

# **THRONE SPEECH 2021:**

Towards Vision 2035: Protecting Lives; Safeguarding Livelihoods; and Investing in Growth and Resilience.

Delivered to the Houses of Parliament

By

Her Excellency Dame Cécile La Grenade, Governor-General
On the Occasion of the Fifth Session of the Tenth Parliament

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Mt. Wheldale
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#### INTRODUCTION

Mr. President, Mr. Speaker, Members of Parliament.

Today marks one year, six months, and twenty-five days since Grenada recorded its first case of COVID-19. The battle to contain the spread of this deadly disease and limit its health, social, and economic impact has been a protracted and difficult one that is still ongoing.

Since the start of this pandemic, my Government has exercised sound judgment and adopted a balanced approach to the management of the resulting crisis. For many months, while the pandemic raged around us, we had the lowest infection rate in the region, only one COVID-related death, and no community spread of the virus.

Since the start of the crisis, my Government made it abundantly clear that we, as a nation, were facing a serious health threat and repeatedly warned of the need to protect one's self and others. The Delta variant is deadlier and more transmissible, hence the continued calls for us to remain vigilant and avoid becoming complacent.

In recent weeks, our worst fear materialised. Our nation experienced an exponential rise in the number of positive cases, hospitalisations, and deaths, with the brunt of the impact being borne by our elderly and our unvaccinated citizens.

As I address you today, Grenada has recorded 5,704 positive cases of COVID-19, of which 298 have been hospitalised, and 191 have sadly died. Our hearts go out to all those who have been stricken by this disease and more so, to all those who have lost loved ones. We offer our deepest condolences.

The wide-ranging impacts of the COVID-19 pandemic are of paramount concern, but the primary concern is the health impact. While the science has shown that vaccination reduces the risk of serious illness from the novel Coronavirus, Grenada has one of the lowest vaccination rates among CARICOM countries. With our high level of vaccine hesitancy, our health system and health workers continue to be placed under tremendous stress, a situation that takes a toll not only on these workers, but also on their families.

Another major concern is further economic fallout and social dislocation. The measures implemented to curb the recent spike in cases and limit exposure among residents have undoubtedly curtailed economic activity and increased the burden on our citizens, especially our poor and vulnerable.

These measures are bringing the COVID-19 situation under control and we are eager to set our nation on a path of recovery, but we are mindful of the persistent threat. In the absence of compliance with these measures, COVID-19 will continue to claim lives, destroy jobs, and inflict lasting damage on our people and economy. Beyond the priorities of saving lives and protecting livelihoods, we must also ensure that recovery from the pandemic is based on solid and sustainable foundations.

In this context, my Government's framework for policy implementation remains our National Sustainable Development Plan (NSDP): 2020-2035, which articulates the following shared vision: 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.

The priorities for the next three years are set forth in the Medium-Term Action Plan 2022 – 2024, which draws on the NSDP. The rolling three-year Medium-Term Action Plans (MTAPs) will be the vehicles through which the NSDP is implemented. The agenda for 2022 will also be informed by the recommendations of the Cabinet-appointed Economic Taskforce as well as input from broader stakeholder consultations.

Accordingly, the following strategic objectives will guide our efforts to support robust and inclusive growth and build resilience:

- Accelerating the creation of sustainable jobs;
- Boosting competitiveness and diversifying the economy and export base;
- Boosting investment in health to improve health care delivery and build resilience to health crises;
- Accelerating human capital development in education by investing in infrastructure, ICT infusion and skills development;
- Accelerating the infusion of technology into the economy to fast-track digital transformation;
- Increasing investment in agriculture and the light manufacturing sector to boost food and nutrition security and to reduce our huge food import bill;
- Accelerating the rehabilitation and upgrade of our road network and other physical infrastructure;
- Continued efforts to build resilience against external shocks, including to strengthen structural, financial and post disaster resilience;
- Preserving and expanding as necessary, social safety nets, to protect and empower those most affected by the pandemic;
- Continued efforts to protect our environmental assets, from human and climate change impacts; and,
- Fast tracking our transition to renewable energy.

Consistent with the foregoing, our theme for this new Session of Parliament is: "Towards Vision 2035: Protecting Lives, Safeguarding Livelihoods; and Investing for Growth and Resilience."

Mr. President, Mr. Speaker, the current situation calls for collective action. By working together, we stand our best chance of defeating this virus and resuming the upward trajectory of growth. To borrow a quote I read recently, "Always and everywhere, collaborating hands are worth more."

### HEALTH, SOCIAL AND MACROECONOMIC CONTEXT

Mr. President, Mr. Speaker.

On account of my Government's efficient management of the crisis, confidence in the economy was being restored, and economic activities in several sectors picked up strongly. Labour market conditions improved with the unemployment rate declining sharply. Government finances were beginning to show gradual signs of improvement although we are yet to reach our pre-COVID-19 performance.

Despite the significant progress made in restoring macroeconomic stability, many of our citizens continue to face hardship, having been buffeted by the strong and sustained winds of the pandemic. To boost the nation's recovery and protect individuals and businesses that are still being impacted by the protracted crisis, my Government commenced the rollout of several social safety net measures.

Specifically, my Government launched a second COVID-19 Economic Stimulus Support (CESS) package worth \$36 million to:

- I. Temporarily expand its flagship SEED programme
- II. Provide income support to affected workers in the informal sector
- III. Provide unemployment benefits to unemployed workers in the formal sector
- IV. Provide loan and grant support to micro, small, and medium enterprises

Payments to beneficiaries under the second stimulus package commenced in September and will continue into next year for several components. The stimulus package targets 9,000 direct beneficiaries and an additional 10,000 indirect beneficiaries.

The COVID-19 Economic Support Secretariat (CESS) has been re-established, with two locations - the Kirani James Athletics Stadium and the Resource Centre in Hillsborough, Carriacou. Further information on the stimulus package and the application forms are available on the website of the Ministry of Finance, www.finance.gd.

The social and economic fallout from the recent spike in infections is expected to be severe. Last year alone, the devastating impact of the pandemic is estimated to have reduced our output by half a billion dollars, creating great hardship for many once-thriving individuals and businesses.

The containment measures to curb the current wave of COVID-19 infections will further exacerbate the difficult economic and social headwinds confronting our nation. At the time of the 2021 Budget presentation, the real GDP growth projections for 2021 and 2022 were 6.0% and 4.8% respectively. By June of this year, real GDP growth projections for 2021 and 2022 were revised downwards to 5.2% and 4.7%, respectively, on account of the slower than expected rebound of some major sectors.

The outlook for the rest of this year and next year will be further downgraded because of the heightened uncertainty created by the latest spike in cases. Swift action will also be required to limit the expected social and economic impact.

### **FISCAL POLICY**

Mr. President, Mr. Speaker.

The current fiscal realities facing my Government include:

- I. Lower tax revenues as a result of the uncertain economic environment.
- II. The need for higher spending associated with managing the current spike in COVID-19 cases and limiting the associated social and economic fallout.
- III. The need for greater capital investments to stimulate economic activity, create jobs, and advance our nation's development agenda.
- IV. The need to meet ongoing and, in some instances, growing existing obligations including wages and pensions and debt servicing.

In this context, the correct fiscal policy stance is crucially important to realise the agenda for 2022, while ensuring long-term fiscal and debt sustainability. My Government recognises that withdrawing critical spending from the economy in the current environment will do more harm than good. At the same time, prudent fiscal management continues to be of paramount importance to ensure that scarce resources are properly targeted and allocated to their best and most efficient use.

My Government will therefore continue to take steps to increase spending efficiencies while boosting capital investments. To facilitate this, my Government will, for a second time, invoke the Escape Clause under the Fiscal Responsibility Law in 2022. My Government also wishes to reaffirm its commitment to return to the rules and targets under the Fiscal Responsibility Law once the pandemic abates.

#### THE AGENDA FOR 2022

# **Protecting Lives**

Mr. President, Mr. Speaker.

My Government underscores its commitment to save lives amid this deadly pandemic. Every human life is precious and must be treasured. Since August 31, 2021, less than two months ago, the COVID-19 pandemic has claimed multiple lives per day, with the death toll on some days reaching double digits. This is a tragedy of monumental proportions for a country with a population of just over 100,000.

My Government will continue to act decisively to protect the lives of every single citizen. In this regard, my Government cannot overemphasise the importance of adhering to the COVID-19 protocols and other proven measures, including vaccination, to mitigate the risk of serious illness and death.

A word on vaccine hesitancy. My Government reiterates that while vaccination, in and of itself, will not end the pandemic, it is our best chance of survival and a speedy return to normalcy. My Government is therefore heartened by the clarion call by several stakeholder groups during the recent consultation on the 2022 Budget for a national conversation on vaccination to increase vaccine uptake. It is also important that those of you in positions of leadership and influence, use your voices to encourage vaccination.

My Government continues to strongly urge all citizens over the age of 12 to get vaccinated. Achieving herd immunity means 80% of the population must be fully vaccinated. However, at present, only 30.5% of our people are fully vaccinated. As a nation, we can do much better.

# **Protecting Livelihoods**

Mr. President, Mr. Speaker.

Given the protracted and uncertain nature of this pandemic, we face the prospect of having an ever-increasing number of individuals and businesses in need of support to maintain their livelihoods and to stay afloat. My Government has already disbursed \$2.1 million under the current stimulus package.

My Government remains committed to safeguarding livelihoods and creating economic opportunities, both immediately and in the longer-term, through the preservation and expansion of targeted interventions. More details on the specific policies and programmes will be provided during the 2022 Budget presentation in just under two months.

# Investing for Growth and Resilience Health

Mr. President, Mr. Speaker.

My Government reaffirms its philosophy that the health of our nation is the wealth of our nation. We also reaffirm our commitment to strengthen the current health system to deal with diverse threats and public health emergencies, build the human resource capacity in the sector and improve service delivery.

Like many health systems around the world, the COVID-19 pandemic has stretched our system to its limits and exacerbated long-standing weaknesses, including shortage of personnel, inadequate facilities, and weak delivery systems.

Despite the unprecedented pressures from COVID-19, most of our doctors, nurses, and other healthcare professionals have risen to the challenge and continue to make tremendous sacrifices to keep us safe. Our nation salutes each and every one of you. Alongside the immediate goal of saving lives, it is imperative that we increase investments in health and wellness to realise our goal of a healthy population.

Critical to improving health care delivery and building resilience in the sector is sustainable financing. In this regard, pursuing a national health insurance scheme is of paramount importance. Notwithstanding delays associated with the pandemic in advancing this important reform, my Government remains committed to the implementation of this initiative to improve health care delivery and affordability.

### **Education**

Mr. President, Mr. Speaker.

The COVID-19 pandemic has presented unprecedented challenges for our education system. It has disrupted traditional face-to-face teaching and drastically increased the need for online learning. Progress was made with introducing information and communications technology (ICT) in the school system, and the pandemic has further accelerated the use of technology. However, challenges in this area remain, as some students do not have internet access outside the school system.

As part of the current stimulus package, my Government has also launched an internet connectivity programme for low-income families. This programme will go a long way towards bridging the connectivity divide, as previously disadvantaged students can now have access to broadband internet services.

In the period ahead, the key focus areas will be on improving the quality of teaching and learning via blended educational service delivery, continued training of teachers and administrators in eLearning, continued professional development for principals and teachers, curriculum transformation, strengthening of the Ministry of Education's implementation capacity, and implementing the OECS Programme for Educational Advancement and Relevant Learning (PEARL). Furthermore, my Government has commissioned a review of the Education and the T. A. Marryshow Community College Acts, to support the transformation and development of the education sector.

In the area of tertiary education, my Government welcomes the efforts being made by the St. George's University to ensure continuity for students, faculty and staff. My Government also applauds the SGU for its leadership role and collaboration in the fight against the COVID-19 disease.

# Agriculture, Lands and Forestry

Mr. President, Mr. Speaker.

Despite the many challenges faced by the agriculture sector in the last 18 months, this sector has proven to be one of the bright spots on the road to recovery. The sector is on track to record robust growth this year, providing sustained livelihoods for a large segment of our population, and food and nutrition for our citizens.

Accordingly, my Government's Medium Term Action Plan 2022 - 2024 appropriately identifies the agricultural sector as a fundamental pillar for safeguarding livelihoods and for sustaining socio-economic development over the medium-to-long term.

Government will therefore continue to focus its attention on expanding production and markets through more organised production systems, strengthening resilience to climate change and weather variability, and boosting competitiveness consistent with the strategic focus areas and objectives of the Grenada National Agricultural Plan 2015 – 2030.

The implementation of several major initiatives will be accelerated in 2022, including the Agriculture Feeder Roads project and the World Bank funded Agriculture Competitiveness project.

Mr. President, Mr. Speaker.

During our recent stakeholder consultation on the 2022 National Budget, two key areas of concern affecting the agriculture sector were identified:

- I. The challenges posed by pests and diseases, especially the Croton Scale Insect, which is having a devastating impact on our crops and
- II. The perennial problem of praedial larceny.

### Tourism, Civil Aviation, and Climate Resilience and the Environment

### **Tourism**

Mr. President, Mr Speaker.

The current crisis continues to highlight the critical role tourism plays in Grenada's economy. Furthermore, it signals the need for greater diversification, collaboration, and partnership in the industry to ensure that we rebuild in a better and more sustainable manner.

In this context, my Government has devised and commenced implementation of important strategies to enhance the resilience and competitiveness of the sector. The much-anticipated third test match between West Indies and England in March 2022 is likely to play a critical role in reinvigorating the tourism sector.

Despite the impact of the pandemic, several key achievements consistent with the new direction for the sector were realised this year, including in the areas of livelihood creation, product and infrastructure development and enhancement, and marketing and promotion. Of significant note is the preparation of a National Sustainable Tourism Development Plan with funding support under the Regional Tourism Competitiveness Project. This blueprint will guide the implementation of policies, programmes and projects for the sector over the next five to eight years.

#### Civil Aviation

Mr. President, Mr. Speaker.

Increasing airlift and visitor experience is of paramount importance in the recovery and reshaping of the tourism industry. My Government is pleased that work on the Maurice Bishop International Airport upgrade is progressing smoothly and will be accelerated next year. The realisation of this project will see the expansion of the Maurice Bishop International Airport to include a new cargo facility, rehabilitation of the runway and bypass road, and an upgraded passenger terminal to enhance disaster response capabilities.

### Climate Resilience and the Environment

Mr. President, Mr. Speaker.

Through strategic alliances with key global climate finance partners, Grenada has made steady progress with building resilience to shocks and protecting the environment from damage and degradation. Several initiatives are currently underway in this regard, including the Green Climate Funded Grenada Climate Resilient Water Sector (G-CREWS) Project, aimed at building system-wide climate change resilience in the water and sanitation sector.

However, much more is needed to address the daunting climate challenge that we face as small island developing states, including the need to strengthen our legal and institutional systems and lobby for significant international financial support to improve our mitigation and adaptation systems.

In this regard, Grenada will continue to vigorously 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 be concentrated on reaching 100% of electricity generation through renewable energy, and 20% of vehicles being powered by renewable energy sources by the 2030 deadline.

Additionally, Government will continue its efforts to reduce the leakage of plastics into our pristine but vulnerable coastal and marine environments as well as the amount of plastics that reach the landfill.

# Infrastructure Development, Transport, Private Sector Development, ICT, and Public Utilities

Mr. President, Mr. Speaker.

The construction sector has shown tremendous resilience during the current pandemic, with growth expected to surpass 20 percent this year. This growth will be driven primarily by private sector infrastructure projects, as implementation of the Public Sector Investment Programme (PSIP) did not take off as planned.

Notwithstanding the slower than anticipated pace of implementation of the PSIP this year, it is expected that this rate will increase significantly with the award of several major contracts during the second half of this year. In this context, construction work on the following major projects will accelerate in the coming period:

- I. The St. John's River Project (River Road Flood Mitigation)
- II. The Molinere Land Slip
- III. The Mt. Kumar Road
- IV. The Springs to Woburn Landslip
- V. The Woolwich Road Land Slip
- VI. The Agricultural Feeder Roads Project
- VII. The construction of the Grenville Commercial Complex
- VIII. The reconstruction of the Simon Cultural Centre
  - IX. The Grenada Climate Resilient Water Project (G-CREWS)
  - X. BOLT initiatives for the Halls of Justice and Police Headquarters and Fire Station

In addition to these major projects, the repair and maintenance of roads, schools, medical facilities, and police stations will also be prioritised in 2022. Several sub-projects will also be undertaken under the Climate Smart Agriculture and Rural Enterprise Programme (SAEP) and the Basic Needs Trust Fund new cycle (BNTF 10).

In the area of **Transport**, my Government will continue to prioritise the development of a resilient, high quality, and affordable public transport system.

Mr. President, Mr. Speaker.

Government will continue to support the development of the private sector through its various implementing agencies, including the Grenada Investment Development Corporation, the Grenada Development Bank and the Citizenship-by-Investment Programme.

My Government is pleased to note that investor confidence in Grenada has remained high throughout the pandemic, which augurs well for a more robust recovery. The current portfolio of major private sector projects include over 30 local and foreign projects with a value in excess of EC \$12 billion, which are at various stages of implementation. These projects, covering tourist and student accommodations, medical tourism, manufacturing, agribusiness, and energy, will provide a major boost to the economy, including through the creation of significant job opportunities.

As part of my Government's overall thrust to build social, economic and environmental resilience, investments in resilient infrastructure in both the public and private sectors will be incentivised.

My Government has recently launched a stimulus package to support small indigenous hotels and other micro, small and medium enterprises to assist them in staying afloat during the pandemic. Support to the MSME sector will be sustained and expanded in the coming period.

Mr. President, Mr. Speaker.

**Digital transformation and the development of a digital economy** will remain a top priority for my Government in the coming period as it continues to make progress with the implementation of its digital strategy. Two of the major initiatives in advancing this agenda are the Digital Governance for Resilience Project (DG4R) and the Caribbean Digital Technology Project.

In the area of **public utilities**, my Government will continue its efforts to improve the quality and affordability of energy, water, communication, and sanitation services to support the sustainable social and economic development of our nation.

My Government has listened to the growing concerns over the cost and availability of broadband internet services and will take urgent steps to address these concerns.

# Finance, Economic Management, and Energy

Mr. President, Mr. Speaker.

Sound financial and economic management play a pivotal role in maintaining economic stability and supporting growth and recovery. My Government reaffirms its commitment to pursue sound financial and economic policies to limit the social and economic implications of the crisis and to foster a robust and sustainable recovery.

The lingering effects of the pandemic call for continued countercyclical fiscal policy. To facilitate an expanded capital investment programme and COVID-related expenditures, my Government, as stated earlier, will invoke the Escape Clause in the Fiscal Responsibility Law for 2022.

External resource mobilisation will also be critical. My Government will intensify its efforts to secure grants and concessional loans to help cover the additional financing needs in the coming period.

In the area of **energy development**, my Government will continue its strategy of diversifying Grenada's energy mix through the pursuit of renewable sources and reducing the cost of energy. In this context, my Government, with the support of the World Bank, will update the **National Energy Policy** to guide the development of the energy sector.

To support the energy sector and GRENLEC's transitioning to renewable energy, my Government has commissioned an independent review of GRENLEC, with grant support from the World Bank, which would provide an assessment of the current generation capacity and a proposed action plan to address current challenges and pave the way forward for the preparation of an appropriate power development plan. The draft report of that study has already been submitted to my Government.

# Youth, Sports and Culture

Mr. President, Mr. Speaker.

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

The youth unemployment rate spiked in the second quarter of 2020 after the first case of Covid-19 was recorded in Grenada and has remained near that same level.

Additionally, young people who are now leaving the school system, are facing one of the most challenging labour markets as a result of the pandemic.

The global crisis has also drastically curtailed the social activities of our young people. For more than 18 months, they have not able to participate in various social, sporting and cultural activities that are critical to the development of their social skills and fulfilment of their true potential.

Mr. President, Mr. Speaker, scaling up investment in youth development is more critical now than it was during the pre-pandemic period. In the coming period, my Government will focus on ramping up its investment in youth education and training, entrepreneurship development, job creation, and ICT development.

Furthermore, my Government will also continue to invest in the development of sports, culture and the arts, given their significant role in the development of our people, especially the youth.

### Foreign Affairs, Trade, and Labour

Mr. President, Mr. Speaker.

In the area of **foreign affairs**, my Government will continue to pursue a robust strategy of engagement with bilateral and multilateral partners in support of our developmental priorities.

Expanding and diversifying our export base is of critical importance in the creation of sustainable jobs and building resilience. In this regard, my Government will continue to promote and facilitate **trade** between Grenada and the outside world.

In the area of **labour relations**, my Government will continue to collaborate with stakeholders to ensure a stable industrial climate. We also look forward to a speedy resolution of all labour related matters before the court.

Additionally, while Government continues to collect less than it is expending on a monthly basis, in September, my Government began the payment of wage/salary increases due to public officers for the current year. Further, the retroactive payments due to public officers and pensioners, will be completed by the end of October, with the support of the private sector institution which has offered to accept Government bonds and pay cash to the workers.

# Social Development, Housing and Community Empowerment

Mr. President, Mr. Speaker.

Reaffirming its commitment to leave no one behind, my Government will continue to provide adequate housing and social safety nets for our less fortunate citizens.

The need to preserve and expand safety nets is of even greater importance, as our citizens battle the stiff headwinds created by the pandemic. Many of our citizens who were making tremendous progress in lifting themselves out of poverty are now seeing their hard-earned gains reversed before their very eyes, and can do nothing about it.

My Government has also recognised the need to strengthen our nation's families and provide psychological support to many of them who are struggling to cope with the heightened pressures brought on by COVID-19, including the loss of loved ones. As a nation, we have a moral responsibility to be our brother's keeper and to help those who cannot help themselves.

Beyond continuing with efforts to help strengthen the targeting and delivery of social safety net programmes, my Government will redouble its efforts to reduce poverty and vulnerability in our society and to realise our national sustainable development outcome of a resilient, inclusive, gender-sensitive and peaceful society.

In the area of **housing**, my Government will continue to deliver safe and affordable housing units and provide housing support to lower income families and to implement policies to enable greater home ownership among the populace.

**Gender inclusivity and protection of our children** from neglect and abuse will continue to be a priority of my Government in the coming year. In this context, my Government is piloting a programme to mainstream gender considerations into the 2022 Budget, including assessment of the impact of public spending on men and women with a view to improving gender equality.

### **Citizen Safety and Security**

Mr. President, Mr. Speaker.

Our safety and security operations have been stretched to their limits during the current pandemic. Despite the new challenges created by the COVID-19 pandemic, most of our safety and security personnel have risen to these challenges and deserve high praise and commendation for their show of patriotism and sacrifice.

In fact, every one of us has a vital role to play in ensuring a peaceful society. As such, we should all feel proud of our achievements in keeping Grenada safe for citizens and visitors alike. As we continue to battle this pandemic, my Government reiterates its commitment to strengthening the national security architecture and judicial administration, and to improving the efficiency of the criminal justice system.

# Legislative Agenda

Mr. President, Mr. Speaker.

The legislative agenda for the upcoming period will be driven by my Government's strategic focus areas of protecting lives, safeguarding livelihoods and investing for growth and resilience.

The proposed legislative agenda will cover the following areas, among others:

- I. Energy development
- II. Digital Transformation
- III. Climate change mitigation and adaptation
- IV. Economic policy
- V. Public Finance Management
- VI. Labour relations

#### Conclusion

Mr. President, Mr. Speaker.

As a nation, we have so far managed this unprecedented crisis with equanimity and resolve. However, the battle is far from over. To win it, we must continue to work together and remain steadfast in our pursuit for victory. Our goal is to rebuild a stronger, more united, and resilient nation.

In this context, my Government reaffirms its major focus for this session of Parliament as: Towards Vision 2035: Protecting Lives, Safeguarding Livelihoods and Investing for Growth and Resilience.

Additional details on my Government's policies and programmes will be provided during the 2022 Budget Presentation.

Mr. President, Mr. Speaker, Members of Parliament.

As I close, I am reminded by the old saying that "the darkest hours are just before dawn." With God on our side, we should not be afraid of this dark hour, nor be worried about what the future holds for our nation. I am confident that a glorious dawn awaits.

It is therefore my distinct pleasure to declare the Fifth Session of the Tenth Parliament open.

Thank you and may God continue to bless us all.