



GRENADA

PARLIAMENTARY DEBATES

(HANSARD)

Third Session of the Tenth Parliament

OFFICIAL REPORT

SENATE

Monday 4th November, 2019

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Attendance

PRESENT

Senator the Honourable Chester Humphrey	- Mr. President (In the Chair)
Senator the Honourable Simon Stiell	- Minister for Education and Human Resource Development
Senator the Honourable Judd Cadet	- Member
Senator the Honourable Norland Cox	- Minister for Youth Development, Sports, Culture and the Arts
Senator the Honourable Dr. Winston Garraway	- Minister of State with responsibility for Disaster Management and Information
Senator the Honourable Kim George	- Member
Senator the Honourable Cathisha Williams	- Member
Senator the Honourable Kerryne James	- Member
Senator the Honourable Dunstan Campbell	- Member
Senator the Honourable Christopher De Allie	- Deputy President
Senator the Honourable Mondy André Lewis	- Member

ABSENT

Senator the Honourable Ron Redhead	- Member (Excuse tendered)
Senator the Honourable André Lewis	- Member (Excuse tendered)

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Prayers
Announcements

The Sitting of the Senate began at 2:30 p.m.

Sergeant-at-Arms: His Honour, the President.

Mr. President: Honourable Members, Good afternoon to everyone, Senator the Honourable Winston Garraway.

Sen. the Hon. Dr. Winston Garraway: Good morning, Members, let us pray.

(Senate Prayer was said)

Sen. the Hon. Dr. Winston Garraway: Please join me in the Lord's Prayer.

(The Lord's Prayer was said)

Mr. President: Thank you, Honourable Members. Pray be seated.

Ag. Clerk Assistant: Item 3 - Oath of Allegiance or Affirmation of new Senator.

Item 4 - Confirmation of Minutes.

Item 5 - Messages from the Governor-General.

Item 6 - Announcements by Mr. President.

Mr. President: Honourable Members, I wish to most respectfully inform you that I have received excuses of absence from today's Sitting of the House. Senator the Honourable Andre Lewis has indicated that he would be absent; I know that he was in Trinidad at the... attending the Congress of the Caribbean Congress of Labour. And there is some good news for Grenada and the Grenada Labour Movement because he has become the President of the Caribbean Congress of Labour making it the first

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Grenadian to hold this distinguished post. I guess when he is here at an appropriate time we would give all the accolades that are necessary.

I have received another absence from Senator the Honourable Ron Redhead who indicated that he would be absent from this Sitting. Yet, another announcement, Honourable Members, the Clerk of Parliament, along with Senator the Honourable Christopher De Allie, and the Honourable Anthony Boatswain, from the 'Other Place' would attend the Commonwealth Association of Public Accounts Committees Regional Workshop Series Caribbean to be held in Trinidad and Tobago from January the 21st to the 23rd next year.

This project delivered by the CPA UK Branch is part of the Commonwealth Partnership for Democracy, referred to as CP4D, and it aims to build trust in democratic institutions and support the political engagement of minorities and vulnerable groups in eighteen (18) developing countries across the Commonwealth of which Grenada is to participate. This participation and this programme is funded, it's a programme which was launched in 2018 at the tune of four million pounds (£4M) to meet the Commonwealth Heads of Government's Meeting, passed a Resolution and adopted it. It is managed by the UK Foreign and Commonwealth Office (FCO) and implemented by the Westminster Foundation for Democracy in partnership with the Commonwealth Parliamentary Association, the UK Branch, and CPA International, and the Commonwealth Local Government Forum.

As part of the CP4D, the two-year project will focus on strengthening Commonwealth Public Accounts Committees, a very important Standing Committee in our Parliament, a Committee set up actually by the Constitution. It supports the Commonwealth Association of Public Accounts Committees and it holds a series of regional and commonwealth wide CPAC workshops for the Public Accounts Committees and ensures sustainability of learning and the embedding of CPA network regulations, rules and principles. So, I just thought I would make those announcements and to indicated that the ParlAmericas grouping had its 16th Assembly in Paraguay last week Tuesday to Friday. The Speaker of the House of Representative of St. Lucia, Andy

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Daniel has been renominated as the Caribbean Representative. It was a very successful meeting and it focused a lot on the Sustainable Development Goals. More information on these developments would be conveyed at a later date. Honourable Members this is the sum of the announcements I would wish to make at this time.

Clerk Assistant: Item 7 - Ministerial Statements.

Item 8 - Presentation of Papers and Reports from Select Committees.

Item 9 - Petitions

Item 10 - Government Notices

Item 11 - Unofficial Notices

Item 12 - Questions

Item 13 - Personal Explanations

Item 14 - Motions

Item 15 - Bills.

Mr. President: Senator the Honourable Simon Stiell. You have the floor.

Sen. the Hon. Simon Stiell: Mr. President, I beg to introduce for first reading a Bill for an Act shortly entitled, Fiscal Responsibility (Amendment) Bill, 2019.

Ag. Clerk: A Bill for an Act to amend the Fiscal Responsibility Act, No. 29 of 2015 called the Fiscal Responsibility (Amendment) Bill, 2019.

Mr. President: Senator Stiell.

Sen. the Hon. Simon Stiell: Mr. President, I beg to move that the relevant Standing Order of the Senate be suspended to enable the Bill to be taken through all its stages at this Sitting.

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Question proposed.

Question put and agreed to.

Relevant Standing Order suspended.

Mr. President: Senator Stiell.

Sen. the Hon. Simon Stiell: Mr. President, I beg to move the second reading of the Bill. Mr. President, the Bill before us seeks to amend the Fiscal Responsibility Act of 2015, referred to as the principal Act to resolve conflicts within that Act and the National Transformation Fund Regulations. By way of a little background, the National Transformation Fund Regulations came into force in November of 2015. It was established as a Special Fund under section 45 of the Public Finance Management Act of 2015. And, the objectives of that National Transformation Fund, the NTF, laid out in the Regulations, provide for... state that the fund provides for financial resources for the repayment of budget expenditure arrears. This, Mr. President, is effectually budget support for capital projects. So, projects, whether it's in Education, Healthcare, Agriculture, Tourism, Infrastructure, Works, its provision to be able to provide additional budgetary support for those capital activities. In addition to provide financial resources to facilitate the restructuring, repayment or repurchase of government debts, so there is a need for debt management interventions. And then finally, to provide financial resources to manage, coordinate and invest in diverse portfolio of projects or programmes for national development. So this, the funds within the NTF could be used to cede capital, cede investment within the productive sectors to simulate economic growth and national development.

The Fiscal Responsibility Act, the principal Act as I said, entered into force on the 1st of January, 2016, that's three (3) months after the NTF regulations came into force and under section 8, subsection 3 at subsections (i) and (ii) of the principal Act, it lays out that where the ratio of public debt to GDP for the proceeding year reaches fifty-five percent (55%) the Minister shall take appropriate steps to ensure that, where the

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programme established under the Citizenship by Investment Act 2013 is in effect.... So, resources that are being generated by the CBI programme, that forty percent (40%) of the monthly inflows into the National Transformational Fund shall be saved for general budget financing purposes, including contingency spending, natural disasters, and debt reduction. It also states that at the end of every month the inflow under subparagraph (i) shall be transferred from the NTF account to the Consolidated Fund, to the Consolidated Fund. However, Regulation 11, subsection (2) of the National Transformation Fund Regulations 2015 states that, in accordance with section 8 (3) (f), which I just referred to, of the Fiscal Responsibility Act, 2015, from the first day of January 2016, at the beginning of every month, forty percent (40%) of the inflows into the Fund from the previous month shall be directed to the Contingency Fund. So, Mr. President, here lies the conflict between the Fiscal Responsibility Act, 2015 and the NTF Regulations.

So, the trigger for the depositing of the forty percent (40%) of the NTF inflows within the Fiscal Responsibility Act of 2015 refers to that trigger being achieved once the Debt to GDP ratio of fifty-five percent (55%) is achieved. But, within the NTF Regulations, it refers to a definitive date of the 1st of January 2016. So, a conflict, what is it? Is it reaching fifty-five percent (55%) Debt to GDP ratio or is it the date of 1st of January 2016?

The second conflict is whether the payments are made into the Consolidated Fund as stated within the Fiscal Responsibility Act or whether into the Contingency Fund as outlined, as mandated in the NTF Regulations. So, firstly, the debt to GDP target of fifty-five percent (55%) versus setting a definitive date to trigger is forty percent (40%), NTF provision.

So, Mr. President, with regard to the fifty-five percent (55%) Debt to GDP ratio, the Government of Grenada is on target to meet that. When we came into office in 2013, Grenada's Debt to GDP ratio was one hundred and eight percent (108%). Over the subsequent years that has been reduced from one hundred and eight (108) down to the current level, is sixty-two percent (62%), a significant reduction in that ratio and that

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is as a result of both our economy growing. We've had six (6) consecutive years of economic growth in excess of five percent (5%). Grenada today is one of, if not the fastest growing economy within the region. It also speaks, the other part of the ratio, the debt level that in addition to growing the economy we are also managing our debt. So that that overall ratio, as I said came down from one hundred and eight percent (108%) currently down to sixty-two percent (62%) on target to meet the fifty-five percent (55%) target, but we're not there yet. And, then certainly, in terms of the date that was specified in the NTF Regulations of the first of January 2016, which certainly would not have been in that Debt to GDP ratio, which would have given us that fiscal space in order for us to make that forty (40%) contribution.

Therefore, Mr. President, a proposal that is before us in the amended Bill is to refer to an effective date as set out in the NTF Regulations of 2019, which has already been amended and already been set in that 'Other Place' of the 1st of November, 2020. So, the proposal is that commitment to start transferring forty percent (40%) of those monthly NTF revenues from 1st of November, 2020. And, that's where the commencement date of the Bill that is being put before us of the 31st of October, 2020, so just immediately before. And, we believe that by November 2020, that target of fifty-five percent (55%) Debt to GDP ratio we will be there, either exceeded it there or somewhere very closer. So, we will be in a position to actually make that important commitment.

So, the second anomaly. Whether those funds are deposited in the Consolidated Fund or the Contingency Fund. So, first of all, just to run through the rationale for setting aside forty percent (40%) of the NTF for creating a contingency. Mr. President, this is part of a much more strategic intent by the Government and its part of this Administration's strategy of building fiscal, physical resilience and addressing, creating contingencies, creating other risk mitigating measures that will reduce our vulnerability whether it is to physical shocks, like Hurricane, extreme weather conditions or whether it is financial shocks. Grenada, just like our neighbours within the region, the Caribbean is one of, if not the most vulnerable regions within the world. And, we just have to look

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at what happened just a number of weeks ago in the Bahamas with Hurricane Dorian; one hurricane that wiped out over two hundred percent (200%) of their GDP. In 2017, Irma, Dominica, again similar figures, and our own experiences in 2004, with Hurricane Ivan with damage that was equivalent to two hundred percent (200%) of our GDP, highlighting that level of vulnerability. So, what are the necessary steps we need to put in place? What buffers do we need to put in place to help absorb some of those shocks and reduce the impact of whether its economic or physical disasters?

And, in terms of some of them, the measures that we are putting in place, Grenada is currently the leading country within the Caribbean in terms of developing these risk layering tools. So, whether it is with CCRIF, the Caribbean Catastrophic Risk Insurance Facility, a facility that Grenada and our neighbours contribute towards, that in the event of a natural disaster, there will be an insurance payout. Grenada has a facility whereby in that emergency situation, a facility in the region of forty eight million US dollars (US\$48M) would be made available for that disaster relief initial recovery efforts. And, in Grenada together with St. Lucia, the first within the region to have implemented or piloting the Caribbean Oceans and Aquaculture Sustainability Facility, this is another parametric insurance facility, weather related events and insurance facility, that protects our Fisheries Sector in the event of extreme weather conditions.

It's also the inclusion of a Hurricane Clause in our financial instruments with the international creditors, bondholders, that in the event of a hurricane there will be payment relief on our debt for a given period. Again, to free up resources that we would have been using to pay down debt, but to free up those resources so that they could contribute to that recovery process. And again, Grenada is the first within the Caribbean to have such clauses in its financial instruments. Jamaica has followed and hopefully other Islands would follow with that provision. And, we are currently in a position, we are currently concluding with the World Bank, what they call a Cat DDO, Catastrophic Deferred Drawdown Option. This provides Grenada with a twenty million dollar (\$20M) line of credit that is held, that would be made available in the event of a disaster. So, these are just some of the broader measures that this Government is

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taking to address the risk and our vulnerabilities with regard to financial and natural disaster and that's then where these contingencies come into to play.

Within our Public Finance Management Act, in Law, we are mandated to set aside two percent (2%) of our gross revenues into our Contingencies Fund which can be accessed. So, you can build up a buffer and can be accessed in the event of an emergency of a disaster. But, what is before us, and the NTF Contingency Fund, this is a separate Fund, is taking forty percent (40%) of those CBI related revenues and setting those aside in the event of a disaster. And going through the regulations, the objectives of that Fund are to provide financial resources for relief, recovery and reconstruction cost from a natural disaster; to provide financial resources for facilitating a counter cyclical fiscal policy in the event of an economic recession or crisis. This is a fancy term and this counter cyclical fiscal policy is basically a fancy term in the event the country is going into recession, in recession, financial interventions, fiscal interventions that could be made to try to stabilize the economy or stimulate growth within the economy to avoid or reduce the impacts of a recession.

And, then the third area is to provide financial resources for repayment of debt only under exceptional conditions and not as part of Government's normal, annual debt repayment. So, if there are extra ordinary scenarios where there is a debt that needs to be serviced, that falls outside of the normal repayments then provision can be made for that. Again, it speaks to how we stabilize and manage the economy. So, that is the justification, the rationale for establishing as stated on the NTF Regulations, a Contingency Fund for these resources. So, why not the Consolidated Fund as stated in the Fiscal Responsibility Act?

Mr. President, as we all know, those of us in Government, the Consolidated Fund could be something of a black hole. Contingencies are there as an emergency response to react rapidly to a national disaster. Therefore, the ability to access those funds quickly and effectively is of paramount importance. And, the Consolidated Fund is a very clumsy depository/repository for gaining access on a speedy nature. As you know, we have, we can no longer issues Special Warrants. Special Warrants, you can

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spend money from the Consolidated Fund without prior to coming to Parliament. So, the accountability piece there was very, very loose. You can spend, spend, spend and then, as long as you come back at some point to the Parliament to account for that spending, you're ok. But, those days are long gone, we are now embracing fiscal responsibility. So, under the FRA, we can only present to Parliament for approval before spending, Supplementary Appropriation, and we can only do that up to twice per year. So, if there was something extraordinary that happened, a natural disaster that we had to access these Funds very quickly, if we had exceeded it, if we had already two (2) Supplementary Appropriations, we could not go back for a third. But, in the process of coming to Parliament for Supplementary Appropriation, where there needs to be immediate action to start providing disaster relief to our people, it will just take up significant time. So, for a Contingency Fund that is to be used in an emergency, it is felt that the Consolidated Fund is not the appropriate measure.

Therefore, in closing, Mr. President, in the light of the conflicts between the two (2) provisions that I have outlined, the proposal is to repeal the conflicting provisions of the principal Act to give precedence to the provisions of the Regulations relating to the Contingency Fund that is pursuant in section 45 of the Public Finance Management Act of 2015, and the Regulations, amended Regulations of 2019.

So, forty-percent (40%) of the NTF inflows would be paid into the Contingency Fund, monthly, starting from the 1st of November, 2020. And, it's for those reasons that I have outlined, Mr. President, that commend this Bill for its second reading. I thank you.

Question proposed.

Mr. President: Senator Winston Garraway.

Sen. the Hon. Dr. Winston Garraway: Thank you very much, Mr. President. Mr. President, I rise to give my unwavering support for the second reading of this Bill.

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As we do know, Grenada is exposed to hydrometeorological events, as well as geophysical events. Hydrometeorological, we're talking about wind, storm, hurricane, just name it. And, geophysical, earthquakes, tsunamis, etcetera, etcetera. And, looking back at our history, we realise that we have had some impacts from hydrometeorological events. Hurricane Ivan is one that came to mind and the severe impact that the country would have received. And, the 6th of September, your economy was at a height, and after the 7th to 8th you're basically flat on your backs, and waiting for support from the International Community.

I want to speak primarily on two (2) points, Mr. President, just to show that the decisions taken by this Administration towards, one, putting in place fiscal discipline to ensure that the economy, one, recover from the doldrums of 2013, and two, put it on a trajectory where it can grow and sustain itself. This Contingency Fund that we're talking about today by route of the National Transformation Fund, first thing, Mr. President, is a creature developed by this Government. We developed the Contingency Fund because of the problems I spoke earlier of, the hydrometrological problems and the geophysical problems. So, you will set in place a Contingency Fund, that will be able to help you to bounce back quickly in the event of an impact.

Of course, we got support from the International Community, so when we were stabilizing and fixing this economy during the Structural Adjustment Programme, we put those things in place, those measures to ensure that the economy is on a sound footing. But, it speaks to a very wise decision made by this Administration, and that is to establish the CBI Programme. The Citizen by Investment Programme has created an environment of growth and stability for this economy and out of the inflows from the CBI, we're saying forty-percent (40%) of this will be put into a Contingency Fund to be able to, one, in the event of one, we said here, to provide financial resources for the relief, recovery and reconstruction course from a natural disaster, and we know that, is not, if, but when we will impacted. Small Island States are every year, every June to November 30th, everyone is exposed to hurricanes and cyclonic events.

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Secondly, to provide financial resources for facilitating a counter-cyclical fiscal policy. And, the Leader of Government's Business went into this, recession, we're talking about you had the global recession and all these things that happened to the economy and you couldn't pay salaries to public workers and the likes and so forth. You don't want to go back there. So, if you don't want to go back there, you put measures in place now to protect the economy, and the and the Contingency Fund will help in this regard.

And, to provide financial resources for the repayment of debts only under exceptional conditions, and this again is saying, and not the regular Government repayment of debts on an annual basis. But, some catastrophic event would have taken place and the Government needs urgent financial relief to take it through. The Contingency Fund there would provide such a relief. So, it is, if it was, I will put it this way, it was prudent decision-making in establishing the CBI and two wise management of this entity, because for the last six (6) years, you have heard of rumours, but there is no substantial attack on the credibility of this country and the credibility of this programme. So, we have to say it was well put together, well managed and today, Grenada is reaping the benefits from it. We have to be thankful.

And, the second point I want to make, as it relates to the Contingency Fund, but besides that the Act, which guides this process, the Fiscal Responsibility Legislation, and it speaks to Government ensuring that it operates within the confines of the Law. You have expenditure rules that you must follow. And, in so doing, you can't just wake up in the morning and decide you're going to make, go into an investment and just spend money. As was the case before, you could have done that, and by a Special Warrant as the Leader of Government's Business went into, and come into Parliament, and say, okay, I would have spent this and now give me cover for it. Based on the Fiscal Responsibility Legislation, it says, no-no, everything that he is going to do this year must be guided by the tenants of the legislation. And, it speaks to how much you can spend in various areas. So, the Contingency Fund is here to help you in the event, as we said, recession, impact from a hurricane, so you have that. In so doing, you still

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would be guided by and work within the framework of the legislation. Yes, I know it give you the latitude that in the event of a catastrophic impact from a hurricane that the rules would be relaxed a bit, so you can deal with the immediate response.

But, I want to speak to another area of prudent management here. The Leader of Government's Business spoke of the Cat DDO, Catastrophic Deferred Drawdown Option. And, what it speaks to is another Contingency Fund, line of credit established through the World Bank, and it's primarily to address a gap that we have experienced with the Caribbean Catastrophic Risk Insurance Facility, Special of Segregated Portfolio, we say the CCRIF SPC. You, see, the Policy that was enacted through the CCRIF, one of the triggers is excessive rainfall. And, I often referred to August 1st 2018, when the Southern and Eastern belt of the Island received within a 2-hours period about eight (8) inches of rain, and we had massive flooding in some areas. St. David's had over one hundred (100) landslides, some were major, some were minor, but despite this the CCRIF was not triggered, so as a result, we got no payout.

The Cat DDO is here now to bridge that gap because what will happen, Government will have the trigger. So, we can, based on a protocol that has been established declare a national disaster or a subnational disaster. So, what would have happened August 1st 2018, was a subnational disaster because two disaster areas were declared. There were millions of dollars in damage and you could have now, if the Cat DDO was operationalized then, we could have draw down out of the twenty million US dollars (US\$20M) Contingency Fund line of credit that has been established.

So, Mr. President, in all that has been said so far, we're looking at maintaining the stability of this economy and establishing road maps for its continued growth. So, the Contingency Fund, the Cat DDO, the CCRIF, the Course, all those programmes have been designed towards ensuring that the gains that this economy would have received or earned over the period of the Structural Adjustment is maintained and is protected. And, I'm totally happy, Mr. President, that the government has continued to move in this direction towards protecting the economy and for these reasons, I want to give my full support to the second reading of this Bill.

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Mr. President: Senator Christopher De Allie.

Sen. the Hon. Christopher De Allie: Thank you, Mr. President. Mr. President, I rise to support the Bill as well, and to say that from where we sit in the Private Sector we believe that the establishment and the putting in place of a Contingency Fund for ourselves to deal with natural disasters or other issues of emergency whether it be recession and so on is something that is important. I believe when we set up such instruments, we are saying to the world as well that we ourselves as a nation have recognized the vulnerabilities, the risks associated with where we are, and we're now making preparation on our own to alleviate or reduce what is required. After Ivan, and the experience with Ivan of the loss of two hundred percent (200%) of GDP, nearly every dollar of help had to come from external sources and at the mercies of other countries. Yes, everybody is sympathetic at times like this, but you as a nation yourself must be able to show that you at least, when times were good and there was no bad issues happening, that you were able to put aside some money that you could access quickly to deal with relief for the most vulnerable and the hardest hit when there are issues like that. And, I believe that is the need for having such a Contingency Fund set up.

But, I also want to say, Mr. President, that what this Bill is also doing through what the Government is proposing in the amendment, is that it is saying generally that the Government is confident that from the 1st November, 2020, the Debt to GDP ratio will reach level that would trigger the flow of money from the NTF coming via the CBI Programs, sections 10 and 11, so that monies can flow to the Contingency Fund. I think the Government, I don't know if we have to compliment them, but it certainly says to me that the Government is confident of its macroeconomic policies and soon we're going to hear new ones coming on November 20th, that they can achieve this ratio and this target by the 1st of November, 2020. I think that is important and they're enshrining it in Law, of course, we could always come back and amend the date. But, the fact that they're taking the leap to put that there says to me that they're pretty confident on what they're

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doing and their management of the economy and what is happening. So, I say kudos to the Government for that. I think all of us would be happy when the Debt to GDP ratio reaches fifty-five percent (55%), and the target set by ECCB is sixty (60) thereabout, we are well ahead, and of course, the issue then becomes maintenance in the short and medium term of ensuring that the debt don't go out of hand. So, Mr. President, I think that is a good thing.

The last thing I want to talk about on this is CBI Programme. You know every time we talk about CBI, you hear selling of passports, and nobody ever mentioned the other aspects of CBI which is possible investment and this, flow of funds into a Contingency Fund for our own use and the National Transformation Fund and what it can be used for.

A lot of programmes, other CBI programmes around the world have similar mechanisms, but we never, ever talk, whenever you hear CBI, that there is a National Transformation Fund, and the monies out of that could be used for young entrepreneurs to invest, to give the seed money. The Private Sector just made a suggestion to the Government that we believe a million dollars should be set aside as seed money, capital venture, all kind of thing for young entrepreneurs who have good projects, excellent ideas and need seed money. These are things that we believe the NTF and funds from the NTF should be for because at the end of the day we have monies coming into the country via people who, yes, wants to buy a passport because our passport have value and give them flexibility, but also encourage them to invest in projects that we think are important for the country. Right, and we have seen some of those projects. So, I say that to say, that not all the things in the CBI seems to be bad and negative and black. There are good things that can happen if it is managed properly and it is held. And, I think the establishment of this Contingency Fund is going to be a good thing once the trigger comes on the 1st of November.

However, I want to put a question to the Leader of Government's Business in his response where would the monies in this Contingency Fund be placed and held? And, is there consideration that when monies start to floor to this Contingency Fund, it will

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have its own accounting and transparency mechanism set up and that some investment instrument can be used to gain and take the monies there and invest it and gain interest or whatever at a more rapid pace? I don't know if there is any thinking on that yet, but I would like to hear what the Leader of Government's Business have to say on that issue because we in this country gets very suspicious when we take money and we move money to one place and we don't know exactly where it's going and it's not brought back to Parliament, so that Parliament could exercise oversight on what is happening with these monies wherever they're invested. So, I think it's going to be important to say, where these monies... You say you don't want to put it in the Consolidated Fund because it's a black hole and when money go in there it never seem to come out. So, we're setting up a new place for this called the Contingency Fund. Where is it going to be held? It's going to be held in particular instruments and what is going to be the exercise of accountability, whether it's going to be accountable to Parliament and so on for the oversight, Mr. President? Mr. President, I thank you, those are my points.

Mr. President: Any other Senator at this time? Senator the Honourable Glynis Roberts.

Sen. the Hon. Glynis Roberts: Good afternoon, Mr. President. I want to add my voice to support what Senator De Allie said as well, and the Senators on 'This Side'. But, the angle I want to add from is that we are aware that as a country we will go into extreme disasters, but what are we doing to mitigate some of the risk that we have before us? Meaning, we talk of landslides, we also have the Debushing Programme, but we continue year after year to clean the roadside, clean, clean, cut too many trees and not understanding that these are the things that would lead to disaster. I'll give one example, last week coming up by Sugar Mill, today, there was about five (5) big Sip trees going into Lance Aux Epines, by the next morning, all gone, and we're backfilling. So, what are we doing from this Institution to regulate land development? There was

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one man cutting the trees, I said, "Sir, could you kindly leave them because they are there for people who do not drive and who wants to take a shade from the sun."

We also have indiscriminate dumping of the Wetlands. The Wetland is a mitigation between the sea and land. These are all happening before us and as Lawmakers, it's like we're just throwing up our hands because the law only regulates, or what should I say, Physical Planning only regulates construction of buildings, but not the cutting of hills. We have so many hills being cut; yes, it's progress, it looks good, but we will struggle at the end of the day. So, while we also, we applaud having money for the disaster, we can mitigate against that disaster and use that money towards something else that can develop the country. That's just my take on it, although I commend, and I also want to add that when this Fund is established, that the stewards of the Fund do not always be people that are involved in the Government. We should also look into the wider community to see who else we can help, so that, that lack of trust does not creep in, but that people would say, well, ok, the people managing that is a man that have a shop down the road, so the man with help us guide or guard the purse. So, I want to commend it, but I want to... I want us here as lawmakers to see how we can try to mitigate against the disasters; too much indiscriminate things are happening in the environment. We need to see when ten (10) trees go down where we're putting back ten (10) trees because these are all part of the demography that we need to protect. Thank you.

Mr. President: Senator Dunston Campbell.

Sen. the Hon. Dr. Dunstan Campbell: Yes, Mr. President, I rise to support the Bill and what I think is necessary and good for our farmers and fishers, especially after disaster. After disaster farmers and fishers are vulnerable to assistance. It comes in with good intentions, but in most cases, it creates more problem for us in the long run. The introduction of seeds, planting material that carries with it disease. So, over the years, Grenada, I think, is introduced with a new pest or with a new virus. So, if we

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have that Contingency Fund, which assist our farmers and fishers to use our own planting material, our own resources to bounce back, and to bounce back quickly, then we are actually buffered from these threats and vulnerabilities. We also can use this Fund, the Fund can be used, Mr. President, for bouncing back the economy and getting the rural economy going. It is important after a disaster that we have economic activity. In other words, we should not sit by an allow or just wait on food, right. We need to protect our food security. We need to make sure that we continue to eat the things that we produce. And, it's very important, Mr. President, because after emergencies what happen is that people sending things to your country that they hope after the disaster you would continue to buy, and it changes our pattern of eating, our nutritional guide, so that our consumption pattern changes. If we have a Contingency Fund that bounces us back that is used for the creation of activities in the farming and fishing communities, I think it would be... it would make sense. And, for this Mr. President, I support this Contingency Fund, especially to make us resilient of natural disasters. Thank you very much.

Mr. President: Thank you Honourable Member. Senator, Kim George, you have the floor.

Sen. the Hon. Kim George: Thank you, Mr. President. Mr. President, I rise in support of the Bill. There is not much that remains to be said, the Leader of Government's Business has very ably covered the ground as have my colleague Senators. I wanted to say that the Bill as it stands is important, not only because it seek to resolve a conflict in the existing laws, and in doing so, will ensure uniformity and clarity of purpose. I wanted to make the point as well that we have had six (6) consecutive years of economic growth, and by all indications we can look forward to enjoying that for some time to come. I wanted to speak as well to the fact that the ratio shows a steady decline in public debt to GDP. And, most importantly, Mr. President, I wanted to make the point that this is legislation by us, for us. And, very often, Mr.

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President, it is easy for us to mistake or to, I wouldn't say mistake, perhaps to overlook the fact that this success that we are now enjoying is a direct consequence of the planning, the forethought and the commitment by this Government, and by the people of Grenada to take charge of our own destiny. **(Applause)** And, it is, Mr. President, an approach that, for the most part certainly in respect of the Contingency Fund was unique in the region, we've seen some of our colleagues speaks, following that respect. And, it is my hope, Mr. President, as a member of a generation coming after people who have sacrificed a lot to get us to where we are, and as a parent of young children who have to inherit this country, and who have to live with the decisions that we make, it is my hope that we continue along this path. It is my hope that as a people we feel empowered, not just to use the legislation in the area of financial and fiscal improvement, but in all aspects. I think my colleague Senator Campbell, made some very good and very pertinent points. I think my colleague, Senator Roberts, as well, made some very good and very pertinent points in relation to land use. And, I would like to think and to commend that this approach be adopted for whatever issues we encounter as we move forward. And so, for those several reasons, Mr. President, I stand and give my support to the Bill. Thank you.

Mr. President: Senator Stiell.

Sen. the Hon. Simon Stiell: Thank you, Mr. President. Mr. President, I wish to thank my colleagues on 'Both Sides' for their comments, and it's very clear by the positive response that we've had from those members who spoke of the value and the progressive nature of the actions that this Government is taking. And, I don't think we can actually underplay the importance, the significance of the statements made both by Senator De Allie and Senator George, we're doing this for ourselves. This isn't because somebody is telling us we have to do it. Yes, we have the support of the International Community in some of the measures that, on the programmes that are being developed, but this is Legislation by us, for us. These are developing programmes as at

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the heart of the Structural Adjustment Programme, Homegrown Structural Adjustment Programme, it's us as Grenadians putting forward those measures, as difficult as they were, as difficult as some still are, but doing those things that we know we have to do. We are maturing as a nation, we are growing, we are developing, with all of our challenges, but we are certainly making progress. And, measures such as this, setting aside resources for those rainy days that we know will come, trying to take some level of charge of our own destiny. However small it may be, it is a significant step forward. And, I think the Government and actually the People of Grenada should be commended by this. It is through the sacrifices, through the Homegrown Structural Adjustment Programme, those shared sacrifices that were made by all of Grenadians, at all levels, or enabling us to get our house in order to achieve economic and fiscal stability and for us to start doing things the right way as we know we should. So, I believe as a nation, we should be commended.

And, then picking up on Senator De Allie's points about and Senator Roberts also mentioned in terms of how this Contingency Fund, how these investments are managed? And, there is a Board that will develop the investment criteria for those investment in the assets of the Contingency Fund. I'm just going through in the Regulations, 11C, I will just highlight a few points, so investment of the assets of the Contingent Fund, **"the assets of the Contingency Fund shall be invested only outside of the Eastern Caribbean Currency Union and in currencies other than Eastern Caribbean Currency"** and that is to reduce the risk. We know the vulnerability of the Caribbean as a whole or certainly the Eastern Caribbean. So, the idea there is that those investments are diversified outside of the immediate region to reduce risks associated with those investments. And, **"the Eastern Caribbean Central Bank shall prepare an Annual Investment Plan, in line with the investment directives issued by the Board."** So, it's not just the Board as able and capable as they may be, but they are also working with the Economist, with the Asset Management Skills of the ECCB, in terms of advising how those those assets are managed. And **"the Board shall issue yearly investment directives regarding the assets of the**

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Contingency Fund and the Eastern Caribbean Central Bank shall carry the investment of the assets of the Contingency Fund under a Trust Fund Agreement entered with the Minister for Finance in accordance with the investment directives issued by the Board.” So, there is transparency, there is accountability, there is a governance structure around this to protect the people's assets. So, once again, Mr. President, I think what we are doing here is another bold step, another bold initiative by this Administration. And, I believe it signals a turning point or another turning point in our development and our approach to how we manage that development. And it is for those reasons, Mr. President, that I commend this Bill for its second reading. I thank you.

Question proposed.

Question put and agreed.

Bill read a second time.

Sen. the Hon. Simon Stiell: Mr. President, I beg to move that the Senate resolve itself into a Committee of the Whole Senate to consider the Bill Clause by Clause.

Question put and agreed to.

Senate in Committee.

Senate resumes.

Mr. President: Honourable Members, I have to report that the Bill was considered by a Committee of the Whole Senate and passed without amendment. Senator Stiell.

Sen. the Hon. Simon Stiell: I beg to move that the Chairman's Report be adopted.

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Question put and agreed to.

Chairman's Report adopted.

Mr. President: Senator Stiell.

Sen. the Hon. Simon Stiell: Mr. President, I beg to move the third reading of the Bill.

Question proposed.

Question put and agreed to.

The Bill was read a third time and passed.

Clerk Assistant (Ag.): Item 16 - Public Business.

Item 17 - Adjournment

Mr. President: Honourable Members, I wish now to adjourn the House. This House now stands adjourned, ***sine die***.

Senate adjourned sine die at 4:20 p.m.

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