

February 21st 2020

Excerpts from the 2020 Budget Address

Grenadines Development and State owned Enterprises

Introduction

GRENADINES DEVELOPMENT

The Government is committed to further enhancing the quality of life and developmental potential of the Grenadines. As such, Budget 2020 targets the Grenadines with significant resources in the education, environment, safety, health, and tourism sectors. These investments, coupled with scheduled work on roads and infrastructure, represent over \$20 million in capital expenditure on the islands of Bequia, Canouan, Mayreau and Union Island.

The terminal buildings in the Bequia, Canouan and Union Island Airports will be refurbished to the tune of \$1.3 million in 2020, while the Canouan Airport runway will receive \$2.8 million in rehabilitation. Budget 2020 allocates \$1.5 million for demolition and redesign of the Mary Hutchinson Primary School on Union Island. The Bequia Community High School is part of the CDB school rehabilitation programme, and the Bequia Technical Institute is one of four technical and vocational centres that will be rehabilitated in 2020. Secondary schools on Bequia and Union Island are part of a nine-school, \$2.5 million programme to provide new computer equipment, which will be used to administer new computer-based assessments from the Caribbean Examinations Council.

In addition to opening the Mayreau solar plant in 2020, work will commence on the 2.5 megawatt solar farm in Bequia, which is partly funded by a US\$10 million loan from the Abu Dhabi Fund for Development. Bequia will also see the completion of the \$1.7 million satellite warehouse for disaster preparedness under the RDVRP programme, as well as a state of the art water desalination facility, to which Budget 2020 allocates \$4.8 million in funding. The Union Island satellite warehouse, a \$1.6 million facility, will be completed in the coming weeks. This year, the CWSA will spend \$1.5 million upgrading the Port Elizabeth water supply system. Further, the NIS will spend \$1.8 million in 2020 to establish an office in Union Island. As mentioned earlier, Budget 2020 also provides \$300,000 for the design of a sustainable solution to challenge of rapid erosion at Salt Whistle Bay in Mayreau. Additionally, health facilities in Bequia, Mayreau and Union Island will be refurbished and upgraded.

The Government will also establish a police substation in Mayreau and upgrade the infrastructure at the Canouan Coast Guard sub-base. The Government is also partnering with the major private investors and NGOs in the Grenadines to ensure that they meet their commitments to enhance the local communities of the Grenadines.

The Canouan investors, the Mustique Company and a host of environmental NGOs on Union Island have continued to support education, the environment and village enhancement. These public-private partnerships will continue in 2020, to the benefit of the Grenadines' residents and visitors.

Recently, the CARCIP project facilitated the connection of many Grenadine islands to a high speed undersea fibre-optic cable. This is potentially transformative. Many of the challenges that Grenadines' residents encounter in their interactions with the State bureaucracy can be addressed by technology. So too can countless other features of relative remoteness or isolation. We look forward to exploring the potential of the CARCIP infrastructure with residents of the Grenadines, in particular.

The Grenadines are unique, collectively and individually. The islands of the Grenadines have played an outsized role in attracting foreign direct investment, creating employment and generating wealth. The true extent of the Grenadines' contribution to our economy is simultaneously underreported and underutilized, due to the persistent data gathering and revenue collection challenges. However, as Budget 2020 makes clear, the Government values and cherishes the unique character and contribution of the Grenadines – not as little sister islands in our archipelago, but as powerful engines of growth, employment and development.

State-owned Enterprises

State-owned enterprises, are, ultimately, instruments of government policy that contribute tangibly to the strategic development of our economy. In addition to employment and service delivery, the commercial, or self-financed bodies among our State-owned enterprises make significant capital investments. These capital investments often go unacknowledged in Budget Speeches, but represent powerful drivers of growth, development and economic transformation.

In 2020, the Saint Vincent Electricity Services Limited (VINLEC), the Central Water and Sewerage Authority (CWSA), the National Lotteries Authority (NLA), the Saint Vincent and the Grenadines Port Authority (SVGPA), the Housing & Land Development Corporation (HLDC), the National Telecommunications Regulatory Commission (NTRC), the National Insurance Services (NIS) and the National Properties Ltd (NPL) will spend significant resources on their capital programmes. The cumulative capital programme of those entities for fiscal year 2020/21 is projected to exceed \$46 million.

For example, among the \$24.5 million that VINLEC has budgeted in 2020 capital expenditure are investments of \$7 million in generating capacity at Cane Hall, \$2.5 million for a new battery system and \$2 million on transmission and distribution line upgrade. The CWSA's planned capital works include over \$3.6 million in water storage improvements and transmission pipeline upgrades, as well as a \$1.5 million investment in improving water supply in Bequia. Similarly, the National Lotteries Authority will spend in excess of \$7 million on the construction of new sporting facilities, a comprehensive maintenance

programme, and other capital investments. As discussed elsewhere, the 2020 capital programme of the NIS includes \$3.2 million worth of land development at Peter's Hope and the \$2.5 million commercial development of the Ju-C property in Kingstown.

As such, the combined capital expenditure of the Central Government and local State-owned enterprises in 2020 is budgeted in excess of \$356 million. By any measure, this is a transformative capital injection in the context of Vincentian economic development. New legislation designed to enhance the oversight of state-owned enterprises, discussed elsewhere in the Budget Speech, will add greater levels of transparency to the crucial developmental work that these entities regularly conduct