1.1: Update Laws To Achieve Gender Equity								
	1.1a: Promote Awareness Of Existing Laws		X				LAs/ Min on Implement.		
	1.1b: Develop Capacity Of Appropriate Enforcement Agencies To Implement These Laws		X				Legal Affairs		
	1.1c: Draft And Enforce A Sexual Harassment Bill		X	X			Legal Affairs		
	1.1d: Expand Action Under Domestic Violence/Child Protection Acts To Include Criminal Laws/Crime Against Women		X				Legal Affairs		
	1.1e: Implement A Gender Equity Legislation To Include Family Court, Child Support And Sexual Harassment		X				Legal Affairs		
	Activity 2.1: Health & Family Life Education To Emphasize Sex And Gender Education		X				MoE		
	Activity 2.2: Teenage Pregnancy Inclusive & Mandatory Program For Male & Females		X				MoE/MoH		
	Activity 2.3: Health Training Initiatives		X				MoH		

Thematic Focus II: Developing Competitiveness With Equity – Human Resource Development, Social Transformation And Social									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
	<i>To Explore Key Factors Contributing To Gender Disparities In Health</i>								
	<i>Activity 2.4: Contribute To Emotional-Sexual-Reproductive Health Of Women</i>		X				MoH		
	<i>Activity 3.1: Seek Technical Assistance To Provide Support/Counselling To Women/Children In Abusive Homes</i>		X				Social Dev.		
	<i>Activity 4.1: Enhance Opportunities For Women To Meaningfully Participate In Economic-Social-Political Activities</i>		X				Social Dev. Econ. Dev.		
	<i>Activity 4.2: Planned Parenthood Systematic And Inclusive Health Programs For Men And Women</i>	X	X				MoH		
	<i>Activity 4.3: Small Businesses Initiatives For Rural And Urban Women In Partnership With Public Cooperatives</i>		X				GIDC/Social Dev.		
Strategic Objective 5: Promoting Gender Equity Through The Expansion Of Current Program									
	<i>Activity 5.1: Human And Family Life Education Development And Broad-Based Implementation In Social Sectors</i>		X				Social Dev.		
	<i>Activity 5.2: Women Employment Labour In Community Sustainable Business Programs</i>		X				Social Dev.		

Thematic Focus III: Reducing Vulnerability – Natural Disasters, Environmental Management, Regional Development									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			



Thematic Focus III: Reducing Vulnerability – Natural Disasters, Environmental Management, Regional Development									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
Rural, Community And Parish Development	Activity 1.1.1: Support The Formation Of Community Groups In All Parishes								
	1.1.1a: Educate Residents About The Importance Of Working Together	X	X	X	X	X	MoE		
	1.1.1b: Encourage Neighbourliness	X	X	X	X	X	MoSD; GCoC		
	1.1.1c: Maintain Direct Communication With Community Groups Through Town Hall Meetings And Other Activities	X	X	X	X	X	Social Dev. Media		
	1.1.1d: Provide Financial Support For The Establishment Of Support Groups		X				MoF/ Social Dev.		
	1.1.1e: Form Clubs & Sports Groups In Communities For Community And Parish Development		X				Social Dev.		
	Activity 1.1.2: Build And Develop An Active System To Source Grants And Funds In Support Of Community Development And Projects								
	1.1.2a: Develop Organization Within Each Parish To Write & Source Funding For Projects		X				Econ. Dev.		
	1.1.2b: Maintain Clear Record Of Community Meetings/Activities		X				Social Dev.		
	1.1.2c: Encourage Fund Raising Activities And Events	X	X	X	X	X			
	Activity 1.2.1: Ensure That Rural Communities Benefit Significantly From Programs & Courses In Vocational & Technical Training	X	X	X	X	X	NTA Social Dev.		
	Activity 1.2.2: Decentralize Development And Encourage Community Based Development		X	X			Social Dev		

Thematic Focus III: Reducing Vulnerability – Natural Disasters, Environmental Management, Regional Development									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
	Activity 1.2.3: Promote The Use Of Local Knowledge In Community Projects		X						
	Activity 1.2.4: The National Development Plan Should Be Community Focus Based	X					Social Partnership Forum		
	Activity 1.2.5: Establish Parish Councils To Assist In The Development Of The Parish		X				Social Dev.		
Local Development	Strategic Objective 2.1: Improved Local Governance								
	Activity 2.1.1: To Empower Local Communities Through Mechanisms That Increase Citizen Access To Information						NGOs		
	2.1.1a: Regular TV And Radio Programs To Inform Citizens Of Latest Developments Within The Country	X					Social Dev..		
	2.1.1b: Consultations With Citizens (Town Hall Meetings/Forum) To Air Their Views On Policy Budgetary And Decision Making Matters		X				Social Dev.		
	2.1.1c: Improve Relationships Between Citizens And Local Government Through Formal And Informal Methods Of Interaction		X				Media		
	2.1.1d: Develop Effective Comm. Strategies		X						
	Activity 2.1.2: Building Local Capacity For More Effective Governance								
	2.1.2a: Promote More Self Sufficient Organizations through Supporting Policies		X				Social Dev.		



Thematic Focus III: Reducing Vulnerability – Natural Disasters, Environmental Management, Regional Development									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
Improved Human Settlements	2.1.2b: Create Programs That Build A Healthy Enabling Environment For Non State Actors		X				Social Partnership Forum		
	2.1.2c: Prioritize Capacity Building And Better Integrate It Into Development & Humanitarian Assessment Programs		X				Social Dev.		
	2.1.2d: Increase Effectiveness & Sustainability Of Local Capacity Building By Supporting Longer Term Programs		X				NGOs		
	2.1.2e: Establish Relationships Between International And Local NGOs		X						
	Strategic Objective 3.1: Improved Housing Availability And Access								
	Activity 3.1.1: Easy Access For Financing Of Mortgages								
	3.1.1a: Offer Special Loans through Financial Institutions Solely For Building Houses		X				GDB		
	3.1.1b: Create A Housing Soft Loans Program		X	X	X				
	Activity 3.1.2: Improve The Housing Scheme Plan								
	3.1.2a: Seek Private Funding For The Building Of Housing Schemes		X				GIDC; Social Dev. Housing Auth.		
	3.1.2b: Implement A Rent To Own Policy		X						
	3.1.2c: Revise The Criteria For Allocation		X				Housing Auth.		
	3.1.2d: Include Special Constructed Houses For Physically Challenged Persons		X						

Thematic Focus III: Reducing Vulnerability – Natural Disasters, Environmental Management, Regional Development

Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
	Activity 3.1.3: Revamp And Expand The House Repair Program								
	3.1.3a: Proper Monitoring Of The House Repair Program		X				Social Dev.		
	3.1.3b: Engage In Public Private Partnership To Fund The House Repair Program		X						
	3.1.3c: Create System To Ensure Proper Use Of Materials Distributed For Repairs		X						
	Strategic Objective 3.2: Improved Tenure Security And Land Markets								
	Activity 3.2.1: Review Legislation								
	3.2.1a: Review Existing Laws To Make The Process Of Regularizing Land Tenure On Family Properties Reliable/Affordable			X				MoLA	Ministries
	3.2.1b: Implement A Project Aimed At Regularizing Existing Informal Settlements	X	X	X	X	X	MoHo	MoCD	MoW, PRC
	Activity 3.2.2: Provide Efficiency In The Land Market								
	3.2.2a: Promote Buying/Selling Of Land		X						
	3.2.2b: Simpler And Easier Process For The Purchase And Transfer Of Land		X						
	Strategic Objective 3.3: Increased Environmental Health								
	Activity 3.3.1: Increase Awareness								
	3.3.1a: Educate Public About Human Health And Disease That Are Determined By Factors In The Environment		X						
	3.3.1b: Encourage Testing/Treatment		X						
	3.3.1c: Implement Disaster Reduction Initiatives To Improve Environmental Health		X						
	Activity 3.3.2: Invest In Research And								



Thematic Focus III: Reducing Vulnerability – Natural Disasters, Environmental Management, Regional Development									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
Improved Human Settlements	Development In Environmental Health								
	Activity 3.3.3: Expand/Modernize Health Infrastructure To Improve Physical Environment In Which Services Are Delivered		X						
	Activity 3.3.4: Focus on Primary & Preventative Health Care Programs that Complement Infrastructural Investments	X	X	X	X	X	MoH		SGU, PAHO, WHO
	Activity 3.3.5: Improve The Returns On The Investments In Environmental Health		X				MoH	MoF	PAHO, WHO
	Strategic Objective 3.4: Urban Renewal								
	Activity 3.4.1: Implement A Zoning Plan		X				Physical Planning	NSA	OECS Sec., Ministries
	Activity 3.4.2: Enhance Current Building Code		X						
	Activity 3.4.3: Implement A “No Squatting” Policy		X	X					
Environmental And Sustainable Natural Resource Management	Strategic Objective 4.1: Sustainable Land Management								
	Activity 4.1.1: Review The Convention On Biological Diversity (CBD)								
	4.1.1a: Review The National Biodiversity Strategy And Action Plan (NBSAP)	X					Environment		
	4.1.1.b: Implement actionable projects/ programs within the CBD	X	X	X	X	X	Environment	NSA	Ministries
	4.1.1c: Coordinate CBD Implementation	X	X				Environment	NSA	Ministries
	4.1.1d: Implement The Nagoya Protocol	X	X						
	Activity 4.1.2: Reduce Land Degradation						Forestry/Lands		
	4.1.2a: Review National Land Use Policy	X					Envir. & Agri.		
	4.1.2b: Initiate Measures Towards	X	X				Agriculture		

Thematic Focus III: Reducing Vulnerability – Natural Disasters, Environmental Management, Regional Development									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
	Minimizing Impact Of Climate Change								
Environmental And Sustainable Natural Resource Management	4.1.2c: Promote Re-Forestation In Key Areas	X	X	X					
	Activity 4.1.3: Strengthen The Regulatory Framework for Sustainable Land Mgmt.								
	4.1.3a: Enact And Enforce Relevant And Existing Environmental Laws	X	X				Environment & Legal Affairs		
	Strategic Objective 4.2: Strengthened Community Co-Management								
	Activity 4.2.1: Increase Environmental Awareness For The Sustainable Use Of Natural Resources								
	4.2.1a: Establish A National Sustainable Development Council		X						
	4.2.1.b: Refocus the National Sustainable Development Council		X				Environment	MoF	Ministries, NGOs, CBOs, Schools
	4.2.1c: Produce Documentaries, Newsletters; Conduct Weekly Education Programs	X	X	X	X	X	Environment/ Media		Media, MoF, Intl Envir. Orgs.
	4.2.1d: Promote The Use Of Environmentally Friendly Technologies And Practices	X	X	X	X		Environment/ TTC		Media, MoF, Intl Envir. Orgs.
	Activity 4.2.2: Develop Socio-Economic Activities								
	4.2.2a: Promote Equity In Benefit Sharing From Land Forest And Wild Life Resources	X	X	X	X	X	Environment/A gri.		Media, MoF, Intl Envir. Orgs.
	4.2.2b: Provide Adequate Compensation For Government Acquired Lands	X	X	X	X	X	MoF	Physical Planning Unit (PPU)	
	4.2.2c: Encourage forestry department to play a leadership role in strengthening community management systems	X	X	X	X	X	Environment		MoA



Thematic Focus III: Reducing Vulnerability – Natural Disasters, Environmental Management, Regional Development									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution(s)	Partner Agencies
		2014	2015	2016	2017	2018			
	4.2.2d: Encourage Diversification In Production To Reduce Over Dependents On The Limited Resources	X	X				Agriculture		
	4.2.2e: Promote Measures To Quantify Nature's Contribution To The Economy	X	X				Agriculture/ MoF		
	Activity 4.2.3: Create A Network For Local Agencies								
	4.2.3a: Collaborate Efforts Among Community Based Organizations	X					Forum - Social Partnership		
	4.2.3b: Encourage The Forestry Department To Play A Leadership Role In Strengthen Community Management Systems	X	X				Forestry & Lands		

Thematic Focus IV: Good Governance, Justice, Crime And Citizen Security									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
	Strategic Objective 1.1: Democratization Of National Development Partners								
	Activity .1.1.2: Prepare, Implement & Evaluate Performance Of Social Compact	X	X	X			Cabinet	Social Partners	Social Partners
	Activity 1.1.3: Fund The Monthly Social Partners' Forum	X	X	X			Cabinet	Social Partners, All Stakeholders	OAS, EU
	Activity 1.1.1: Fund Public Education And Development Sensitization Activities Involving Social Partners, NGOs & CBOs)	X	X	X	X	X	Cabinet	Social Partners	MoF;, MoCD;, PM Ministry And Other Ministries
	Activity 1.1.4: Construct And Outfit The New Parliament	X	X	X			Cabinet	Mow	AUSAID, UAE
	Activity 1.1.5: Activate And Fund The Commission For Integrity I Public Life	X	X	X	X	X	Cabinet	Mow	PPP
	Strategic Objective 2.2: Making Constitutional Reform Work For National Development								
	Activity 2.2.1: Establish Trust Fund To Finance The Work Of The Advisory Cmte	X					Cabinet	MoF	
	Activity 2.2.2: Fund National Consultation	X	X				Cabinet	MoF	
	Activity 2.2.3: Set Up Machinery For National Referendum on The Constitution In 2014	X	X	X			Cabinet	MOLA	OAS, NSAs
	Strategic Objective 3.3: Protecting The Integrity Of The National Financial Sector								
	Activity 3.3.1: Achieve Seamless Integration Between National Practice & Requirements of Eastern Caribbean Financial Services Regulatory Com.	X	X					Parliament, Garfin	MoLA Office Of The Attorney-General, ECCB, OECS
	Activity 3.3.2: Satisfy Legislative Agenda For The Improvement Of Financial Environment	X	X					Parliament, Garfin	MoLA, AG Office, ECCB, OECS



Thematic Focus IV: Good Governance, Justice, Crime And Citizen Security									
Priority Area	Strategic Measures And Supporting Actions	Time Frame					Responsible Entity	Monitoring Institution (s)	Partner Agencies
		2014	2015	2016	2017	2018			
	Strategic Objective 4.4:Improving The Labour Relations Climate								
	Activity 4.4.1: Review And Update The Labour Code	X	X					Trades Union Council	CIC, Employers' Federation, GTUC
	Strategic Objective: 5.5: Engineering A New Public Service								
	Activity 5.5.1: Implement Public Service Productivity Enhancement Program	X	X	X	X	X	Cabinet	HR In Various Ministries, G-Tuc, Dept. Of Labour, MoF	
	Activity 5.5.2: Pilot Human Resource Audits In Selected Ministries						Department Of Public Adm. (DPA)		CIDA, Commonwealth Secretariat, OECS Secretariat
	Activity 5.5.3: Implement Training In Human Resource Policy And Strategy								
	Activity 5.5.4: Develop Policy To Treat With Attrition, Contract Management, Overseas Travel & Employee Assistance	X	X	X	X	X			
	Activity 5.5.5: Increase Automation & Innovation For Productivity Increase In Public Service Delivery	X	X	X	X	X			
	Activity 5.5.6: Increase On-Line Accessibility To Government Services	X	X	X					
	Strategic Objective 6.6: Deepen The Mainstreaming Process Of The Financial Sector Into The National Security Agenda								
	Activity 6.6.1: Establish And Finance The Anti-Money Laundering And Counter Financing Of Terrorism Cmte	X	X	X	X	X	Cabinet	National Security Adviser	MoLA, AG; CoP Office, National Security Organs
	Strategic Objective 7.7: Improve The Reformation Capacity Of The Prison System								
	Activity 7.7.1: Expand Existing Vocational And Life Skills Programs As A Vehicle For Eliminating Incidence Of Recidivism Among In-Mates At HM's Prisons	X	X	X	X	X	Cabinet	HM's Prisons	MoYS, NTA, MoNS, MoF, TAMCC,

BIBLIOGRAPHY

Central Statistical Office, "Labour Force Report, 2000", Ministry of Finance, Grenada

Central Statistical Office, "Labour Force Survey Report, 2013", Ministry of Finance, Grenada

Corporate Council on Education of Canada, "Academic Skills",
<http://www.conferenceboard.ca/libraries/edu> at 5:05pm on Wednesday,
December 4, 2013

Griffith, Cyrus, Commissioner of Labour, "Labour Market Issues in Grenada – An Interview", conducted at 8:15-9:12 at the Ministry of Labour on Thursday, December 5, 2013

Henry, Andre Vincent, PhD, "Alternative Growth and Poverty Reduction Strategy-Management Action Plan, Non-State Action Panel", March 2013, Grenada

Jensen, Keld, "Hire for Attitude", <http://www.forbes.com> at 5:31pm on Wednesday, December 4, 2013

Kairi Consultants, Country Poverty Assessment, Grenada, Carriacou and Petit Martinique, Published in Trinidad and Tobago

La Grenade, Cecile, Dr. Her Excellency Dame, "Throne Speech 2013", Houses of Parliament, St. George's, October 4, 2013

Ministry of Education and Human Resources, "Strategic Plan for Education Enhancement and Development, 2006-2015" Ministry of Education and Human Resources Development, Tanteen, St. George's, Grenada

Ministry of the Prime Minister, "Information and Communication Technology – A Strategy and Action Plan for Grenada, 2001-2005", Office of the Prime Minister, St. George's, Grenada, June 10, 2002

Ministry of Planning, "Public Sector Investment Program 2012", Ministry of Planning and the Economy, Port of Spain, Trinidad and Tobago, October 2011

Mitchell, Keith, Dr. Rt. Honourable, "2013 Budget Statement", Ministry of Finance, Grenada

Mitchell, Keith, Dr. Rt. Honourable, "2014 Budget Statement", December 10, 2013, Ministry of Finance, Grenada

Mitchell, Khesha, VP Business Development, "Entrepreneurship, Small Business and Access to Finance – An Interview", conducted at 1:12-2:45pm at Grenada Industrial Development Corporation (GIDC) on Tuesday, December 10 2013



Non-State Actors Panel, "An Alternative Growth and Poverty Reduction Strategy for Grenada", St. George's, Grenada, March 2012

Simons, Reynold, "Final Report of the Caribbean Labour Market Information System (CLMIS) Project, October 17-19, 2004"

World Bank, "Grenada: A Nation Rebuilding – An Assessment of Reconstruction and Economic Recovery one year after Hurricane Ivan", October 31, 2005

World Bank, "Monitoring and Evaluation, Some Tools, Methods and Approaches"
World Bank, Washington, DC

World Bank, "Influential Evaluations – Evaluations that improve performance and impacts of Development Programs", The World Bank, Washington, DC

From: Assessment of Progress Towards the Millennium Development Goals (MDGs) in Grenada

Social Safety Nets http://www.unicef.org/barbados/Grenada_SSNA_Report.pdf

From: Grenada Social Safety Net Assessment:

http://www.gov.gd/egov/docs/reports/Grenada_MDG_Progress_Assessment_Report_2010.pdf