

THRONE SPEECH 2018

*Building Resilience, Advancing Social Development,
Transforming our Economy*

Delivered to the Houses of Parliament

By

Her Excellency, Dame Dr. Cecile La Grenade, Governor-General

On the Occasion of the Second Session of the Tenth Parliament

Grenada Parliament Building
Mt. Wheldale
St. George

November 19th, 2018

10:00 A.M.

Mr. President, Mr. Speaker,

Members of Parliament,

Blessed is the nation whose God is the Lord.

As our nation embarks on this Second Session of the Tenth Parliament, we are grateful to Almighty God for his many blessings and favours showered upon us. We are indeed thankful to God for our collective achievements as a people over the past year. We are especially grateful for God's guidance over the completion of this our new Parliament Building, which is the ultimate symbol of our commitment to democracy, social justice, the rule of law and good governance.

Mr. President, Mr. Speaker,

Our economy has enjoyed five consecutive years of robust growth over the period 2013 to 2017, and it is poised to record its sixth straight year of economic expansion in 2018.

Mr. President, Mr. Speaker,

Our unemployment rate, though still too high, has consistently declined since 2013 and the employed labour force has expanded by over five thousand workers.

New businesses have opened and existing ones have expanded. Our construction workers are doing well, our tourist vendors are thriving, our farmers are holding their own despite challenges, our senior citizens are benefitting from increased public assistance and our youth are being afforded more training, scholarships, and employment opportunities.

Furthermore, the rules-based Fiscal Responsibility Law that took effect on January 1, 2016 is helping to strengthen fiscal discipline. As a result, my Government's public finances have improved significantly and the debt burden has eased. My Government is now meeting its obligations comfortably when they become due and is also able to generate surpluses, which are being invested in our communities to help meet the needs and aspirations of our people.

Indeed, the people of this our blessed tri-island state are responsible for the positive economic results of the past five years, and our social and economic progress as a country in general.

While we celebrate our successes, we should not become contented or complacent, for we have much more to do to build our nation and to secure the bright and prosperous future that we all envisage for our beloved country.

Mr. President, Mr. Speaker,

We must take bold actions if we are to realise the bright future that we envision; a future in which all Grenadians can reach their full potential and their dreams and hopes can become reality. We are ever mindful that the risks posed by climate change can derail our plans and rob us of the future we desire. Urgent and decisive actions are therefore required to make our environment, our people,

and our economy more resilient to the increasingly grim and devastating impacts of climate change.

Therefore, Mr. President, Mr. Speaker, for this Session of Parliament, the focus of my Government will be on:

- (i) Building resilience
- (ii) Advancing social development
- (iii) Transforming our economy

Mr. President, Mr. Speaker,

These priorities are framed within the context of my Government's Medium-Term Agenda that is being prepared for the period 2019 to 2021, which will anchor a whole-of-Government approach to development planning, and will guide my Government's strategic development interventions over the medium term.

Building Resilience

Mr. President, Mr. Speaker,

By now we have all internalised the harsh truth that climate change poses the single greatest threat to human life as we know it.

Grenada, like other small island states, is highly vulnerable to natural hazards and is among those countries at greatest risk to the impacts of climate change. Vivid images of the utter devastation wreaked upon some of our neighbouring islands last year, by Hurricanes Irma and Maria, will be forever etched in our memories.

On August 1st this year, extremely heavy and prolonged rains caused massive flooding that affected many of our communities. Three weeks later, on August 21st, Grenada and other neighbouring islands were shaken by a 7.4 magnitude earthquake. Thankfully, there was no major damage or loss of life. In September, Tropical Storm Kirk caused major flooding in Barbados and St. Lucia. In September also, further afield, a 7.5 magnitude earthquake in Indonesia triggered a tsunami, which resulted in over one thousand deaths. Most recently, in Trinidad and Tobago in late October, consecutive days of heavy rainfall caused widespread flooding, which led to the declaration of a national disaster. Those natural events brought to the fore once again, the daunting reality that climate change is real and its impact intensifying.

Mr President, Mr. Speaker,

The experts have warned that more intense hurricanes, heavier rainfall, hotter spells and rising sea levels are expected for the Caribbean region.

So how then do we respond to climate change?

Mr President, Mr Speaker,

My Government's newly-created Ministry of Climate Resilience, Environment, Forestry, Fisheries, Disaster Management and Information will be intensifying its efforts in spearheading all activities aimed at making Grenada a climate-resilient country. This will include formulating and executing strategic policies and programmes that are geared towards protecting our oceanic, marine, coastal and land environments; improving drainage; and strengthening our disaster preparedness and management systems, among other policies. Building a more resilient nation will ensure that families, communities, businesses and the Government can better prepare, manage and recover faster from, extreme climate-related events. The first phase of the ban on styrofoam products is the outcome of collective action towards the promotion of environmental sustainability and the attainment of the resilient nation we aim to be.

My Government's climate resilience agenda is one that is grounded in sound policy, developed through extensive national stakeholder consultation. The recently-approved National Adaptation Plan and National Determined Contributions, identify Grenada's climate change adaptation and mitigation needs. Also, my Government has requested assistance from the International Monetary Fund to conduct a Climate Change Policy Assessment. This assessment would seek to examine our plans to manage climate change, from the perspective of its macroeconomic implications and suggest macro-relevant reforms that could strengthen the likelihood of success.

Mr. President, Mr. Speaker,

My Government has already achieved a number of early and notable successes. Through the Green Climate Fund (GCF), Grenada has secured significant grant support for a number of transformative projects and capacity building in key Government institutions. These projects include:

- **Grenada Climate Resilient Water Sector** - With support from the German Government, Grenada secured EC \$125 million for a project that seeks to address the critical need to increase water collection and storage in the north of the island, with more effective distribution to the south where demand is greatest and which is most vulnerable to water shortages.
- **Climate Resilient City** - This is a project funded by the GCF in technical partnership with New York University. The goal is to make the town of St. George, the first climate-resilient city in the Caribbean. The town of Grenville will also benefit from the project. The intention is for the two towns to be sufficiently transformed to be able to withstand future economic, environmental, social, and institutional shocks, exacerbated by climate change. Challenges such as flooding, sewerage waste water management, coastal erosion, land degradation, public utility hazards and vehicular congestion are expected to be addressed. The potential value of these projects is estimated at EC \$350 million.
- **Green Climate Fund Enhanced Direct Access** - Grenada, Antigua/Barbuda and Dominica have secured funding to the value of EC \$54 million, which will provide grant support and a soft loan facility for community, private sector and Government-based

climate resilience initiatives. Support for low-income homeowners to make their homes more resilient to climate change will also be included.

Mr. President, Mr. Speaker,

My Government will step up its efforts at climate screening all public investment projects to ensure that new physical infrastructure is climate change and disaster-resilient. This will ensure that public infrastructure is built to withstand major hurricanes, heavy rains and floods. My Government will also push ahead with its plans to improve Grenada's energy security and diversify our energy mix, through the use of renewable energy.

Presently, work is ongoing on Grenada's geothermal development. To date, over US \$2 million have been provided in financial and technical assistance by the Governments of New Zealand and Japan to assist in investigating Grenada's geothermal potential for electricity production.

Through the Sustainable Energy for the Eastern Caribbean programme, economically viable investments will be made in renewable energy and energy efficiency to reduce our dependency on imported fossil fuels. To date, energy audits have been completed for fourteen public buildings and the search for a project manager has commenced for the investment phase of this initiative.

Another ongoing initiative is the Japan-Caribbean Climate Change Partnership, which is aimed at supporting Grenada's advance to inclusive low-emission, risk-resilient development. This will be achieved by improving our energy security and integrating medium to long-term planning for adaptation to climate change.

The partnership provided funding and is supporting the implementation of eight climate change adaptation pilots in the areas of Climate-Smart Agriculture, Water Resource Management, Climate-Smart Resilient Infrastructure and Renewable Energy.

Mr. President, Mr. Speaker,

Through the important work of the Ministry of Agriculture and Lands, as well as the recently-launched Climate-Smart Agriculture and Rural Enterprise Programme (SAEP), my Government will continue to support and promote climate-smart agricultural practices. SAEP's objectives are to provide training and financial support to farmers to implement climate-smart agricultural and irrigation practices. The training that farmers will receive is expected to go a long way in building the resilience of our agricultural sector. The programme is financed by the International Fund for Agricultural Development, the Caribbean Development Bank and the Government of Grenada to the tune of US \$14 million.

The Ministry of Agriculture and Lands is also working collaboratively with the Food and Agriculture Organization, the Munich Climate Insurance Initiative and the Caribbean Catastrophe Risk Insurance Facility, to develop and provide risk management tools to help vulnerable people. In recent times, with the effects of climate change and the increasing pressures of invasive alien species, the sector has become much more vulnerable. Adequate insurance coverage will be crucial

in safeguarding livelihoods and providing a high degree of comfort and security to those involved in the agri-food sector.

Mr. President, Mr. Speaker

My Government will continue to address the issues of youth unemployment and an ageing population within the agricultural sector, by fully implementing the Youth in Agriculture Project. Technical and material assistance would be provided to young persons with the interest and aptitude to pursue agri-business enterprises. This initiative will contribute to greater sustainability in the agricultural sector.

Another important initiative is the Pilot Land Bank Project, which seeks to provide persons with access to good, fertile and arable idle lands for agricultural production. My Government has already allocated over 100 acres of lands at Diamond, St. Mark and Grand Bacolet, St. Andrew. This project is funded by the Food and Agriculture Organization and seeks to manage our arable lands in a more prudent and climate-smart manner.

Mr. President, Mr. Speaker,

My Government will continue to make climate change information available and mainstreamed into its decision and policy-making processes. It will also continue raising environmental awareness in our communities, our schools, our churches, our workplaces and the wider society. Indeed, the protection of our environment and the building of resilience is everyone's business, not just the business of my Government. In this regard, the private sector, including the financial sector, must also play its part in promoting an environmentally-conscious and climate-resilient Grenada.

Financial lending institutions can channel resources to sectors and industries that can help to promote climate resilience and energy efficiency. They are therefore well-placed to support climate change adaptation and mitigation, and by extension, promote environmental sustainability.

Mr. President, Mr. Speaker,

My Government acknowledges that delivering on its resilience agenda calls for working with strategic partners. In June this year, the World Bank approved a loan of US \$30 million that would allow my Government to advance the implementation of its Climate Adaptation and Mitigation Strategy, which will entail measures geared at protecting our natural resource and coastal and marine ecosystems, reducing hazards and disaster risks, and improving physical planning, among other strategic measures.

Mr. President, Mr. Speaker,

Through the Prime Minister, who, in September this year assumed the presidency of the Fourth Assembly of the Small Island Developing States Sustainable Energy and Climate Resilience Organisation (SIDS DOCK), Grenada will continue to lobby international partners for concessional financing to help build resilience in small states around the world. Furthermore, we

will continue to impress upon the international community to consider the Caribbean's inherent vulnerabilities when designing policies to graduate small island states from accessing official development assistance.

Mr. President, Mr. Speaker,

Building resilience and reducing vulnerabilities go hand in hand. They are indeed the two defining issues of our time and must be placed high on the national development agenda if the gains achieved in recent years are to be maintained.

Advancing Social Development

Mr. President, Mr. Speaker,

Advancing social development will require my Government to focus on bolstering our resilience as a people and building stronger communities.

As Grenadians, we are by our very nature, a nation of determined and resilient people. Although our history has been replete with challenges, it is also a history of courage and triumph.

Mr. President, Mr. Speaker,

As we inch closer to our 50th year as an independent nation, we must redouble our efforts to ensure that as a people, we are more fortified to confront challenges head on. Our social advancement must be fuelled by our collective strength and resolve to succeed.

Therefore, my Government will give more prominence to building social resilience, by expanding the reach and enhancing the impact of its social policies and programmes. In this regard, greater emphasis will be placed on providing adequate psycho-social support systems to help individuals and communities cope better in the event of natural disasters. More focus will also be given to protecting and empowering vulnerable and at-risk households and communities. This will be done by systematic and strategic targeting of social protection and safety net programmes so that the neediest benefit the most.

Mr. President, Mr. Speaker,

The provision of affordable, climate-resilient housing infrastructure would also feature prominently on my Government's agenda to advance social development. In this regard, the Ministry of Social Development and Housing will continue work already started by the Housing Work Brigades established throughout the length and breadth of the country, responsible for repairing, constructing and rebuilding houses for vulnerable citizens.

Work will also continue under the Chinese low-income housing project in the parishes of St. Mark, St. David, St. Patrick, St. George and Carriacou.

Mr. President, Mr. Speaker,

Advancing social development would also require the mainstreaming of gender equality and social inclusion issues in decision and policy making, to which my Government is firmly committed. My Government has launched a Special Victims Unit and Hotline to deal specifically with sexual crimes, domestic violence and child abuse. We will continue to render services to victims of gender-based violence, deliver and facilitate parenting education support both independently and collaboratively. Indeed, the establishment of the Special Victims Unit and Hotline are crucial steps in our quest to rid our society of the scourge of abuse in all of its despicable forms. We will also continue work to finalise our Juvenile Justice Policy and Strategic plan, and continue the work of the National Committee for the Prevention of Child Sexual Abuse.

Mr. President, Mr. Speaker,

Advancing social development would also require us to make greater strides in the areas of education and health. Accordingly, the Ministry of Education will give greater priority to the development of skills as a major contributor to economic growth, development and employment in Grenada. Already a National Skills Development Institute has been established in Snell Hall in St. Patrick and will begin operations soon. A partnership has also been established with the New Life Organisation (NEWLO) for the delivery of thirteen certified skills programmes targeted at young adults 25 years and older. The Ministry of Education intends to establish at least two new skills centres in 2019.

My Government will continue to provide higher education opportunities for its citizens. A total of one hundred and seventy-three scholarships valued at EC \$48.5 million, were awarded for higher education in 2018. This included economic cost and bursaries to the University of the West Indies (UWI). Additionally, island scholarships funded by the Government of Grenada amounted to EC \$2.3 million.

Mr. President, Mr. Speaker

In relation to health, the Ministry is fully committed to improving the quality of healthcare for all segments of the population. As a first step, ongoing efforts to regularise staff within the health sector would address the human resource constraints, as well as provide a clear framework for succession planning. A Human Resource Health Policy and Plan has been approved and implementation will begin in 2019.

My Government is also committed to developing and improving the health infrastructure, with an aim to institutionalising climate resilient technologies in health sector planning and operations. In this regard, my Government in October completed and commissioned the retrofitted Princess Alice Hospital which is now recognised as a SMART healthcare facility. The Gouyave Polyclinic is also expected to be completed in 2019, a model health facility for the delivery of primary health care services to the residents of St. John and surrounding parishes.

As my Government seeks to enhance services in the health sector, it is the fundamental philosophy that one's access to care should be guaranteed, regardless of one's ability to pay. As such, health

financing and National Health Insurance (NHI) remain a priority for my Government. The Health Economics Unit of UWI has been contracted to provide technical assistance to the NHI Secretariat in developing the framework for a NHI Programme in Grenada. To date, a number of deliverables have been received including the proposal for the Basket of Services, a Macroeconomic Analysis of the fiscal space for financing of NHI and a Governance Framework that has been approved by Cabinet. My Government now awaits the submission of the proposal for the legal framework to guide implementation of the NHI.

Mr. President, Mr. Speaker,

My Government also remains firmly committed to pension reform. Indeed, ensuring that our retirees are provided with a decent pension so that they can have a comfortable standard of living in their twilight years, is not just a social imperative, but a moral duty, which my Government takes seriously. To meet this commitment, my Government has established a Pension Secretariat and has secured the services of a company to conduct an actuarial study to assist in designing an appropriate package based on Grenada's particular financial situation. My Government has already taken action to support public officers who were appointed between April 4th, 1983 and February 22nd, 1985, on the basis of the Hermilyn Armstrong judgement. Despite the current impasse in negotiations with public sector trade unions and staff associations, my Government is committed to achieving pension reform which will benefit workers in the post-1985 category. We must balance this commitment with ensuring that decisions taken do not have negative effects on future generations, but are done within the parameters of the Fiscal Responsibility Law.

Mr. President, Mr. Speaker,

My Government's people-centred approach to development recognises that Grenada's economic advancement requires a healthy, educated, conscious, productive and purposeful citizenry. There can certainly be no economic production and by extension, transformation without a productive people.

Mr. President, Mr. Speaker,

I now turn to the third and final priority area of my Government.

Transforming Our Economy

Mr. President, Mr. Speaker,

Our country has had its share of economic ups and downs since its independence. In retrospect however, our economic story has been an encouraging one. Economic growth has been positive in 29 of the past 38 years.

In the past five years especially, economic growth has been robust. Our home-grown structural adjustment programme delivered significant results.

Indeed, macroeconomic stability has been restored, our public finances have improved and continue to do so, and our public financial management and accountability systems have been strengthened.

Our signature Fiscal Responsibility Law has ushered in a new fiscal era, one where strong fiscal discipline has become the norm and where the management of public finances is systematically monitored and reported to the Parliament by an independent Fiscal Responsibility Oversight Committee.

Mr. President, Mr. Speaker, last month, our Prime Minister and Minister of Finance received a prestigious award at the Annual Meetings of the International Monetary Fund and the World Bank in Bali, Indonesia – Finance Minister of the Year for the Caribbean region. This award is a testament of the bold and decisive policies taken under the stewardship of our Prime Minister and Minister of Finance to correct our economic challenges. It is also a testament of the hard work and dedication of the staff of the Ministry of Finance, and it is also a testament of the collective resolve and shared sacrifices of our people.

Mr. President, Mr. Speaker,

My Government has cemented a solid economic foundation through the bold policies and tough reforms it implemented in the past five years. In so doing, it has positioned the country well for economic take off and transformation.

Mr. President, Mr. Speaker,

My Government is mindful that transforming our economy to one that is more dynamic, diversified, competitive, innovative, and prosperous, will not happen overnight. Economic transformation is a long-term affair, but with the right foundation in place, the process towards its attainment can be better accomplished.

Mr. President, Mr. Speaker,

An immediate priority of my Government will be the diligent pursuit of projects that have the potential to contribute to Grenada's economic transformation in the long term. My Government has already identified four such projects, details of which will be provided when the 2019 Budget is presented.

A Transformational Projects Committee, with representatives from the public and private sectors has already been established and one of its responsibilities is to develop a detailed plan of action to move the projects from the stage of ideas to implementation.

Mr. President, Mr. Speaker,

Youth must be at the centre of our economic transformation agenda. Indeed, the transformation of our economy will require their ideas, innovation, creativity, and energy. My Government will therefore intensify its efforts to promote opportunities for youth development and empowerment.

Priority will be given to increasing vocational and other training and skills development that are relevant for the 21st century youth. My Government will increase its efforts to improve the enabling environment provided to support the creation of youth enterprises and cooperatives to enable them to take advantage of emerging business opportunities, especially in the export markets.

Mr. President, Mr. Speaker,

Greater emphasis will also be placed on making more effective use of the advances in technology. Mr. President, Mr Speaker, there is no reason why the next big global app or invention cannot be developed by young Grenadians. This is the future that my Government envisions and will be working intentionally towards making this a reality.

Mr. President, Mr. Speaker,

Transforming our economy will also require significant reductions in the cost of doing business, as well as a fundamental overhaul of the manner in which business is conducted. My Government will therefore push ahead with reforms to cut energy costs, with a view to lowering the overall cost of doing business. In this regard, promoting the use of renewable energy remains a key priority. My Government will also accelerate ongoing reforms of the Customs and Excise Division to improve trade facilitation.

My Government will forge ahead with implementation of the National Export Strategy (NES) 2017-2021, which identifies priority sectors for export trade expansion, and other key strategic framework documents, that will provide the main platforms for informing necessary interventions.

We simply cannot conduct business in the 21st century using 20th century processes, systems and technology. Of necessity therefore, business re-engineering, both in the public and private sectors must take place.

Mr. President, Mr. Speaker,

With respect to the Public Sector, my Government will move aggressively to implement reforms to modernise procedures and business processes, as well as mainstream the use of up-to-date technology, with a view to cutting red tape and improving the interface between Government and businesses.

The proposed Digital Governance for Resilience Project will help to build a resilient Government that adopts a whole-of-government approach to implementing critical public policies and services. An essential deliverable of this project will be the digitisation of key public services.

My Government will also continue to expose public servants to customer service and other training, as well as personal and professional development opportunities to enable them to improve the quality of their work, and by extension, the quality of service provided to the public.

Mr. President, Mr. Speaker,

Achieving service excellence in the Public Service should not be ad hoc or a surprise, it should be the norm. A new mantra will be “Quality Public Servants for Quality Service to the Public.”

Mr. President, Mr. Speaker,

My Government will continue to support the development of new areas of economic activity such as:

- (i) The Blue Economy, to unlock the economic benefits of our ocean
- (ii) The Green Economy to fully exploit the benefits of renewable energy
- (iii) The Orange Economy to leverage our rich culture, heritage, arts and creativity for maximum economic benefits
- (iv) The Silver Economy to exploit our oil and gas resources, which can be an economic game changer for this country

Through these new areas of economic activities, pathways will be created to increase jobs and wealth for our people.

Mr. President, Mr. Speaker,

My Government will also continue to give focus to the traditional sectors such as agriculture, tourism, and manufacturing through concerted and strategic actions to make them more competitive, productive, innovative, profitable, relevant to the 21st century, and agile enough to adapt to changing technologies and the demands of customers, locally, regionally and internationally.

Mr. President, Mr. Speaker,

Crucial success factors to support our process towards economic transformation are the maintainance of strong institutions, good governance, respect for the rule of law and the promotion of human dignity. My Government remains firmly committed to these principles. Additionally, collective actions and the continued support of the social partnership are also crucial to realising our aspirations for economic transformation, wealth creation and inclusive prosperity.

Conclusion

Mr. President, Mr. Speaker,

My Government has set out its overarching strategic priorities for this Session of the Tenth Parliament. Specific details will be elaborated when the 2019 Budget is presented.

Mr. President, Mr. Speaker,

We look to our future with hope, optimism and confidence; secure in the knowledge that we as Grenadians are well able and capable of realising the bright and prosperous future that we all

envisage, with bold and collective actions. We must continue to work together and be steadfast and resolute in addressing our development priorities.

Mr. President, Mr. Speaker,

Members of Parliament,

May God guide you in all your deliberations and render you equal to the sacred trust bestowed upon you.

And may God continue to hold our beloved nation in the palm of His hands and shower us with unprecedented favours and blessings. May His will be done.