



## **2022 BUDGET STATEMENT**

*PRESENTED BY*

***HONOURABLE GREGORY BOWEN***  
***Minister for Finance, Economic Development, Physical***  
***Development, and Energy***

***To***

***The House of Representatives***

**November 26, 2021**

**10:00 A.M.**

## 1. Introduction

Mr. Speaker, I beg to move the following Motion standing in my name:

**“Whereas** it is necessary to provide for the State of Grenada for the year 2022 by means of an Appropriation Act;

**Be it resolved** that the Estimates of Expenditure for the year 2022 be approved.”

Mr. Speaker, as this is a Money Motion, I wish to signal to this Honourable House that I have the consent of the Governor General to proceed.

Mr. Speaker, in compliance with the Fiscal Responsibility Act, and Regulations under the Public Finance Management Act and the Public Debt Management Act, I wish to advise that the following reports will be submitted to this Honourable House:

1. The Budget Framework Paper 2022, in accordance with Section 13 of the Regulations for the Public Finance Management Act No. 17 of 2015;
2. The Medium-Term Debt Management Strategy 2022-2024, in accordance with Sections 5(1) to 5(3) of the Public Debt Management Act No. 28 of 2015, as amended;
3. The Fiscal Risk Statement, in accordance with Section 12 (1) (e) of the Fiscal Responsibility Act No. 29 of 2015, as amended.
4. The 2021 Economic Review and Medium-Term Outlook; and,
5. The 2020 Annual Debt Report.

Mr. Speaker, permit me to commence this year’s Budget Presentation by giving thanks and praise to the Almighty God for seeing us through yet another difficult year. At times, the challenge seemed insurmountable but we are a people of resolute faith in the power of the Almighty.

And so today, we are reminded in Jeremiah Chapter 29, Verse 11 and I quote, **“For I know the plans I have for you,” declares the Lord, “plans to prosper you and not harm you, plans to give you hope and a future.”** Mr. Speaker, these eloquent words of wisdom provide the beacon that illuminates the path to the future, for we know that with God, all things are possible.

It has been 20 months since the COVID-19 pandemic started testing the strength and resolve of our nation, challenging us like never before, but through God’s grace and enduring mercies, we continue to survive and I am confident that we will also thrive.

Sadly though, 200 of our beloved citizens, especially our elderly, lost their battle with COVID-19. My heart aches for their relatives and friends and I sincerely pray for God's comforting touch at this time.

Mr. Speaker, the COVID-19 pandemic has upended our lives; its far-reaching impact depriving many citizens of their livelihood and leaving entrepreneurs struggling to keep their businesses afloat.

Our health care system, like many others around the world, was stretched to the limit, overwhelming healthcare professionals as they fought desperately to preserve life.

The educational journey of our students was disrupted and school administrators were hard-pressed to find that optimum balance between online and in-person learning. Young people have been deprived of critical socialisation skills as physical distancing replaced social interaction.

Notwithstanding this period of unprecedented challenge, our nation stands firm in the face of adversity, firm in the belief that this too, shall pass. The resilience of the Grenadian people is evident in our renewed sense of hope. With God as our strength and refuge, I am confident that we will emerge from this pandemic better, stronger and more resilient.

Mr. Speaker, I applaud the collective efforts of our citizens in confronting this pandemic. I am especially grateful to those on the frontlines: our doctors, nurses, and other health care professionals; our national security personnel; our social workers and care givers, our essential businesses and all others, who contributed in one way or another, to keeping our country safe.

I am grateful to the many stakeholders, including the business community, farmers, trade unions, religious organisations, youth groups, and civil society organisations for helping to shape Government's COVID-19 strategy.

There's an old proverb which says, ***in unity there is strength***, which I believe is quite relevant to our current situation, as fighting this pandemic requires all hands on deck.

I therefore express sincere appreciation to our citizens, friends, and partners outside of Grenada for the outpouring of support during this crisis. We are especially thankful to our brothers and sisters in the diaspora who heeded our call for help in a moment of great need.

Mr. Speaker, I am also grateful to the Hon. Prime Minister for the continued confidence reposed in me to lead the Ministry of Finance in this difficult period.

Mr. Speaker, as a nation, we have managed this unprecedented crisis with equanimity and resolve. Government moved quickly at the onset of the pandemic to introduce difficult but necessary measures to protect us all.

Government also moved swiftly and decisively to cushion the adverse socio-economic impact on individuals and businesses by launching a COVID-19 Economic Stimulus Package in 2020, which amounted to over EC\$50 million and benefitted over 7,000 people.

In September, Government launched the COVID-19 Economic Stimulus Package 2.0. This \$36 million package comprises several components, providing different categories of benefits to many people. To date, 720 people have received income support; another 462 have received the unemployment benefit, and close to 200 have received small business support through initiatives implemented by the Grenada Development Bank. More than 200 people have also received stimulus support through the SEED programme.

While many countries struggled with wave after wave of the pandemic, our early interventions helped to spare Grenada from the full health impact of the disease for 19 months.

When that bubble of protection was destroyed, we experienced first-hand, the detrimental impact of the disease.

The number of new cases rose exponentially, along with hospitalisations and related deaths. Government once again acted quickly and decisively to bring the situation under control.

Today, our reality is far different from a few months ago. The number of new cases has dropped significantly. Prior to the detection of a new cluster last weekend, our test positivity rate became negligible and hospitalisations and deaths also significantly declined.

Mr. Speaker, there is always a light at the end of every tunnel, a silver lining behind every dark cloud. Our economy is slowly coming back to life following the precipitous decline in 2020. Investor confidence remained high throughout the pandemic and as the local economy reopens in earnest, new business opportunities are emerging.

Unemployment has almost returned to its pre-COVID-19 level, even though the rate is still unacceptably high. Government will continue to actively explore all initiatives that will generate employment opportunities and also create an enabling environment to facilitate greater levels of entrepreneurship and the development of more micro, small and medium-sized enterprises.

The pandemic has led to significantly reduced revenues in both the public and private sector. However, Government's unwavering commitment to fiscal prudence since its

return to office in 2013 and the savings generated, enabled us to meet all commitments, including our obligations to workers, pensioners and suppliers, on a timely basis. Furthermore, social protection programmes were preserved and expanded to help alleviate the impact on the most vulnerable.

Mr. Speaker, these are remarkable achievements at the national level, given the pandemic-related challenges that continue to confront us.

At the individual level however, we acknowledge the deep pain that is being felt by our people at this time. Many of our citizens face the harsh reality of unemployment, and are rendered helpless to provide for themselves and their families. Workers in the tourism sector were some of the hardest hit as the country closed its borders; hairdressers, barbers and others in the beauty sector temporarily lost their clients; and students lost valuable face to face instruction and opportunities for socialisation. These, Mr. Speaker, represent a mere token of the true impact of this devastating pandemic.

In addition, there's no escaping rising global prices.

Mr. Speaker, as a Government we empathise, because we too must face the challenges of the new normal environment that has been thrust upon us. This period is not for the faint at heart, but again, Mr. Speaker, we are confident that we will get through this.

Mr. Speaker, Government pledges to do everything within its power to continue to protect lives and livelihoods and return our economy to a robust, inclusive, and sustainable growth path.

The Coronavirus is here to stay; we must therefore reorient our thinking and approach to living with the virus as total elimination will be almost impossible at this time.

The level of vaccine hesitancy among our people is concerning, and we continue to encourage vaccination as the primary means of protecting ourselves. Having witnessed first-hand the destructiveness of this virus, we are keen to achieve herd immunity to safeguard our people, our country and our economy.

Reshaping and renewing our economy and society in this new and uncertain environment will be difficult, but not impossible. I have absolute confidence in the leadership of our country, the stakeholders who work collaboratively with Government to promote and facilitate economic growth and development and in the resilience of the Grenadian people, who seek to thrive, even amidst the most difficult challenges.

Mr. Speaker, to achieve our desired objectives, our efforts must be rooted in a forward-looking economic and social reality. I therefore now turn to the economic and social context for the 2022 Budget.

## **2. Economic and Social Context**

### **2.1. International and Regional Developments and Outlook**

Mr. Speaker, global growth prospects have remained favourable, driven by growth in advanced economies.

This we anticipate, will augur well for increased visitor arrivals, foreign direct investments, and cross border trade as Grenada capitalises on these positive developments in some of our major trading partners.

Mr. Speaker, it is instructive to note that the improving outlook for advanced economies is premised on large-scale vaccinations and significant policy support.

Conversely, emerging economies and low-income developing countries are expected to recover much slower, due to the slow rollout of vaccines, high levels of vaccine hesitancy and limited fiscal space to respond appropriately.

Mr. Speaker, excluding Guyana where real GDP growth is expected to reach 16.6% in 2021 and 32% in 2022, recovery in the rest of the Caribbean is estimated to be relatively modest, ranging from negative 1.0% to 4.7% in 2021 and 0.1% to 11.9% in 2022.

The recovery in the Eastern Caribbean Currency Union (ECCU), with smaller and more vulnerable economies, is expected to be more tepid than the rest of the region.

Mr. Speaker, more details on the performance of the global economy, CARICOM and the ECCU can be found in Appendix II of the published copy of this Budget Statement.

### **2.2. Performance of the Domestic Economy**

#### **2.2.1. Real Sector Performance**

Mr. Speaker, despite the major setbacks this year, our economic recovery is well underway following the unprecedented decline of 13.8% last year.

However, this recovery is slower than expected with real GDP growth of 4.8%, compared to the 6% originally projected.

The recovery this year is driven by strong growth in several major sectors including construction (22.8%), agriculture (12.5%), wholesale and retail (4.4%) and financial intermediation (3.5%). Recovery in other major sectors, including hotel & restaurants, transport, storage, and communications, continue to lag behind.

Mr. Speaker, the annual percentage increase in the cost of living as measured by the change in the consumer price index, is now estimated at 2.2%. The increase in domestic prices is driven by the sharp rise in food and fuel prices and shipping costs associated with supply chain disruptions caused by the pandemic.

No sector is immune to this upward price movement. Like our constituents, we are feeling the impact of increased prices. As a caring Government that is deeply concerned about the welfare of our people, we have explored some options that will bring relief to the population and I will address these later.

Mr. Speaker, the situation in Grenada is not unique. Many countries, even advanced economies with far more resources than Grenada, are battling growing inflation which is driven by factors external to their economies.

Mr. Speaker, Government takes very seriously its responsibility to explore ways to provide relief to the people of Grenada, Carriacou and Petite Martinique. However, in doing so, the country's fiscal situation and the affordability of relief measures must be carefully considered.

### **2.2.2. Fiscal Performance**

Mr. Speaker, Government finances remain significantly weaker than in 2019, the year immediately preceding the COVID-19 shock, but this year, there are some positive developments compared to 2020.

Revenue collections this year have slightly surpassed the 2020 outturn, but remained significantly below the 2019 performance.

Grant spending for this year will come in much lower than programmed but is significantly higher than outlays in 2019 and 2020.

Recurrent spending has remained high due in part to greater outlays on wages, salaries and pensions associated with the implementation of the 4% salary increase for public officers.

On the capital expenditure side, despite a very slow start, spending picked up significantly in the second half of the year. Also, Government has achieved its targeted PSIP implementation rate of 80% this year.

By year end, the following results are expected relative to the 2020 performance.

- Recurrent revenues of \$690.4 million, compared to \$689.6 million.
- Grant expenditure of \$232.6 million, compared to \$103.1 million.
- Recurrent expenditure of \$598.6 million, compared to \$651.1 million.
- Capital spending of \$261.7 million, compared to \$269.9 million.
- A primary surplus of \$117.1 million, compared to a primary deficit of \$72.4 million.
- An overall surplus of \$62.7 million, compared to a deficit of \$128.3 million.

Mr. Speaker, it is even more critical for Government to ensure that our scarce resources are well targeted and efficiently managed to achieve the best outcomes for our people.

### **2.2.3. Public Debt Dynamics**

Mr. Speaker, the combined impact of the severe shock to economic output by COVID-19 and new borrowings to adequately respond to the crisis, led to a 13-percentage point spike in our debt to GDP ratio to 70.4% at the end of 2020.

Mr. Speaker, our estimated debt to GDP ratio is now 69%, which is slightly higher than projected due to the slower than expected economic recovery.

Although the improvement is below expectations, the direction of the change is favourable. Furthermore, Grenada's debt is assessed as sustainable by the International Monetary Fund and other international financial organisations.

Despite this temporary setback Mr. Speaker, Government remains committed to achieving the debt target of 55% of GDP as set out in the Fiscal Responsibility Law.

### **2.2.4. Unemployment and Poverty**

Mr. Speaker, I am happy to report that the spike in the unemployment rate in the second quarter of 2020 has proven to be transient.

Some 13,603 jobs have returned with the unemployment rate falling from 28.4% in the second quarter of 2020 to 16.6% in the corresponding period this year.

Despite the considerable improvement in the unemployment rate, many of our citizens are still without work and continue to face severe hardship.

Mr. Speaker, similar to what was provided through the first stimulus package, the current package provides support for thousands of workers made jobless by the pandemic.

Mr. Speaker, Government has made good progress in reducing poverty in our country.

A recent Poverty Assessment study, conducted in collaboration with the World Bank, showed that the poverty rate fell by roughly 13-percentage points from 37.7% in 2008 to 25% in 2019.

Empowerment of our people continues to be one of the key priorities of Government and we will continue to pursue initiatives that help to improve socio-economic conditions for the vulnerable.

I will now turn to the theme and strategic focus for the 2022 Budget.

## **3. Theme and Strategic Focus of the 2022 Budget**

Mr. Speaker, the COVID-19 pandemic brought about unparalleled challenges for our small nation, creating macroeconomic instability and threatening to undermine years of socio-economic progress.

The unfortunate reality, Mr. Speaker, is that even after 20 plus months of battling the disease, the virus is still threatening our survival. The threat is even more acute given our low vaccination rate. Therefore, protecting the lives of our citizens and visitors remains our top priority.

Additionally, we must continue to safeguard the jobs and incomes of our citizens, supporting them where possible to alleviate the hardships caused by the pandemic.

At the same time Mr. Speaker, we must continue to prioritise investing for long-term development, building our social and economic resilience as enshrined in the vision of our National Sustainable Development Plan, 2020 to 2035 - **“Grenada, a resilient and prosperous nation, with a conscious and caring citizenry, promoting human dignity, and realising its full potential through sustainable economic, social, and environmental progress for all”**.

Government has identified several strategic objectives to guide our efforts to rebuild, renew, and reshape our economy over the next three years in support of our long-term vision. These are as follows:

- Building economic sustainability
- Improving service delivery in the healthcare sector
- Accelerating food and nutrition security
- Developing Human Capital
- Preserving and expanding social safeguards
- Protecting Environmental Assets and Building Resilient Infrastructure

Mr. Speaker, in the lead up to this budget presentation, we consulted widely on these priorities for 2022. Today, I extend a public thank you to the participants for the quality of submissions received, many of which have been taken on board for implementation in 2022.

In this context, Mr. Speaker, I am pleased to present the 2022 Budget under the theme, **Towards Vision 2035: Protecting Lives, Safeguarding Livelihoods, and Investing for Growth and Resilience.**

#### **4. Outlook for 2022**

Mr. Speaker, macroeconomic conditions are projected to further improve in 2022.

The economy is projected to expand by 4.5% next year, driven by strong growth in all major sectors, especially the tourism related sectors.

Notwithstanding the further growth in output, the nominal dollar value of national output in 2022 will not reach the level achieved in 2019.

Mr. Speaker, accelerating job creation will be crucial to safeguarding livelihoods. We anticipate progress on this as the recovery strengthens. Recurrent revenues are expected to further strengthen in 2022.

Recurrent expenditure will exceed the outturn for this year, led in part by the 4% increase in salary for the period 2022 and the many cost of living relief initiatives.

Mr. Speaker, Government will further expand its capital investment programme in 2022, to counter the protracted impact of the COVID-19 pandemic.

In this regard, Government will seek parliamentary approval to invoke the Escape Clause under the Fiscal Responsibility Act to allow for this expanded capital investment programme.

Two of the conditions for invoking the Escape Clause have been met, in particular, where:

- (i) a natural disaster, public health pandemic or war as a result of which a state of emergency has been declared by the Governor General in accordance with Section 17(1) of the Constitution; and,
- (ii) real GDP experiences a decline of more than 2% in a given fiscal year or a cumulative decline equal to or greater than 3% over two consecutive fiscal years. In the case of the latter, the cumulative decline over the last two fiscal years exceeds 5%.

Mr. Speaker, Government intends to build on the much-improved implementation rate of the PSIP achieved in 2021.

## **5. Expenditure Rationalisation Measures**

Mr. Speaker, Government remains committed to reducing wastage and improving the efficiency of spending.

To advance this agenda in 2022 and complement existing reforms, Government will implement several expenditure rationalisation measures, including recommendations from the World Bank-supported Public Expenditure Review. Specifically, Mr. Speaker, Government will:

- Conduct a payroll audit of the entire public service.
- Expand electronic payments.
- Invest in technology to improve the budget preparation and allocation process.
- Address weaknesses in expenditure controls.
- Further strengthen public procurement systems to improve processing time for the award of contracts.

I now turn to the Estimates of Revenue and Expenditure and the specific areas of intervention for 2022.

## **6. Estimates of Revenue and Expenditure for 2022**

### **6.1. Overview**

Mr. Speaker, addressing the unparalleled health and socio-economic challenges caused by the pandemic, remains a priority for this Government.

The 2022 Budget Strategy, therefore, aims to address these challenges and provides for a total expenditure (including amortization) of **one billion, three hundred and fifty-two million, two hundred and ten thousand, six hundred and thirty-five dollars (\$1,352,210,635)**.

The overall budget summary is as follows:

Recurrent Revenue: EC\$722.2 million

Total grants: EC\$175.4 million

Current Expenditure: EC\$661.7 million

Capital Expenditure: EC\$333.8 million

Current Account Surplus: EC\$60.5 million

Principal Repayments/Amortization: EC\$356.7 million

Primary Deficit (after grants): (EC\$34.2 million)

Overall Deficit (after grants): (EC\$97.9 million)

The detailed budget allocations by Vote can be found in Appendix I of the published Statement.

Mr. Speaker, Government is confident that the above represents the appropriate fiscal stance for 2022.

It recognises the need for countercyclical fiscal policy to stimulate the economy and bolster recovery as we escape the doldrums caused by the pandemic.

However, Mr. Speaker, I wish to underscore the importance of prudent fiscal management, particularly in this period, to ensure that our scarce available resources are properly targeted to optimise their benefit to the people of Grenada, Carriacou and Petite Martinique. Government will therefore continue to be fiscally prudent in managing the country's finances, taking prompt action where necessary to correct inadequacies in the system.

### **6.2. Financing of the 2022 Capital Budget**

Mr. Speaker, with a deficit projected for 2022, Government will need \$98 million more financing than what it expects to generate from domestic revenues and grants, to meet all of its obligations.

Mr. Speaker, I am pleased to indicate that due to our fiscal responsibility and the tremendous sacrifices made by the people of this country, we have already identified the funding to fully close this gap.

- External sources, (comprising of new loan disbursements minus principal repayments), amounting to **EC\$14.4 million**. One of the key sources of new external loan disbursements is a budget support operation with the World Bank to the tune of US\$25 million or EC\$67 million, which will become available in the first quarter of 2022.
- Other sources, net (draw down from the Consolidated Revenue Fund) of **EC\$83.6 million**.

Mr. Speaker, the foregoing is testimony of Government's prudent fiscal management since 2014, which has better positioned the country to accumulate fiscal buffers, which can in turn help to mitigate against shocks, such as the one we are currently battling. Prudent fiscal management has also enabled external resource mobilisation such as the World Bank support just mentioned.

More details of the financing on the 2022 Budget deficit can be found in the Memorandum at the beginning of the detailed Estimates of Revenue and Expenditure.

## **7. Key Interventions for Protecting Lives, Safeguarding Livelihoods, and Building a more Sustainable Future.**

### **7.1. Improving Service Delivery in the Healthcare Sector**

Mr. Speaker, we owe a debt of gratitude to our frontline workers for keeping us safe during this pandemic.

And while we applaud their hard work and sacrifice, we also know that much more will be required of them and us, as COVID-19 remains a clear and present danger.

In this context, a special allocation of **EC\$6.0 million** has been made to support the continued fight against COVID-19 through the Ministry of Health.

Mr. Speaker, beyond COVID-19, we must accelerate our efforts to improve health care delivery and build resilience in the sector.

Installation work is currently underway at the General Hospital, for a brand new, 128-slice GE Revolution EVO CT Scanner, generously donated by The Maria Holder Memorial Trust. One of only three in the Eastern Caribbean, this technologically advanced device will provide rapid, accurate, precise and confident diagnoses in a broad range of clinical applications including oncology, cardiovascular, neurological and musculoskeletal. We look forward to having this CT Scanner operational, as it will help to revolutionise diagnostic services in the health care system.

Mr. Speaker, better diagnostic services tend to lead to better outcomes for patients. Therefore, Government also purchased a new GE XR6000 Digital X-ray Machine, which is now being installed. This state-of-the-art device will expand imaging services at the General Hospital and allow for more types of x-rays to be done, with immediate display of the films for evaluation.

Mr. Speaker, we are heeding the clarion calls of our citizens for a more reliable supply of medicines and pharmaceuticals, including for dialysis administration; more doctors and nurses at our hospitals and community health centres and polyclinics; better health infrastructure; and improved medical services.

Mr. Speaker, in addressing the many challenges to improving health care delivery and building resilience in the sector, Government is cognizant that national health insurance remains of paramount importance. I am pleased to report that work on a National Health Insurance Programme for Grenada continues unabated, despite challenges arising from the pandemic.

A total allocation of **\$97.1 million** is provided under the Ministry of Health for 2022, an overall increase of \$2.2 million relative to 2021.

## **7.2. Building Economic Sustainability and Resilience**

### **7.2.1. Trade Facilitation and MSME Policy**

Mr. Speaker, growing and diversifying our export base is critically important in building a robust and resilient economy. Government will therefore continue to strengthen trade facilitation, secure new markets, and boost production of goods and services for exports.

Building on the support already received from CDB in upgrading the MNIB's Pack House, to achieve Hazard Analysis Critical Control Point or HACCP Compliance, further support will be provided through the purchase of refrigerated trucks to improve logistics to the Pack House, thereby reducing losses on the export side. This project will also support the Grenada Bureau of Standards with building capacity to have more HACCP certified inspectors.

Mr. Speaker, the private sector has recommended the establishment of a central repository to house all export related information. Government strongly supports this recommendation. The Ministry of Trade will launch a new trade information portal in the first quarter of next year, compiling information such as trade requirements, trade agencies and markets.

Moreover, Government, through the Ministry of Trade, Industry, and Consumer Affairs, will commence implementation of the MSME Policy which will provide tremendous opportunities for the growth of MSMEs, job creation, and economic activity.

The key focus for next year will include training and capacity building for MSMEs in the areas such as risk management and contingency planning.

### **7.2.2. Business development for Small, micro and medium-sized enterprises**

Mr. Speaker, collaboration is integral to the success of many things. In the case of sustainable development, it is critical that key stakeholders work together towards common goals that benefit all.

Government reiterates its commitment to enabling the growth of a vibrant private sector that can generate sustainable jobs and bolster our economic recovery and resilience.

Given the significant impact of the pandemic on the business community, especially our micro, small and medium-sized enterprises, Government, like a true partner, has stepped in to provide significant financial support to help businesses stay afloat, with the provision of economic stimulus packages in 2020 and 2021.

Our facility consists of two components, one which deals with the recapitalising and restructuring the Small Business Development Fund which provides highly concessional loan funding of up to \$40,000 for micro businesses at an interest rate of 1% with a repayment period of up to 10 years. Component two provides highly concessional loan financing of up to \$300,000 to small, micro and medium-sized enterprises, at an interest rate of 1%, with a three-year grace period and repayment over 12 years.

This ongoing commitment is further demonstrated with the extension of the loan support programme for micro, small and medium-sized enterprises, into 2022. Mr. Speaker, Government has budgeted an additional \$10 million for these initiatives.

Mr. Speaker, in addition to financing support under the Small Business Development Fund and the COVID-19 Support Loan Fund, further access to credit is provided through the GDB's regular lending programmes.

There has been significant growth in 2021 and for the year so far, the Grenada Development Bank (GDB) has provided loans in excess of \$20 million.

Mr. Speaker, Government not only facilitates the financing for entrepreneurial development, through the Grenada Investment Development Corporation (GIDC), it also seeks to foster the spirit of entrepreneurship. Service is provided in a number of areas including:

- Business Plan Development
- Business Diagnostics
- Entrepreneurial and Business Skills Training
- Business Name Registration
- Company Incorporation

- Recordkeeping
- Proposal Development
- Project Management and Implementation

### **National Security**

Mr. Speaker, national security is a key pillar that supports the social and economic fabric of any society. The Royal Grenada Police force continues to provide excellent service in the fight against COVID-19 while at the same time, addressing criminal elements in the society. In the face of emerging threats and increasingly complex crimes, we recognise the need to modernise our national security architecture.

Mr. Speaker, in 2022, Government will prioritise the creation of a National Security Council which would be tasked with developing a National Security Strategy, a first for Grenada.

The Government is also taking measures to ensure that its maritime space is adequately protected and as such, we are currently engaged in the development of a **National Maritime Security Strategy**. This initiative which **will be another first for Grenada**.

In 2022, The RGPF will also focus on continuous professional training to enhance officers' capability to deal with current and emerging threats to national security, implement a modern police operations dispatch centre, the construction of a central Exhibit Repository to manage exhibits more effectively, and the strengthening of border security through local and regional collaboration.

### **7.2.3. Major Private Sector Developments**

Mr. Speaker, as Government presses on with its public sector investment programme outlined below, there is also a significant level of activity being generated in the private sector.

Mr. Speaker, eight private sector projects – primarily in agriculture and the accommodation sectors - commenced operations in 2021, creating permanent job opportunities for many Grenadians.

The implementation of 15 other major private sector projects, which I announced in my last Budget presentation, are now underway and in various stages of completion.

Mr. Speaker, a significant level of economic activity and employment opportunities are already created by these ongoing projects and much more will be generated by the projects that are expected to commence implementation in 2022.

- **Silversands Legacy (at Mount Cinnamon)** – This US\$80-million project aims to create a modern upmarket resort to increase Grenada’s appeal as a unique, must-see destination. Construction is expected to start in the first quarter of 2022.
- **Riviera Project** - This US\$60-million project will comprise a 100- key hotel, all-day dining and beach restaurants, spa and gym. Construction is expected to start in the third quarter of 2022, with operations commencing in the third quarter of 2025.
- **Port Louis project** - This US\$250-million project aims to create a premium experience in accommodation, fashion, food, film, art, music and culture. It will comprise of two hotels, and will provide a treasure trove of duty-free jewelry, apparel and accessories.
- **Homa Limited** – This project entails a 240-hotel room luxury resort developed across three properties in True Blue. This EC\$60 million project is carded for implementation in 2022.
- **Star Development Limited** – Located in Point Salines, this 60-room luxury hotel and spa will cost EC\$56 million. When completed, it will create employment for 15 persons.

#### **7.2.4. Digital Transformation**

Mr. Speaker, as the COVID-19 pandemic forced us into a new normal, technology became the single tool enabling continuity in the face of widespread shutdowns.

Government therefore sought to implement its digital agenda, of which cyber security is an important element. The goal here Mr. Speaker is to ensure that the digital agenda is operationalised in a safe and secure digital environment.

Mr. Speaker, Government will continue to pursue a Digital Strategy to harness and leverage information and communications technology (ICT) as an enabler and driver of economic transformation.

In 2021, several challenges were encountered with the rollout of two of the major initiatives under the strategy. Government has taken determined steps to remove bottlenecks to the implementation of these projects, including establishing a Digital Transformation Office, within the Department of Economic and Technical Cooperation, with targeted resources to move these projects forward. Implementation is therefore expected to accelerate in 2022 for both the Digital Governance for Resilience Project and the Caribbean Regional Digital Transformation Project.

### **7.2.5. Tourism**

Mr. Speaker, there are increasing signs that activity in the tourism and private tertiary education sectors is picking up faster than earlier anticipated.

Stayover arrivals are rebounding strongly, with arrivals for the off-peak months of July and August 2021 approaching pre-pandemic trends.

Many of our hotels and guest houses have reopened their doors and room occupancy is increasing.

The resumption of cruise tourism, with over 200 calls scheduled between November 2021 and May 2022, will be a major boost to the recovery of the sector.

Mr. Speaker, the much-anticipated third test match between West Indies and England in March next year, will also provide another boost to the sector.

The removal of quarantine requirements for fully vaccinated travellers will also contribute to re-energising travel to our shores.

This Budget provides for **EC\$20.9 million** to support recovery of the hospitality industry.

Mr. Speaker, although the tourism sector was hard hit by the pandemic, discussions were being held on creating an avenue to provide training for people in the hospitality sector. Through a private sector initiative launched in 2021, the West Indies School of Hospitality (WISH), will provide thousands of Cornell University Scholarships for hospitality workers in Grenada to get free access to some of the best training available globally. The aim is for Grenada to have the most highly trained hospitality workforce. A formal Memorandum of Understanding between the West Indies School of Hospitality and the Ministries of Tourism and Education is now being developed.

### **7.2.6. CBI Performance**

Mr. Speaker, despite a sluggish start this year, performance under the Citizenship by Investment (CBI) programme strengthened significantly in the second half of the year and interest in the programme remains strong.

As at the end of October, 437 applications were received, compared to 303 for the corresponding period in 2020. The majority of these applications are based on approved projects, while 170 are related to contributions to the National Transformation Fund. Total receipts under the CBI Programme as of October 31, was US\$30.6 million.

Mr. Speaker, Government continues to make determined efforts to improve the performance and operations of the CBI programme, ensuring that its integrity and reputation are maintained. Improved operational efficiency will reduce processing times for applications and generate greater financial resources.

Additionally, Government will take on board the recommendation to expand the priority sectors supported under the CBI Programme.

## **8. Accelerating Food and Nutrition Security**

### **8.1. Progress towards a Modern Agriculture Sector**

Mr. Speaker, improving Grenada's food security is a critical priority area for Government. The agriculture sector is estimated to grow robustly by 12.5% this year, with further growth of 8.4% projected for the coming year.

Government applauds the sterling contribution farmers and fisherfolk have made toward food and nutrition security; and we pledge continued engagement with farmers to promote a strong, vibrant, and modern agriculture sector.

Mr. Speaker, access to reliable markets and market information is quintessential to boosting production and sales, to generate growth and employment opportunities in the sector. This budget therefore includes measures that will enable Government to aggressively tackle many of the issues affecting our agricultural and fisheries sectors.

Our priorities for 2022 include reforming the Marketing and National Importing Board (MNIB) to facilitate better delivery of its mandate as a reliable and affordable source of critical inputs for our farmers and a facilitator of markets for their products.

To address the rising cost of farm inputs in the quest to make our home-grown food more affordable, Government through the MNIB or existing suppliers, will subsidise the price of fertiliser, up to a maximum of 10 bags.

On the issue of praedial larceny, we recognise that effectively addressing this requires a whole of government approach and collaboration with our farmers. Accordingly, allocations have been made to support initiatives relating to public education and greater use of technology. Stiffer penalties will also be pursued.

Mr. Speaker, pests and diseases have always created a challenge for the agriculture sector and most recently, the Croton Scale Insect has impacted high demand and lucrative crops, especially our soursop. Accordingly, Government will intensify its efforts to combat this and other pests and diseases.

Mr. Speaker, access to farms remains a major constraint to the modernisation of our agricultural sector. Despite the lack of external resources, Government has continued implementation of Phase 3 of the Agricultural Feeder Roads project, using local resources. Work on several feeder roads have been completed and others are progressing smoothly. An allocation of **EC\$5.0 million** has been made for the continuation of this project in 2022.

The construction of several other farm access roads will be financed under the IFAD-CDB supported Climate Agriculture and Rural Enterprise Programme (SAEP).

Mr. Speaker, Government has increased the allocation for the Farm Labour Support Programme by **EC\$1.5 million** in 2022, to support expansion and restructuring of this initiative.

All things considered, in excess of **EC\$35 million** will be invested in the Agriculture Sector in 2022.

In the fisheries sector Mr. Speaker, the pandemic has negatively impacted fish landings, resulting in reduced earnings. Notwithstanding, Government is moving ahead with improvements to operations and processes within the sector and a comprehensive analysis is underway as a first step.

Additionally Mr. Speaker, Grenada will benefit from the Unleashing the Blue Economy of the Caribbean Project with US \$0.7 million of the funds allocated for the expansion of the climate-risk insurance for fisheries (COAST).

## **8.2. Developing Human Capital**

Mr. Speaker, notwithstanding the major disruption to our education system, our students have again performed well in the regional examinations.

Our students, educators, and parents have displayed true grit and tenacity, and deserve high commendation for their tremendous dedication and sacrifice, not only for the success in this year's regional examinations, but for demonstrating impressive resilience in the face of adversity.

Indeed, our education system rose to the most recent challenge of online learning, although significant gaps remain. Mr. Speaker, Government remains committed to achieving a modern education system capable of delivering on our national goal of high human and social development: putting people at the centre of sustainable economic development and transformation.

In 2022, Government, through the Ministry of Education and Human Resource Development, will invest **\$133.5 million** in the sector, an increase of approximately **\$10 million** over 2021.

Some key areas of focus for 2022 will be:

- (i) The **Grenada Education Enhancement Project (GEEP) Phases 1 & 2**. Major construction works are ongoing under this important project with funding from the Caribbean Development Bank. Phase 1, which involves work on several schools, including Bishop's College in Carriacou, Presentation Brothers College, the Grenada SDA Comprehensive School, St. Joseph Convent, St.

George's and Grenville, will be completed in the first quarter of next year at a cost of EC\$43.5 million.

Phase 2 of this project, valued at EC\$41.8 million, will see construction/rehabilitation works on several other schools, including the St. Andrew's Anglican Primary, Grenada Christian Academy, St. David's Catholic Secondary School, and the J. W. Fletcher Memorial Secondary. Work will commence before March next year. A sum of **EC\$6.2 million** is allocated for this project in 2022.

- (ii) Improving the quality of teaching and learning via blended educational delivery. An important project in this area is the eBooks programme at a cost of **\$8.2 million**;

Mr. Speaker, with COVID-19 as part of the new landscape and given the imperatives of ensuring that our students and teachers operate in a safe environment, an allocation of **EC\$2.7 million** has been made for the COVID-19 response within the school system.

Mr. Speaker, Government has commissioned a review of the T. A. Marryshow Community College and Education Acts, a key step in the transformation and development of the education sector.

### **8.2.1. Youth Empowerment and Skill Development and Training**

While the pandemic has affected us all, our young people have borne the brunt of its social and economic impact, compounding the challenges they already face.

Mr. Speaker, Government will continue to vigorously pursue strategies to empower young people to realise their true potential through nurturing, effective education, training and skills development, and creating opportunities for employment and entrepreneurship.

The IMANI Programme remains an important vehicle in preparing our young people for the world of work and entrepreneurship.

In this regard, Government will continue to implement various recommendations to improve the effectiveness of the programme. The transition is a key element in achieving improved outcomes for this initiative. Efforts to guide this process are well on the way. Specifically for the period, December 2020 to October 2021, close to 1,000 trainees have found gainful employment in the private and public sector. Some of the areas to which they have transitioned include, but are not limited to, the newly launched Garment Production Cooperative and GRENCASE. Several groups of trainees, with guidance from the Yutbiz Unit in the Ministry of Youth Development, have also joined forces to provide a variety of services across economic sectors.

Government will continue its work to ensure that at least 1,500 more trainees are able to transition in 2022, through the initiatives of the YutBiz Unit in conjunction with the Department of Cooperatives and the private sector.

Mr. Speaker, more than \$10 million is allocated in 2022 for skills training and development, particularly among the youth.

Under the National Skills Development Programme Mr. Speaker, an allocation of **\$1.5 million** is made for the development of skills in various areas, including sewing and furniture-making, while \$9.1 million has been budgeted for entrepreneurial skills training for 100 youth, the provision of business support training to 125 youth entrepreneurs and the provision of seed financing to 220 youth.

When considered with the allocation for education, over \$142 million will be invested in capacity building and empowerment initiatives, particularly among the nation's youth.

### **8.2.2. Sports, Culture and the arts**

Mr. Speaker, notwithstanding the crippling impact of the pandemic on sports, culture and the arts, our sportsmen and women and cultural artists continue to excel in their various disciplines.

Grenada fielded six athletes in the 2020 Summer Olympic Games, held in Tokyo. Our tiny nation has now medalled in three consecutive Olympics.

Mr. Speaker, special mention must be made of our star athlete, Kirani James, who is now the most decorated Olympian in the 400 metres with a full set of gold, silver and bronze medals. Kirani's latest Olympic glory is particularly heartening as he has been battling the debilitating and deadly Greaves Disease.

Mr. Speaker, we extend hearty congratulations to all our heroes in the field of sports, culture and the arts, who continue to raise our flag and make us proud.

Government will continue to invest heavily in the development of sports, culture and the arts, given their significant role in the development of our citizens, especially our young people. Serious consideration will also be given to the resumption of the Intercol Games, the showcase for athletic talent at the secondary school level.

### **Refurbishment of National Cricket Stadium**

Mr. Speaker, in preparation for the upcoming test match between West Indies and England, Government will undertake much-needed refurbishment work on the National Cricket Stadium. A total of **\$5 million** has been allocated towards this project.

### **Simon Culture Centre**

Mr. Speaker, bids for the reconstruction of the Simon Cultural Centre are currently being evaluated. An award of contract by the Procurement Board is expected soon and the aim is to start construction by the end of this year.

A sum of **EC\$3.0 million** has been allocated in the 2022 budget, for the construction works on this project.

### **8.2.3. Women Empowerment and Gender Equality**

Mr. Speaker, Grenada has made significant advances towards achieving gender equality, eradicating gender-based violence, strengthening families, and empowering our women.

The pandemic has threatened some of these gains, especially as it relates to reducing gender-based violence and sexual abuse of our children.

Government reiterates its commitment to achieving gender equality and empowering all women and girls, with several initiatives in the 2022 Budget.

A major initiative in this regard is the grant supported Grenada Spotlight Initiative Project funded by the United Nation's Children Fund and other UN Organisations. This initiative will contribute to the full implementation of Grenada's Gender Equality Policy and Action Plan and to strengthen interventions to combat family violence. A sum of **EC\$3.8** million is budgeted for the continuation of this project next year.

Mr. Speaker, Government, through the Attorney General's Chambers, has created a draft Sexual offenders Registry Bill for consultation.

Government is moving Mr. Speaker, to adopt a gender responsive budgeting approach starting with a pilot in the 2022 Budget, to ensure gender-equitable distribution of resources, thereby contributing to equal opportunities for all. Accordingly, reporting on gender impact will be required for various initiatives next year.

Going forward, gender considerations will be fully mainstreamed into our annual budgets.

### **9. Preserving and Expanding Social Safeguards**

Mr. Speaker, protecting our less fortunate citizens while helping to lift them out of poverty is our duty and responsibility.

Government therefore reaffirms its commitment to leave no one behind, particularly in light of increased cost of living expenses. In this regard, the following social protection initiatives, are part of Government's strategy to help cushion the effects of the pandemic on the most vulnerable.

- An increase of \$150 per household, for beneficiaries of the SEED Programme, effective January 2022. This additional benefit excludes those added temporarily as part of the stimulus package.
- **EC\$1.3 million** for the Needy Assistance Programme
- **EC\$1.0 million** for the School Books and Uniform Programme
- **EC\$2.0 million** for the Single Household Support Programme
- **EC\$2.8 million** for the Multi-projects for the Elderly Programme
- **EC\$5.0 million** for the Housing Assistance Programme
- **EC\$10.0 million** for the Grenada Home Improvement Programme, including the Toilet and Bathroom Programme
- **EC\$4.0 million** for the Soft Loan Housing Programme

In addition to these Government initiatives specific to housing, at least 500 of the 647 low-income homes provided through the Government of the People's Republic of China, will be distributed in 2022. Two of the five housing projects are already completed and the others are in the final stages of completion.

Additionally Mr. Speaker, \$10 million is allocated under Government's COVID-19 Economic Stimulus Package for the provision of cash transfer benefits in 2022. These would be provided through the temporary horizontal expansion of the SEED Programme to provide support to over 1,000 households; an unemployment benefit for eligible workers in the formal and informal sectors who have been impacted by the pandemic; and cash transfers to support the expansion of the existing youth entrepreneurship initiatives.

Mr. Speaker, in collaboration with FLOW, an Internet Connectivity Programme is being provided for indigent families, as part of the stimulus package. There is significant interest in this component which targets 1,500 indigent families, providing broadband internet services to support students with internet access outside of the classroom.

### **9.1. Update on BAICO/CLICO Situation**

Mr. Speaker, Government remains committed to bringing additional relief to those affected by the BAICO/CLICO debacle.

Recent developments in the CLICO matter saw ECCU Governments accepting a proposal from the Government of Barbados of a bond equivalent to the value of the assets awarded by the Judicial Manager in the amount of BDS\$37 million (approximately EC\$49.9 million).

The ECCU Governments are now exploring options to monetise the bond so that policy holders can receive cash upfront rather than wait for the bond to mature.

Overall Mr. Speaker, these initiatives would significantly impact the less fortunate among us, providing much-needed improvement to the living standards of the vulnerable and a hand-up to struggling businesses, while at the same time foster youth entrepreneurship.

## **10. Protecting Environmental Assets and Building Resilient Infrastructure**

### **10.1. Climate Resilience, and the Environment**

Mr. Speaker, through strategic alliances with key global climate finance partners, Grenada has made steady progress in building resilience to shocks and protecting the environment from damage and degradation.

Given the urgency of the climate challenge, Grenada will continue to aggressively pursue its commitment through its revised Nationally Determined Contribution (NDCs) to reduce its emissions by 40% of its pre-2010 level by the year 2030.

With the electricity and transport sectors accounting for over 70% of our carbon footprint, efforts will concentrate on reaching 100% of electricity generation through renewable energy, and 20% of vehicles being powered by renewable energy sources by the 2030 deadline. With respect to the latter, Government will lead by example with 25% of new vehicles purchased next year will be renewable energy powered.

Mr. Speaker, Grenada will also update its National Adaptation Plan in 2022, providing a roadmap for further critical interventions required to respond to the climate crisis.

Mr. Speaker, our climate change adaptation strategy must not only address policy issues but also consider the development of more resilient physical infrastructure.

### **10.2. Implementation of the Public Sector Investment Programme**

Mr. Speaker, the Public Sector Investment Programme is a centrepiece of the economic recovery effort. Accelerating its implementation during the present crisis can boost job creation and help achieve more resilient infrastructure over the short and long-term. Government will therefore continue its efforts to scale up infrastructure development in Grenada, through the continuation of major infrastructural projects that are already underway and embarking on new ones.

Mr. Speaker, before I delve into the list of projects, allow me to address the serious misinformation around the use of the National Transformation Fund (NTF). Mr. Speaker, there is a concerted effort to create the perception that there is no accountability and transparency in the use of NTF resources. This is very far from the truth. All NTF spending is approved every year in this Honourable House and is included in the Estimates of Revenue and Expenditure. In elaborating on some of the major public sector projects, I will also highlight those that are funded by the NTF.

Further, Mr. Speaker, the NTF regulations are clear on the setting aside of 40% of all NTF resources for emergencies and debt reduction. It begs the question therefore, "is there really a lack of transparency and accountability in the use of the NTF resources, or is there an ulterior motive to discredit the astute management of the country's financial resources?"

### **St. John's River Flood Mitigation Project**

Mr. Speaker, I wish to thank the residents and businesses in River Road and the surrounding areas for their patience and understanding as it relates to this project. This community has long been affected by flooding and this project seeks to alleviate that issue. The allocation of **\$25 million** for the completion of this project next year is funded entirely from NTF resources.

### **Mt. Kumar Road Construction**

Mr. Speaker, the reconstruction of the Mt. Kumar Road, will provide an alternative and shorter route for users of the Western Main Road Corridor to get to and from the town of St. George. This \$11.2 million contract was awarded in October this year, with completion expect in April 2022. An allocation of **EC\$3.0 million** will go towards the continuation of the project next year. Mr. Speaker, this is another major construction project that is funded from NTF resources.

### **Grenville Commercial Complex**

Mr. Speaker, this important project has been delayed but we are now reviewing contractors' bids to facilitate the start of actual construction. An amount of **EC\$4.0 million** has been budgeted for the roll-out of this project next year. This again, Mr. Speaker, is a project funded by the NTF.

### **Grenada Resilience Improvement Project (GRIP)**

Mr. Speaker, this **EC\$40.5 million** project succeeds the Regional Disaster Vulnerability Risk Reduction project, under which several schools and medical facilities were reconstructed. The Grenada Resilience Improvement Project, which seeks to address coastal erosion and flood risks along the Eastern Main Road as well as the reconstruction of the Balthazar Bridge, will be considered by the World Bank in March 2022. Once approved, the project will be completed within 18-24 months.

### **Western Main Road Corridor Upgrade Project**

Mr. Speaker, travel along the western corridor of the island continues to pose a challenge for motorists. After months of delay and non-performance, Government terminated the contract of the design and consultancy firm hired for this project. The second-ranked firm is now engaged in design works and actual construction is expected to commence next year. Mr. Speaker, this project is funded in large measure, through a grant from the United Kingdom as part of its Caribbean Infrastructure Facility (UK-CIF) Programme administered by the Caribbean Development Bank. An amount of **EC\$16 million** is allocated to be spent in 2022.

### **Moliniere Landslip Rehabilitation Project**

Mr. Speaker, after careful deliberations, Government has decided to use local resources that must be spent on the overall project to undertake the Moliniere Landslip Rehabilitation component of the Western Main Road Corridor Upgrade Project.

Completing this component will not only allow for the return of traffic to the area sooner, it will also have significant tangential benefits, including supporting a stronger recovery. Mr. Speaker, I am pleased to report that the detail designs have commenced for this project, together with the prequalification of suitable contractors. Construction works will commence in the first quarter of next year and **EC\$6.0 million** has been provided for this project in 2022.

### **Grenada Climate Resilience Water Sector Project (G-Crews)**

Mr. Speaker, as programmed, implementation under this **EC\$125 million** project, which is jointly funded by the Green Climate Fund, the German Government and the Government of Grenada, commenced in earnest this year. Several critical activities were finalised, including procurement of key experts, completion of all conditions precedent to the disbursement of the grant funding, and receipt of the first draw down. It is anticipated that full construction works for the project will commence in 2022.

### **Enhanced Direct Access (EDA) Project**

Implementation of this \$54 million regional project, financed through a grant from the Green Climate Fund (GCF), accelerated in 2021. The objective of this project is to make accessible grant resources for climate change resilient investments to the public sector, non-governmental organisation (NGOs) and civil society organisations, and communities. The project is administered through the Rural Development Unit and is expected to disburse grants in excess of **EC\$3.2 million** in 2022.

### **Maurice Bishop International Airport (MBIA) Upgrade:**

Mr. Speaker, preparatory works for the much-anticipated upgrade of the Maurice Bishop International Airport (MBIA), is progressing smoothly. The design works are substantially complete and procurement activities for the lighting system and other key consultancies have commenced. The scope of this project includes rehabilitation of the runway and bypass road and upgrade of the passenger terminal to enhance disaster response capabilities. Work on the bypass road is expected to start before the end of this year and implementation of physical infrastructure works will ramp up in the second quarter of 2022.

### **The South-West Coast Infrastructure Improvement and Flood Mitigation Project**

Mr Speaker, this consultancy will identify the cause of the flooding in Grand Anse, the town of St. George including Tanteen, as well as in Grenville, and provide design solutions to mitigate the problem. A consultant has been selected following the tender process and we are now awaiting, from the Kuwait Fund for Arab Economic Development which is financing the consultancy through a grant of \$3.0 million, the "No Objection" to award the contract.

### **St. Patrick Road Rehabilitation and Upgrading Project – Phase 1:**

Mr. Speaker, work on this major upgrade of the road network in St. Patrick is 95% complete. The total cost of Phase 1 has increased by EC\$6 million to approximately EC\$30 million due to additional works. Completion is expected in the first quarter of 2022. This project has created employment opportunities for over 500 persons in the neighbouring communities and has further strengthened the country's stock of resilient infrastructure. An amount of **EC\$2.5 million** has been budgeted for the remaining activities under this project. A phase II of this project is being pursued with the OPEC Fund for International Development (OFID) to address the remaining road sections already identified in the overall project.

### **Sauteurs Breakwater Project**

Mr. Speaker, the Sauteurs Breakwater Project seeks to prevent the further deterioration of the shoreline and properties in the Sauteurs Bay area. The project design will include a series of five breakwaters combined with a revetment in the most damaged areas of the shoreline. An engineering design consultancy firm has already been procured. The construction phase of this project is expected to commence in the fourth quarter of 2022, with the creation of several hundred jobs over its 18-month duration.

### **Natural Disaster Rehabilitation & Reconstruction/ Gouyave Extreme Rainfall Project.**

Mr. Speaker, this project is funded by the Caribbean Development Bank at a cost of EC\$5 million. Under this project, construction on the Brothers Bridge commenced in October at a cost of \$2.9 million. The project also involves slope stabilisation in areas such as Brothers, Clozier, Gross Point, Maran, Market Square and Millette. To ensure the smooth implementation of this project, the bypass road in Clozier, which connects the eastern and western sides of the island, was rehabilitated at a cost of \$1 million. A sum of **EC\$3.5 million** is allocated for the rollout of this project in 2022.

### **Grenada Water Supply Expansion System & Sewerage Improvement Project**

This EC\$34.8 million project is financed through a grant from the UK-CIF programme, with National Water and Sewerage Authority as the implementing agency. The goal of the project is to contribute to the strengthening of the water sector in Grenada, reduce water sector risks, improve the sewer system in the town of St George, and build resilience to the impact of climate change in the sector's infrastructure. Construction has been delayed and is now scheduled to commence in the first half of next year.

### **Road Improvement and Maintenance Programme**

Mr. Speaker, a sum of **EC\$10.0 million** is provided for the improvement and maintenance of the country's road network next year. It is important to ensure that our roads do not deteriorate beyond repair and they are safe for motorists and pedestrians alike. An indirect benefit of this programme is that it provides livelihood support to daily paid workers to help feed their families. A total of EC\$13.1 million was expended this year.

### **Concrete Works**

Mr. Speaker, under this programme, Government continues to undertake small scale infrastructure works with tremendous positive impact including the creation of jobs in rural communities. For 2021, EC\$19.9 million was invested in concrete pavements, retaining walls, drains and culverts to protect the integrity of our road infrastructure, utilities, and private properties along the country's road network. A sum of **EC\$10.0 million** is allocated for the Concrete Works programme next year, with the potential to create over 1,000 construction jobs.

### **Asphalt Works**

Mr. Speaker, this year, asphalt works were undertaken on various sections of our road network throughout our country at a cost of EC\$15.5 million. A sum of **EC\$12.0 million** is allocated for the continuation of this programme next year. Mr. Speaker, one of the major problems affecting the Asphalt Works Programme is the availability of hot mix. To address this problem and improve the efficiency and effectiveness of this programme, Government has entered into a lease arrangement to revive the Telescope Quarry to support the production of hot mix, asphalt and aggregates. This increased production of hot-mix asphalt will provide job opportunities for residents in Telescope and surrounding areas.

### **Carriacou and Petite Martinique Affairs**

Mr. Speaker, specific mention must be made of the sister islands of Carriacou and Petite Martinique where Government continues to make significant investments to advance development.

The sum budgeted under the Ministry of Carriacou and Petite Martinique Affairs for 2022 is **EC\$19.5 million**, an increase of **EC\$2.3 million** over 2021.

Some of the major projects and programmes for 2022 include:

- Preparatory works for the Carriacou Ministerial Complex – **EC\$1.0 million**.
- Road Rehabilitation and Maintenance Programmes - **EC\$3.8 million**.
- Carriacou Airport Expansion – **EC\$0.5 million**
- Petite Martinique Enhancement Project – **EC\$0.5 million**
- Nursery Improvement/Botanical Garden Project – **EC\$0.12 million**.

Mr. Speaker, several other interventions across various areas, including in agriculture and fisheries, infrastructure development, housing, health and wellness, social protection, and community empowerment, youth development, among other areas, will also be implemented on the sister isles.

Mr. Speaker, while on the topic of Carriacou and Petite Martinique, I wish to remind that a COVID-19 Economic Support Secretariat (CESS) Office is housed in the Resource Centre in Carriacou to provide support under the Stimulus Package for eligible citizens.

The foregoing, Mr. Speaker, is a mere sample of the many projects and programmes within the Public Sector that will generate in excess of 4,500 job and income opportunities in the construction sector. A detailed breakdown of the PSIP can be found in the Estimates of Revenue and Expenditure.

### **11. Other Cost of Living Relief Measures**

Mr. Speaker, multiple references have been made in this Budget Statement to the debilitating effect of the pandemic on livelihoods, business, education – just about every aspect of our lives.

For close to two years, we have witnessed the physical and financial toll of the pandemic and have heard the agonising cries of our constituents as they face economic challenges. As parliamentarians, we continue to receive an increasing number of requests for help, in some cases from people who have never had to seek help before. Across all strata of the society, there's a palpable need as people are battered by the destructive winds of the pandemic, their one desire being survival.

At times the requests are even beyond our reach, but we try as best we can, recognising that one of the most important responsibilities in this life is to be our brother's keeper.

Mr. Speaker, put simply, we care - this Government cares deeply for the people of our beloved country. Therefore, we have constantly sought to identify measures to bring much-needed relief to the citizens of Grenada, Carriacou and Petite Martinique.

Further to the many initiatives identified earlier including cash transfers for the vulnerable, unemployment benefits, internet connectivity programme, loan support measures for entrepreneurs and grant support for youth entrepreneurship, Government finds it necessary to expand the reach of this much-needed relief effort.

- Mr. Speaker, the rising cost of fuel and increased transportation costs have contributed to significant increases in the cost of this basic commodity. As part of 2022 fiscal relief measures, Government will zero rate the VAT on electricity consumption for domestic consumers with usage up to 500 kilowatt hours (kWh). Government will also remove the Environmental Levy (EVL) for this category of consumers, whose usage does not exceed 500 kWh. In other words, Mr. Speaker, domestic customers consuming up to a maximum of 500 kWh per month, will be relieved of Government charges on their electricity bills.
- Additionally Mr Speaker, with the rise in the price of fuel expected to continue, a reduction of 25% on the non-fuel charge per kWh, will be instituted for all categories of consumers. These changes will take effect in the next billing cycle.
- Mr. Speaker, consider for a moment, would this have been possible with WRB as owners of GRENLEC? I think not Mr. Speaker. Government's ability to initiate these

relief measures in the electricity rate is only possible because the Government of Grenada, now has controlling shares in our lone electricity company. At long last, GRENLEC can work in the true interest of the people. Mr. Speaker, while the cost of repurchase forced on us by arbitration was high, already benefits are being realised. With WRB still in control, there would be no such relief and their lawyer; their lawyer Mr. Speaker, would definitely be in the forefront in the courts preventing any arrangement for meaningful relief for the people, pursued by the Government.

- The slump in supply and consumption at the height of the pandemic triggered increased costs for fuel and in recent months, motorists have paid more at the pump. Government will implement a cap of \$15 per gallon on gasoline and diesel, effective when the next petroleum price change is announced on December 18.
- Mr. Speaker, notwithstanding that VAT is already removed on most basic food items such as rice, flour, sugar, bread, ground provision, vegetables and fish, Government will exempt VAT on an additional five items, effective January 2022.
  - Saltfish
  - Turkey parts
  - Vegetable cooking oil
  - Cheddar Cheese
  - Split peas
- Mr. Speaker, against the background of reduced revenue, these initiatives impose a tremendous burden on the part of the Government, but we are convinced that this is the appropriate course of action and one which will stimulate more activity in the local economy and fuel the recovery process.
- Mr. Speaker, notwithstanding, the significant fall in revenues since the onset of the pandemic, Government has consistently honoured its monthly wage bill, which including pensions, amounts to roughly \$30 million. Moreover, I am pleased to report that we have settled in full, all outstanding increases to teachers, police officers, public servants, and pensioners. Furthermore, the 4% increase due in 2022, will take effect from January and Government will honour its obligation to public officers.
- Mr. Speaker, workers on contracts have long clamoured for better conditions. Cabinet has directed the Department of Public Administration to develop a framework for addressing the concerns of these employees. This framework is expected to be approved for implementation in 2022. The Minister responsible for DPA will speak about this in further detail.

- This is a clear testimony Mr. Speaker, that Government is committed to the welfare of all its workers.
- Mr. Speaker, Government has consistently expressed its profound appreciation for our frontline workers, who have led the charge in this relentless battle against COVID-19.

Almost two years later, they are understandably battle-weary but many of them keep going, energised by the delivery of quality service to their countrymen and women. They routinely make personal sacrifices and forego quality time with their loved ones. Although the pandemic calls for greater caution with respect to expenditure, rewarding our frontline heroes is something that must and will be done. Our pledge today is to show appreciation in a tangible way.

Mr. Speaker, I therefore announce that all frontline public sector workers defined as all officers of the Royal Grenada Police Force, along with medical personnel and ancillary workers in the Ministry of Health, who physically performed and continue to perform, and by virtue of their duties, were exposed to the risk of COVID-19, will receive an additional month's pay during the month of December.

This is a token of Government's immense appreciation for your selfless service in leading this crucial fight against COVID-19. We acknowledge the tremendous sacrifices made in helping to keep our beloved country and people safe. We thank you and we applaud your efforts.

Mr. Speaker, there are many other categories of workers across the public sector, who augmented the duties of the frontline personnel previously identified, playing an integral role in executing the additional responsibilities required for the protection of lives and livelihood during the pandemic. These workers, Mr. Speaker, will receive similar reward based on established criteria.

Government is convinced that our public officers are deserving of such recognition and reward, for without their committed service, a challenging period in our country's history would be made, even more difficult.

Mr. Speaker, Government recognises the hard work and dedication of many other public officers. As such, all other workers in the public sector, who consistently performed duties from the onset of the pandemic to date, will receive an additional half month's pay in December.

Mr. Speaker, these initiatives would obviously temporarily increase the Government's wage bill, but we believe that these tokens of our deepest appreciation are warranted at this time.

Mr. Speaker, we are well aware that the pandemic has created a financial challenge across many sectors, but we want to encourage, statutory bodies and private sector entities to also consider sharing a small token of appreciation with their employees this Christmas.

## **12. Acknowledgements**

Mr. Speaker, the past 20 months have been extremely difficult, but we have prevailed. I am indeed thankful to all who have gotten us this far. A detailed listing of acknowledgments can be found in the printed version of this Statement.

Permit me however to mention just a few.

Once again, I thank the Almighty God for his mercies.

Allow me to also reiterate my thanks to the Hon. Prime Minister. I am happy to have been given the opportunity to lead the Ministry of Finance in the past year and few months. It has been both a challenging and exciting experience.

I would also like to express my deepest appreciation to my other Cabinet Colleagues for their ongoing sacrifice and support.

Also, I would like to mention the Attorney General and her staff, the Secretary to the Cabinet, Permanent Secretaries, Heads of Non Ministerial Departments, Press Secretary, managers and staff of Statutory Bodies and State owned enterprises and all other public officers who have contributed to the preparation and delivery of this Budget Statement.

Permit me also to express my profound appreciation to the Permanent Secretary and staff of the Ministry of Finance for their tireless efforts. I have seen their commitment and dedication firsthand.

I would like to thank you, Mr. Speaker and the Clerk of Parliament and his staff who have given me full support in facilitating the delivery of my presentation.

Mr. Speaker, it would be remiss of me if I did not thank my family for their love and support and my constituents of St. George Southeast, for the unwavering support and confidence in my representation in this Honourable House.

## **13. Conclusion**

Mr. Speaker, this budget demonstrates in no uncertain terms, the actions of a Government by the people, for the people and of the people.

Mr. Speaker, we are in the fight of our lives, literally and figuratively, as we combat an unseen enemy that threatens our very existence and our means of survival. But we are battle-ready. We have weathered many storms before and we are resilient.

The pandemic may be far from over, but we are not done fighting. The indomitable will of the Grenadian people embedded in the spirit of our ancestors, will prevail.

We are determined to protect the development gains, achieved through the immense sacrifices of our people.

Our economy will survive and our people will thrive. Investor confidence is high and many opportunities abound on this path toward sustainable, all-inclusive development.

The period of darkness that enveloped us, forcing businesses to shut their doors, has given way to the dawn of a new day, illuminated with hope, optimism and confidence. The future we wished for is now. Let us embrace it in furtherance of our developmental objectives.

Jobs are returning, unemployment is falling, Government revenues are strengthening - these are all remarkable achievements considering the enormity of the challenges posed by COVID-19.

Mr. Speaker, we did not come this far to fail. Going forward, Government will continue its astute management of the economy, and as a people, we must engage in responsible behaviour that will not further compromise hard-won development gains or impede the recovery process.

Vaccination is a choice but it is the right choice. Yes Mr. Speaker, the right choice. We have to reverse vaccine hesitancy so that more of our people can have a fighting chance to survive this health crisis. We all have a duty to protect ourselves, protect our loved ones, protect our country.

The policies and programmes I have laid out today will:

- Help us cushion the economic fallout of the pandemic
- Empower our youthful population to engage in entrepreneurship
- Protect us and our loved ones
- Create sustainable jobs and incomes
- Help our businesses, big and small, keep their doors open, and
- Position our country to build on the progress made towards achieving robust, inclusive, and sustainable growth and development.

But for this plan to succeed, we need to summon the collective energies and capabilities of the Grenadian people, as we march resolutely towards the common goal of national development. To borrow from the lyrics of a patriotic song – “Hand in hand for a better land, a people who can understand, that’s business, brighter out of darkness.”

May God continue to bless us all.

Thank you.