

THRONE SPEECH 2017

Safeguarding Our Gains, Securing a Brighter Future

Delivered to the Houses of Parliament

By

Her Excellency Dame Dr. Cecile La Grenade, Governor-General
On the Occasion of the Sixth Session of the Ninth Parliament

Grenada Trade Centre

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10 A.M.

Mr. President, Mr. Speaker,

Members of Parliament,

Our Nation embarks on this Sixth Session of the Ninth Parliament with a deep sense of gratitude to Almighty God for his countless blessings on our beautiful tri-island State.

We are indeed grateful for all that we have collectively achieved in the past year and we look to the future, with optimism and renewed confidence in our collective capacities to advance our country's development.

Mr. President, Mr. Speaker,

Grenada is a country of caring people, from coast to coast and from village to village. The immense kindness of our people was clearly demonstrated in our quick and generous response to our regional sisters and brothers in the islands devastated by Hurricanes Irma and Maria.

My Government expresses its profound gratitude to all persons in our tri-island State who have contributed in any way, large or small, to the emergency relief and recovery efforts in the affected islands. My Government urges all Grenadians to continue to show compassion, solidarity and generosity. The times in which we live demand nothing less.

Mr. President, Mr. Speaker,

My Government fully recommits itself to the principles of democracy, social justice and the rule of law. A significant symbol of our democracy is our Parliament building. Therefore, it is with pleasure that my Government notes that construction of our new Parliament building is on track to be completed by the end of this year.

Mr. President, Mr. Speaker,

Consistent with the theme of "*Safeguarding Our Gains, Securing a Brighter Future,*" the overarching focus of my Government for this Session of Parliament will be the Economy, Society and the Environment.

Accordingly, the key priorities of my Government are as follows:

- I. Maintaining economic prudence and fiscal discipline.
- II. Implementing structural reforms to enhance competitiveness, expand economic opportunities, increase employment, and build resilience to both economic and environmental shocks.
- III. Pursuing strategic investments to advance our socio-economic development in a manner that is people-centred and compatible with environmental sustainability.

Maintaining Economic Prudence and Fiscal Discipline

Mr. President, Mr. Speaker,

My Government is committed to safeguarding our hard-won gains by maintaining economic prudence and fiscal discipline.

In May of this year, my Government successfully completed its Home-grown Structural Adjustment Programme, which was supported by the International Monetary Fund and other development partners.

The many structural, fiscal and institutional reforms that were implemented during the three-year period of the adjustment programme have yielded remarkable results. Our economic situation has improved dramatically since

2013, and our country now has an economic success story of which all Grenadians should be proud.

The positive economic achievements are the result of the shared sacrifice, collective resolve and commitment of our people.

It gives my Government great pleasure to report that, so far, for 2017, the economy is on track to register its fifth consecutive year of robust growth. Additionally, public finances have improved; public debt has been reduced significantly and our country is on a sustainable medium-term growth path. Our country's flagship social protection programme has been strengthened and the unemployment rate is steadily declining.

In August of this year, the Fiscal Responsibility Oversight Committee was officially launched, with a mandate to monitor and report on my Government's compliance with the fiscal rules and targets that are stipulated in the Fiscal Responsibility Law. The Committee is a model of good fiscal governance. It is noteworthy that Grenada is the first country in the English-speaking Caribbean to have a legislated Fiscal Responsibility Oversight Committee.

Indeed, from a fiscal standpoint, a paradigm shift has occurred in Grenada, with the emergence of a new culture of fiscal responsibility and accountability. My Government is better managing its public finances; it is carefully weighing the implications of its fiscal actions and is adhering to the fiscal rules and strengthening the monitoring of fiscal risks, as required by the Fiscal Responsibility Law.

Mr. President, Mr. Speaker,

My Government is committed to staying the course of economic prudence and fiscal discipline. It will do so by improving tax compliance, enhancing revenue administration and collection, being judicious in how revenue is spent, borrowing only on concessional terms, and exercising overall sound economic stewardship.

Our country has clearly emerged from a period of economic distress and we are forging ahead resolutely, determined to avoid a return to economic darkness.

Boosting Competitiveness, Opportunities, Jobs and Economic Resilience

Mr. President, Mr. Speaker,

My Government is committed not only to accelerating economic growth but also to making this growth more broad-based and inclusive, with increased jobs and opportunities. Accordingly, ongoing efforts to address the constraints to economic competitiveness and productivity will be intensified.

My Government notes, with pleasure, the launch, in July 2017 of this year, of the new National Export Strategy for the period 2017 to 2021. This Strategy was developed with the assistance of local stakeholders and funding from the Commonwealth Secretariat. It is a comprehensive strategy that sets forth an Action Plan for export development and, by extension, for economic growth.

The following six sectors have been prioritised for export development:

- (i) Agriculture and fisheries;
- (ii) The creative industries;
- (iii) Health and wellness;
- (iv) Marine and yachting services;
- (v) Professional services; and
- (vi) Tourism.

With respect to Agriculture, my Government will be pursuing strategic investments in the sector, with the explicit objectives of improving agricultural productivity, enhancing food and nutrition security, boosting employment and income in rural communities, increasing foreign exchange earnings, and promoting climate-smart agricultural practices.

Therefore, the following will be the priorities in 2018:

- (i) supporting youth in agriculture;
- (ii) implementing the National Land Bank Project;
- (iii) developing and operationalising a Climate-Smart Agriculture Policy;
- (iv) operationalising the Poultry Policy and Action Plan, as well as the Lifestock Policy;
- (v) continuing with the implementation of the Praedial Larceny Strategy and Action Plan as well as the Action Plan to address the Citrus Greening disease; and
- (vi) strengthening institutional, legislative and regulatory frameworks.

In the area of Tourism, my Government will continue to enhance the Pure Grenada Brand, intensify the marketing of our beautiful destination, commercialise specific sites and, overall, improve the tourism product. Moreover, additional room stock will come on stream in 2018, with the expected opening of the Silver Sands Hotel and other real estate projects.

My Government will continue its ongoing efforts aimed at maintaining, over the long term, a business-friendly environment; promoting strategic and transformative foreign and local investments; supporting the continued enhancement of value-added local products and exports; and broadening access to finance, particularly for small businesses and young entrepreneurs.

My Government will also continue to focus on expanding economic opportunities by unlocking the potential of new and emerging economic sectors and industries, such as the blue and green economies, as well as the

creative and cultural industry, which is now being referred to as the orange economy.

This year, Grenada saw the start of the first ever offshore drilling campaign to explore for petroleum and natural gas deposits, undertaken by the Global Petroleum Group Ltd (GPG).

The results obtained thus far, which are subject to further analysis and evaluation, have been very encouraging. The exploration should be viewed within my Government's broader strategic objective of promoting economic diversification and structural transformation, consistent with the overarching tenets of the forthcoming National Sustainable Development Plan 2030.

Expanding economic opportunities is ultimately geared towards creating sustainable employment. My Government remains steadfast in its commitment to addressing the country's unemployment challenge and, in particular, to increasing women's participation in the labour force. Therefore, reforming the education and training curriculum to better address the long-term strategic development objectives of my Government, as well as the more immediate needs of the private sector, is of paramount importance if the unemployment rate is to be lowered more rapidly.

Youth unemployment is particularly high, and my Government remains resolute in confronting this challenge. This year, for the first time, as part of the annual Budget engagement with stakeholders, a consultation was held specifically with the youth. Close to 100 young people participated in a three-hour session on September 21st, in which they expressed their views on various issues affecting them — unemployment being one such issue. They proposed several solutions to increase youth employment, some of which are being reviewed for inclusion in the 2018 Budget.

Mr. President, Mr. Speaker,

Building economic resilience is another important policy objective of my Government. Therefore, economic and fiscal policies will be deployed in a

manner that supports macroeconomic stability. Where surpluses are generated, some will be saved for rainy days to help build fiscal buffers to better cushion the effects of economic downturns, should it become necessary to do so.

My Government has also taken important measures to improve the governance arrangements of state-owned enterprises and statutory bodies, in an effort to better monitor and manage fiscal risks.

Mr. President, Mr. Speaker,

The Fiscal Responsibility Law makes provision for a contingency fund to be established from a portion of the inflows generated from our Citizenship-by-Investment Programme. As stipulated in the Law, the Fund is to be used for general budget financing purposes, including contingency spending, natural disasters and debt reduction. My Government is committed to implementing the contingency fund as another means towards strengthening our economic resilience.

Strategic and People-Centred Investments

Mr. President, Mr. Speaker,

My Government will continue to make strategic and targeted investments to enhance Grenada's human capital, as well as upgrade its social and economic infrastructure.

In the area of health, my Government fully supports the health care system through institutional strengthening, capacity building and training, and infrastructure development to improve service delivery. Work continues towards the implementation of the National Health Insurance. A draft

preliminary actuarial review of the proposed national health insurance plan has been recently completed and is under consideration by my Government.

My Government is also committed to ensuring that the health infrastructure is adequate to allow the sector to adapt to climate change. In that regard, work has commenced on the retrofit of Princess Alice Hospital, with funding from the Department for International Development.

Additional upgrades are also planned for health facilities in Carriacou. The second phase of construction of the General Hospital is nearing completion and is expected to be commissioned in early 2018.

Mr. President, Mr. Speaker,

With respect to Education, the overriding objective of my Government is to reduce human resource deficits by promoting a society whose members are educated, informed and engaged. This objective is to be met through training, skills development and curriculum redesign, with emphasis being placed not only on Science, Technology, English and Math, but also on vocational training and civics.

Therefore, my Government will continue to invest heavily in the improvement of educational outcomes. For 2018, the priorities are:

1. *Improving Literacy and Numeracy:* The Ministry will step up efforts to address the persistently lackluster performance in Mathematics and English across our schools.
2. *Strengthening Human Resource Development:* The Ministry will seek to provide greater access to strategic educational opportunities in a more equitable and transparent manner.

3. *Upgrading School Infrastructure*: Several schools are targeted to receive major renovation and rehabilitation works in 2018, the aim of which is to enhance the quality of educational opportunities for our students.
4. *Building the Capacity of Schools' Professionals*: Emphasis will be placed on the training of principals, teachers and ministry staff to help improve overall outcomes of the education sector.

Mr. President, Mr. Speaker,

My Government will continue to invest in strengthening social protection and social safety nets to protect the poor and most vulnerable groups in society, such as children, the elderly, and the disabled. My Government is also committed to supporting reforms to mainstream gender equality and social inclusion in order to help improve access to basic services. In this regard, priority will continue to be given to meeting the high demands for low-cost housing throughout the country.

The second phase of the Chinese Low-Income Housing Programme is about to commence, following the signing of the agreement with the Government of the People's Republic of China. This phase of the project is expected to provide homes for 647 families and will be constructed in Beausejour in St. George's, Corinth, St. David's, Diamonds in St. Mark's, The Villa in St. Patrick's and Dumfries in Carriacou.

Moreover, my Government will seek to further enhance the efficiency of its social expenditure. Reforms of the flagship social assistance programme, Support for Education, Empowerment and Development (**SEED**), have been completed. A proxy means-testing tool is being used, which allows for the inclusion of new households that are assessed as being poor and vulnerable and therefore, most in need of SEED's support.

In 2018, all efforts will be made to streamline the payment mechanics of SEED beneficiaries. This would include direct payment into accounts held by beneficiaries at commercial banks and Credit Unions where possible.

My Government continues to focus on youth at risk, with a view to building Grenada's social capital and promoting safer communities. Only recently, the *Awakening Special Potential by Investing in Restoration and Empowerment of Youth (ASPIRE)* Project was launched. The objective of the CDB-funded project is to support the establishment of an improved gender responsive juvenile justice prevention and response system.

The aim is to prevent young people from breaking the law and to rehabilitate young offenders, through effective education and psychosocial services.

In 2018, my Government will implement the "M-Power" Programme, which is a training programme for young men. Additionally, the "Actively, Committed and Empowered" (ACE) Programme will also be implemented. The objective of the ACE Programme is to provide training for twenty-five at-risk youth between the ages of 21 and 30 in the community of Mt. Horne. Other important youth empowerment programmes, such as the New IMANI Programme, the HOPE Pilot Programme and the "Fostering Level-Headed Youth" (FLY) Programme, will also continue.

In the area of sports, my Government will continue its work related to refurbishing and lighting of facilities, developing programmes in schools and communities, and building capacity of sporting staff, among other initiatives.

Mr. President, Mr. Speaker,

My Government will continue to invest in modern climate-and-disaster-resilient social and economic infrastructure. Under the recently-approved

World Bank's International Development Association allocation, an amount of EC\$181 million was approved for Grenada. Fifty percent of this amount is earmarked to support transformative and strategic investment projects and the remaining half will go towards policy-based loans to support institutional reforms.

Mr. President, Mr. Speaker,

My Government is committed to investing in soft infrastructure; in particular, systems, processes and institutional arrangements to better serve our people. My Government recognises that a modern, efficient, effective and productive public service is integral to our country's social and economic progress.

Therefore, it is with pleasure that my Government notes that the Public Service Management Reform Strategy 2017 to 2019, is carded for further advancement in 2018.

The Strategy rests on four pillars, namely:

- (i) Public Service re-engineering to make the Government machinery more effective and efficient; Strategic Human Resource Management to ensure optimal deployment and utilisation of human resources;
- (ii) Strategic Compensation Management that is consistent with fiscal sustainability; and
- (iii) Integrated Information and Communication Technology to enhance service delivery and to create efficiencies in various Government operations.

My Government is also committed to adopting a holistic approach to public administration to enhance policy development, programme and knowledge management, and service delivery. New emphasis will be placed on building resilience of the public sector management systems to natural hazards. Support from the World Bank is being sought in this regard.

In 2018, the Ministry of Legal Affairs will focus on concluding outstanding matters in fulfillment of Government's Legislative Agenda in 2018. High on the agenda will be the Pensions Reform Bill and the National Health Insurance Bill.

Mr. President, Mr. Speaker,

On the issue of pension, my Government continues to work with a sense of purpose to resolve the matter once and for all. A Pension Secretariat has been established and a data base of the records of all former and current public workers who are eligible for pension has been developed.

Cost estimates and the mechanics for payments are being analysed. The resolution of the pension issue is a complex public policy matter that requires a great deal of collaborative efforts. However, my government, in spite of the enormity of the task, is steadfast in its commitment to settle the issue of pension.

My Government wishes to thank all public workers, past and present, as well as the Trade Unions, for their patience, as this mammoth undertaking is being worked out in the best interest of all involved, and the country as a whole.

Mr. President, Mr. Speaker,

My Government will continue to invest in strengthening national security to further increase the safety and security of our citizens and visitors alike. Accordingly, my Government will continue to support the work of the Royal Grenada Police Force. The Force is committed to developing stronger and

more constructive relationships with stakeholders at the national and regional levels.

In 2018, priority will be given to capacity building and training, as well as infrastructure development, so that officers are better able to combat criminal activities in all of their various forms.

Furthermore, Her Majesty's Prisons will continue to carry out their mandate of security and rehabilitation, thus contributing to the safe environment in which we live.

My Government is fully aware that national security is a precondition for Grenada's socioeconomic development, inasmuch as socioeconomic development is a necessary condition for national security.

Mr. President, Mr. Speaker,

In relation to Foreign Affairs, my Government will continue to leverage strategic partnerships and relationships for the benefit of our peoples.

Relevant ministries are presently involved in negotiations at the World Trade Organization, and at the CARICOM and OECS levels to deepen regional integration, as well as bilateral relations with Cuba and the Dominican Republic.

Over the next year, my Government will conduct consultations at the national level to ensure that Grenada's interests are well reflected in those negotiations, and that the agreements redound to the benefit of our exporters, service providers and the people of our country as a whole.

Mr. President, Mr. Speaker,

My Government is committed to promoting and entrenching good governance. It is therefore noteworthy that the Integrity Commission's second round of declarations continues, pursuant to Section 28 (2) of the Integrity in Public Life Act, Number 24 of 2013. The Commission is also forging ahead with the implementation of its Asset Declaration System, with a view to raising the standard of governance in our country.

Environmental Security and Sustainability

Mr. President, Mr. Speaker,

The recent monster Hurricanes, Irma and Maria, which ravaged many of our Caribbean neighbours, have brought into sharp focus the issue of climate change. There can be no denying that climate change is real and that it poses a potential existential threat to our humanity. It is therefore urgent and imperative that we strengthen our capacity as a country to adapt and mitigate its effects.

We have no choice but to pursue climate-smart development and, in so doing, synchronise economic development with environmental sustainability. The two are inextricably linked.

Protecting the environment, while simultaneously expanding our economy are not incompatible goals. Indeed, our economic survival and our survival in general, demand that we do both.

My Government is taking active measures to reduce our vulnerabilities, and is seeking the support of the World Bank in this regard. A team from the Bank was in Grenada during the last week of September on an appraisal mission for a proposed development policy loan that will support institutional and other reforms to promote environmental sustainability and build resilience to environmental shocks.

Policy reforms will focus on Climate Adaptation and Mitigation; Protection of Natural Resources; Hazard Risks Mitigation; Disaster Risk Reduction; Protection of Coastal and Marine Ecosystem; and Proper Physical Planning.

In addition to the proposed World Bank intervention, my Government is pushing ahead with its agenda to enhance Energy Security and Efficiency, diversify Grenada's Energy Mix; promote the use of Renewable Energy; and entrench a culture of Energy Conservation.

Among the specific priorities for 2018 will be the implementation of the Blue Growth Master Plan, as well as the Blue Innovation Institute. Furthermore, climate screening of all public investment projects will be institutionalized.

Raising environmental awareness in our society will also be given special priority. Indeed, the future development of our country depends on an environmentally-conscious citizenry.

My Government notes with pleasure that NaDMA has secured grant funding to implement five new projects across the Tri-island State of Grenada in 2018, including the construction of two new Headquarter buildings with storage facilities—one on mainland Grenada and the other on Carriacou. The projects are aimed at further building response and resilience and reducing our vulnerabilities to natural disasters.

Mr. President, Mr. Speaker,

Investment in infrastructure is critical in order to support socio-economic development and to incentivise private sector growth. In this regard, the Ministry of Works will continue to undertake a comprehensive and cross-sectoral work programme aimed at safeguarding and improving the nation's infrastructure. An integral consideration for all projects is building resilience

in order to mitigate the adverse effects of climate change and reduce the vulnerability of the nation's infrastructure.

To this end, the ongoing execution of the Ministry's Asphalt and Concrete Road Maintenance programme remains a key priority. Improving the nation's road network is an essential component of economic development. In this regard, the continuation of the Agricultural Feeder Roads with a third Phase, which extends the network of roads throughout the interior of the agricultural belt, is a critical benchmark in advancing this mandate.

Other major road projects due to commence in 2018, include the St. Patrick's Road Network Upgrade and the Gouyave Extreme Rainfall Project, both of which will improve primary and secondary roads.

The Ministry will continue to aggressively procure the technical consultancies required to prepare for the design and supervision of the landmark United Kingdom Caribbean Infrastructure Fund Western Corridor Main Road Project, for which construction work is proposed to commence in the last quarter of 2018.

Additionally, work is carded to begin on the St. John's River Flood Mitigation Project, which is part of the World Bank funded Disaster Vulnerability Reduction Project and will target flood mitigation in the River Road Area.

Other major infrastructural projects scheduled for 2018 include the lighting of the National Cricket Stadium and the La Sagesse Playing Field as well as the installation of Flood Lighting in Community Playing Fields and Basketball Courts throughout our nation.

My Government, in partnership with the People's Republic of China, will critically expedite the rehabilitation of the Maurice Bishop International Airport to meet operational standards with respect to infrastructure, security and services, and the provision of adequate accommodation and holding facilities for goods exported and imported.

Mr. President, Mr. Speaker,

Grenada will continue to upgrade its infrastructure to meet the demands of climate change.

Through the Honourable Prime Minister, who is the current Chair of the Small States Forum, my Government will continue to make the case to the international community for concessional financing to fund climate adaptation and mitigation and to meet environmental sustainability objectives more broadly.

My Government will continue to impress upon the international community the importance of considering vulnerability in any measure of economic development for small island states. The fact is that there can be no true development of the Caribbean small island states if they remain as vulnerable as they are to weather-related shocks.

My Government urges the International Community to recognise the Caribbean's unique situation in this regard and fashion development support and solutions that appropriately relate to our realities. These are not ordinary times and as such, ordinary solutions and support will not suffice.

Conclusion

Mr, President, Mr. Speaker,

My Government has set out its major priorities for this Sixth Session of the Ninth Parliament, which are:

- (i) Maintaining economic prudence and fiscal discipline;
- (ii) Implementing structural reforms to enhance competitiveness, expand economic opportunities, increase employment, and build resilience to both economic and environmental shocks; and
- (iii) Pursuing strategic investments to advance our socio-economic development in a manner that is people-centred and compatible with environmental sustainability.

My Government will elaborate on the details of these when it presents the 2018 Budget.

Mr. President, Mr. Speaker,

As we move forward as a nation, the prevailing spirit of patriotism, solidarity and unity must continue. My Government remains committed to the social partnership with the Churches, Trade Unions, the Business Community, the Non-Governmental Organisations and Civil Society. My Government views this partnership as pivotal to advancing our country's development.

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.

May God continue to richly bless our beautiful tri-island State of Grenada, Carriacou and Petite Martinique and enfold us all in His boundless love and care.