

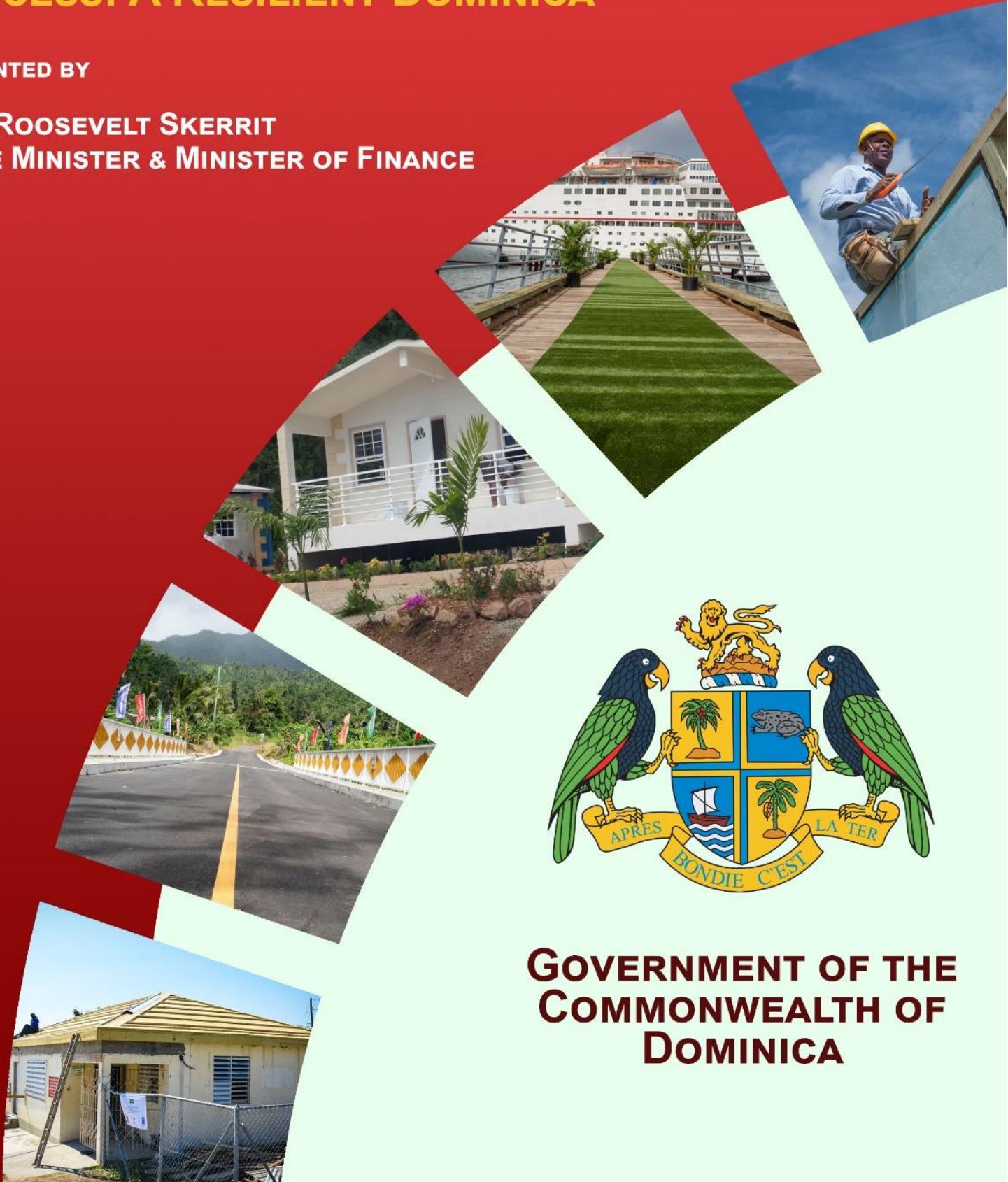
# 2018 BUDGET

25<sup>TH</sup> JULY, 2018

## FROM SURVIVAL, TO SUSTAINABILITY AND SUCCESS: A RESILIENT DOMINICA

PRESENTED BY

**HON. ROOSEVELT SKERRIT**  
**PRIME MINISTER & MINISTER OF FINANCE**



**GOVERNMENT OF THE  
COMMONWEALTH OF  
DOMINICA**

**The National Budget Of  
The Commonwealth of Dominica  
Fiscal Year 2018 – 2019**

*“From Survival, To Sustainability And Success: A Resilient Dominica.”*

*By God’s Grace and Our Joint Efforts*

## **Introduction and Background**

### **Survival - The Year No-One Could Have Expected**

Madam Speaker, Cabinet Colleagues, Members of this Honourable House, Distinguished Guests, Fellow Dominicans, Residents and Friends.

Just about a year ago, on 27<sup>th</sup> July 2017, I delivered my Budget in this Honourable House. I outlined our country's achievements together with this Government's plans for future growth and for ensuring the wellbeing and quality of life of all Dominicans. At that time, none of us knew that a mere two months later, an uninvited, unwanted visitor called *Maria*, would reshape Dominica's social, physical and economic landscape and threaten our future viability as a nation.

On the evening of 18<sup>th</sup> September, a merciless *Maria* passed over Dominica as a Category 5 hurricane, striking us with winds in excess of 175 miles per hour and an intensity, which thank God, is rarely seen by members of the human family. Much as we wished her to leave, *Maria* stayed the whole night. In the wake of her departure, she left what a shocked, international media described with terms such as, "*the denuding of the landscape*", "*the devastation of the infrastructure*", "*the disappearance or death of loved ones*" and "*the despair of those remaining behind, who had lost everything for which they had worked and who were now forced to survive on an island where there was little to eat, no fresh water, and no electrical power, only fear, darkness and an uncertain future.*" It was like a nightmare or reality TV-show, except that no one could shake us awake; nor could we turn the television off, because this was our unexpected and painful reality.

Those of us who survived that terrible night and the weeks immediately following, will forever remember the ferocity of the winds, the raging rivers, the power of the floods, the rolling rocks, the brilliance of the lightning and the pounding of thunder so loud that it shook the very insides of our bodies. We will also never forget the cries of terror of our children, our families, our friends and neighbours. Nor can we erase from our memories, the scenes and appearance of a war zone, when we were able to venture back outside for the first time.

In just a few hours, we were overwhelmed by the force of nature; Hurricane *Maria* wiped out the equivalent of EC\$3.51 billion dollars, or some 226% of our GDP. She reduced to "rocks, rubble and ruins," houses, structures, infrastructure, landscapes, livelihoods and lives. Many international commentators pointed to the impacts of Hurricanes Katrina, a Category 5 Hurricane of 2005 and the Category 3, Sandy of 2012, from which parts of the

mighty United States are still struggling to recover. Those looking on, reminded us that in the United States, Katrina and Sandy had caused communities, neighbourhoods, infrastructure and businesses to be abandoned. They opined that no Small Island Developing State with such a small population, could rebuild from the level of devastation which Maria had visited upon our island. Many loudly and confidently predicted that Dominica would remain a social, environmental, economic and physical wasteland for decades and that our country would fall apart, but ...

**We have survived.**

As events unfolded that night, I recognised that I had to be a voice for our country and citizens, to give hope, by letting them know through social media that in our darkest hour, they were not alone and that they remained my priority. It was also essential for me to get word to the international community of what was taking place, in order to try to secure the earliest and highest level disaster-response that was possible.

Like our citizens, members of this Government also suffered loss and damage. Neither the Prime Minister nor Members of Parliament escaped the hurricane unscathed. Perhaps there would have been some level of empathy had our Government allowed the maelstrom that was Maria, to traumatise, overwhelm or paralyse us and our efforts. This Government's commitment to leadership, did not allow us the luxury of standing in awe and wonder at what had taken place, or of resting from the pain of our own personal tragedy or of waiting to be rescued by international fairy godparents. The fact is, that while the international community and our Caribbean sisters and brothers were indeed generous in their responses, the impact of Maria and Irma was widespread and would stretch the global response effort and community thin.

It was clear to me, that we had to be our own saviours and that the Government I have the honour to lead, had to craft a rescue vision and implement the rescue mission. With the grace of God, we have done that Madam Speaker, and ....

**We have survived.**

It is against this background that I come to this House today, a short ten months after these unprecedented and unexpected events, to deliver a budget. In normal circumstances, the delivery of a budget is regarded as a routine annual event in the economic calendar of a country. Given our circumstances of ten months ago, no-one would have expected that a budgetary presentation would have been possible. Notwithstanding the most dire of predictions Madam Speaker, I stand to deliver this budget and to say proudly that those who counted us out, did not know the spirit of resilience and the strength of the people of

Dominica and they underestimated the resolve and determination of this Government to rebuild our country.

And so today, this Parliament can join with all Dominicans to celebrate our survival as a people. Today we can testify to the mercy, grace and greatness of God, because against all the odds Madam Speaker....

**We have survived.**

We have all been severely challenged, but we are not crushed. Many of us have been demoralised and depressed, but we are not defeated. Dominica has been bruised and battered, but Dominicans are not broken. Like the mountains that surround us, we are scarred, but we are still standing.

Let us be frank, Madam Speaker, our Government and people have made tremendous progress since last September. The Caribbean and international community have expressed their amazement at what we have been able to accomplish and are singing our praises. The Government and the citizens of this country have much of which we can be proud. In what has been a relatively short time, extensive clearing has been done, roofs have been repaired; electricity, water and internet have been restored; our communities are accessible and in the majority of instances, we can once again drive relatively comfortably on several of our country's roads. We did all this in an international climate in which the number and extent of last year's hurricanes caused damage requiring reconstruction from the Eastern Caribbean to the North American mainland. In consequence, building materials were costly and difficult to obtain and the condition of our air and seaports made it difficult to land or to easily and speedily distribute such materials.

The breadth of the devastation called for a commensurate response at rebuilding. The Government and people of Dominica working together, with external support, have been able to accomplish what many thought impossible, particularly in the short time frame, of less than a year. More importantly, Madam Speaker, than the rebuilding of the physical structures is the rebuilding of lives, jobs, opportunities and hope for the people of Dominica, which my Government has prioritised and on which we have been able to deliver.

Indeed, Madam Speaker, some looking on might be tempted to believe that all is well, that we are back to normal. But that is by no means the case. There are those who have so quickly forgotten the scale of the devastation that they would argue that the Government should do more. I am deeply conscious Madam Speaker, of the cautions of economist Alan Greenspan, the Former Chairman of the United States Federal Reserve, delivered in his

book, *The Age of Turbulence*. Mr. Greenspan warns us that a Government can take a country so far, so fast, that very soon the citizens forget how far they have come, in how short a time and start demanding more than the Government can reasonably or possibly deliver.

Madam Speaker, I am seeing elements of this in Dominica and we must guard against it. I say to our country today, that our success, our future and that of our children, lie in our crafting of a new vision and the relentless pursuit of the work necessary to make our vision a reality. No one can rebuild overnight. Maria decimated much and took much from us. Thousands of homes and public buildings were damaged or destroyed, livelihoods wiped out, roads and bridges washed away, services and infrastructure destroyed, tourism, agriculture, hotels and other businesses as well as plant machinery and equipment were either totally levelled or made inoperable.

With Dominica's small economy and labour force, there is no magic or quick fix for what Maria did to us and we must be careful not to expect and demand the impossible, but to set high ambitions and goals, and work to achieve them. The road to recovery will be long and arduous, but we are headed in the right direction. The Government is doing all it can and will continue to do everything it can, but as a people and as a country, we must rely on the grace of God and on the efforts of all, of every Dominican who is alive and able-bodied, if we are to regain what we have lost. In that regard, we must rebuild and reset our society and economy and protect our environment in order to achieve a new, more resilient Dominica.

Although we have suffered greatly and we deserve some respite from all the suffering and loss that we have had to bear, this truly is not a time when we must expect to extract all we can, or to demand all we want. Instead, it is a time to share and give what we must - our time, our talents, our ideas, our resources, our patience, and our skills, and put them at the disposal of our families, communities and country. This is the time of effort to rebuild our country. We must challenge ourselves to adopt excellence as the new national standard in the way we build, live, work, conduct ourselves and engage with each other.

We must challenge ourselves not just to survive, but to be sustainable and out of that sustainability, to create success.

### **From Survival To Sustainability And Success**

Maria proved to us that in planning and executing policy and in the conduct of our daily lives, excellence and resilience will be the tools by which we survive and I say to you

today, that they must be the tools by which we succeed. We must adopt these tools, bearing in mind that climate change and its impacts will make our efforts all the more difficult and equally, climate change and its impacts will make our efforts all the more necessary and urgent. We cannot close our eyes and minds to the broad consensus of the global scientific community that the unprecedented storm activity witnessed in the Caribbean last summer and in particular, the frequency and ferocity of the storms, are directly related to the impact of climate change. Climate experts have pronounced that such events should be regarded as the new normal.

**Yes, Madam Speaker, we have survived when few expected it. Now we must become sustainable. We must succeed and establish ourselves as the new global model for resilience-governance, when, where and in a manner that no one expects of us, as one of the world's smallest sovereign states.**

Madam Speaker, we are living in perilous times. This is an age of growing and increasing uncertainty, when we must plan for the unexpected and prepare for the unprecedented. Extreme weather events are now more frequent and intense, brought on by climate change impacts that are real, visible, devastating and unrelenting. That is why this Government has made the bold proclamation to build the world's first climate resilient nation.

Dominicans are intelligent, hard-working people and a people of strong faith. Without that faith we could not have survived the last few months. The New Living Translation of the Holy Bible tells us that, *“faith is the confidence that what we hope for will actually happen; it gives us assurance about things we cannot see.”* I see Dominica not only as it is now, but as it can be. In approaching the recovery and rebuilding process, I have faith that with the help of Almighty God and all our citizens, we will make Dominica the first climate resilient nation in the world. I am therefore greatly encouraged that the whole country understands and agrees with the vision of climate resilience that I have articulated. This vision has also found favour with our brothers and sisters, in the Caribbean, and CARICOM States have now resolved to transform the Caribbean into the first climate resilient region on our planet.

Madam Speaker, this is the context within which I present this budget to this House and to our country.

We must be mindful too, that despite our national circumstances, it is becoming increasingly difficult to access overseas development finance. The current and escalating trade war among global powers is already negatively impacting and will continue to impact negatively on the economies of the Caribbean. The global economy will be affected by rising oil prices. In the Caribbean, we know well that Small Island Developing States, particularly those in the Caribbean, pay the highest oil prices in the world. These matters,

coupled with the impact of the damage of hurricane Maria, are having and will continue to have a direct impact on our economy.

Madam Speaker, Maria punctuated, but did not stop our pursuit of a “Prosperous, Peaceful and Just Dominica.” In fact, it showed that when we took the decision after Tropical Storm Erika to “build back better”, we were on the right track and this was the best decision for Dominica. The public infrastructure that we embarked on constructing then, was shown to be resilient. Maria had no negative impact on the Roseau West Bridge, the Bellevue Chopin Housing or the York Valley Bridge. We must continue on this mission. More critically to our future is that we will incorporate resilience into every facet of activity.

We shall rebuild Dominica, restore the livelihoods of our citizens, fully return our country to vibrant economic and social activity, as well as nurture an assurance of safety and security in this period of climate change. To achieve this goal Madam Speaker, we as Dominicans must make radical changes in how we plan and manage the environment, how we implement our National Development Plan and how we build human, physical and financial capital.

The theme for this Budgetary Statement is therefore, ***“From Survival, To Sustainability And Success: A Resilient Dominica.”***

### **Our Challenges, Our Circumstances, Our Capital and Our Citizens**

It has become the tradition, for citizens to listen to budgets for the imposition of new taxes or great give-aways. A budget in the year before an election is often expected to be a budget of give-aways and tax ease. While your Prime Minister would want to give as much as he can, your Minister of Finance is urging restraint and fiscal prudence. He cautions that we have achieved much in the last year and that if we resist the urge to give away what we do not have, by exercising fiscal prudence, we are creating the building blocks for the more prosperous Dominica which we, our children and grandchildren will enjoy. It is in that spirit that I approach today’s budget, as your Prime Minister and Minister of Finance, seeking to build a better tomorrow. It is important therefore, that I spend some time laying out our circumstances and the new vision.

In setting our expectations and in our planning, Government and citizens alike, must be mindful that the most recent assessment of the national accounts indicates that GDP in 2017 declined by 9.5 percent. It is expected there will also be a decline in 2018, as the country continues to grapple with lingering post-Maria impacts, one of which was the wipe-out of 226% of national GDP, as I mentioned earlier. Since we do not have unlimited cash and our circumstances do not allow for much flexibility, this budget must set the stage



for an influx of cash from new investment and new sources, and prepare the country for new investment in our social capital, our human resources; a new level of service excellence and the showcasing of our creative skills and culture.

We must ask ourselves –

1. In building a climate resilient country, what is our competitive advantage?
2. What are Dominica's strengths?
3. What distinguishes us from the rest of the Caribbean or other SIDS? and
4. How can we leverage our unique assets to the country's advantage?

My presentation will revolve around those questions.

In building a climate resilient country, our competitive advantage lies in our natural capital, our pristine and unspoilt state and the environmental assets from which we derive our way of life and in which is found the potential for a secure sustainable society, economy and future. In our natural capital, we have a drawing card and capacity for sustainable economic growth and development while protecting the assets on which that growth is based.

Our strength lies in the rugged beauty of our natural environment and in the beauty of our people. We must now embark on the development of our human and social capital so that Dominicans become more efficient and productive, as we strive for a new level of excellence in the way we live, conduct ourselves, work, do business and deliver services.

The technology and borderless markets which are driving the global economy, are ours to explore and exploit. Our country will only attract and our nationals benefit from more data processing industries, the manufacture of tertiary value added goods rather than the export of raw materials, the high end jobs in tourism and new green industries, if we have an educated and skilled labour force. Madam Speaker, with this Government, Dominica is on the way to creating such a labour force and our efforts to do so will be intensified.

Our natural environment distinguishes our tourism product from what the rest of the Caribbean has to offer. For the growing global market pursuing holistic and organic products and lifestyles, for those who care about nature, natural habitats and biodiversity, for the person travelling for convalescence, physical and mental renewal and recovery, or a genuine hide-away at an unhurried pace, Dominica is the ideal location.

We must promote these assets internationally and aggressively pursue the market niches they represent.

## The Road to Resilience

### **The Meaning of Climate Resilience**

All of our economies in the Caribbean are vulnerable to natural disasters. An IMF study in 2016 found that five Caribbean countries are at the extreme level of vulnerability to natural disasters, namely Belize, Dominica, Grenada, Saint Lucia and St. Vincent and the Grenadines. So, what does this mean for our country? How do we make our country, which in the course of two years has been impacted by two monster storms, that respectively caused loss and damage of 90% and 226% of GDP, climate resilient?

What should we do as a nation in the face of this new alarming reality which is causing some islands in the Pacific to sink and others to be abandoned? We cannot relocate our island, neither can we evacuate and take our citizens and their livelihoods to another part of the world where there are no natural disasters. What we can do, and what my Government is committed to doing, is to reduce our vulnerabilities in every manner possible, to adapt to and mitigate climate impacts, to address disaster risk reduction and to make our country more resilient to the impacts of extreme weather events and climate change.

What exactly do we mean when we say that we will make Dominica the first climate-resilient country in the world? What is climate resilience? As applied to Dominica, climate resilience is an overarching approach to national development, which makes society and the economy sustainable, protects our natural and built environments, and generates inclusive growth that as far as it is humanly possible to ensure, is not altered, reversed or undone by climate change.

In a publication of November 2017 entitled, *'Unleashing Growth and Strengthening Resilience in the Caribbean'* which reviewed the principal economic and financial challenges facing our region and attempts to suggest policy prescriptions, it was posited that reducing disaster damage by one-half, could lead to significant growth gains for Dominica. This in turn *"could help to break the negative debt-growth cycle and improve debt dynamics."* Studies show that for every dollar spent on disaster risk reduction, anywhere between five and ten dollars are saved in disaster response. This is the rationale on which this Government is basing its policies and programmes, prudent spending and investment that protect our future.

Building a Climate Resilient Dominica, will call for a radical change in the way in which we operate in our country and for significant financial resources. It is therefore not a course correction that can take place overnight or be done whimsically. It will require the total commitment of the entire country, all our citizens and every sector, but ....

## **We must build a sustainable society and economy.**

Madam Speaker, I am confident that we can do it and when we do, our national resilience will move us from mere survival to sustainability and then to success.

When the Government promotes resilience as the new national standard, we are drawing on a characteristic that is inherently part of who we are. We are a resilient people by nature. That resilience has been in action and on display over the last three years when we have demonstrated that we can take a beating and not just stay on our feet, but also actually emerge stronger. International institutions, our friends and donor partners have committed to working with us to achieving resilience and sustainability.

We will reduce our vulnerabilities to the various hazards caused by climate change, by building systems that are resilient to them. These systems will result in fewer lives lost, reduced loss and damage and an economy and society that remains strong and can return to normal levels of performance in quick time after a disaster.

These systems will span both pre-event measures that seek to prevent hazard-related damage and losses, and post-event strategies designed to cope with and minimize disaster impacts and allow for quicker and more complete recovery. Moreover, these systems will be fully embedded within our national vision and will underpin all aspects of national and development planning.

Madam Speaker, this Government believes that Dominica's experience can provide a roadmap on becoming climate resilient for all other small island developing states. Recognising the common bonds of our common vulnerabilities and humanity, the Government is willing to share our experiences and lessons in best practices with other SIDS.

## **A Resilient Dominica**

Madam Speaker, what we are setting out to do presents a monumental challenge to our country and our people, but it is a responsibility from which this Government will not shrink. We understand, why it is absolutely essential to build a resilient nation. Our survival depends on it. Our sustainability is rooted in it. Our success is predicated on it. Natural disasters will force us into more cycles of repair and recovery. We must therefore minimise the damage that these events cause to our citizens and our country and shorten the time required for recovery.

The impacts and urgency of climate change will not wait for us to have prolonged debates or engage in flowery rhetoric about the philosophy of resilience building. But I say to you today Madam Speaker, that at the core of resilience building is the attraction of new investment in our country, that will create jobs, decent work, new opportunities and an improved quality of life for our citizens.

Building a resilient nation is about more than just strengthening systems and climate-proofing public infrastructure. It will call for us to adopt a particular moral character. A resilient nation embraces full respect for the needs of all its citizens and communities – economic, social, political and spiritual. Our challenge is not simply one of physical renewal, but of social regeneration.

### *Building Resilient Communities and Cities*

For those who think the task is beyond us, Madam Speaker, I would wish to point them to the new community being constructed at Bellevue Chopin for the residents of Petite Savanne, where we already have the makings of a resilient community springing up right before our eyes. That development and its buildings, withstood the Category 5 winds of Maria. The placement underground of utility cables, meant that there would have been no fallen poles, and the water supply would have been unaffected. Had construction been completed and the homes occupied when Maria struck, then it is unlikely there would have been any loss of life due to the hurricane, and life for that community would have substantially returned to normal by the next morning, since all the necessary infrastructure was in place for this to happen.

This is the scenario that will be replicated in every city, town and rural community in Dominica.

### **Roseau as the foremost Climate Resilient City**

Government has decided to develop Roseau as the flagship of a climate resilient city, making it the gem of Caribbean cities. We will similarly transform the town of Portsmouth.

Madam Speaker, Government had already rolled out plans to enhance the appearance of the city of Roseau and to reduce the vulnerabilities of the city by “building back better.”

Two years ago, we commenced modernisation of the city of Roseau with the opening of the West Bridge. This is the only bridge within the urban corridor that Maria was unable to damage or destroy. It is the type of bridge and example of which we want citizens to think, when we say we will make our bridges and infrastructure climate resilient.

Consequently, in the new fiscal year, we will rehabilitate the E.C. Loblack Bridge and incorporate similar features that made the West Bridge resilient to the floods, boulders and debris of the Roseau River during the passage of Maria. We have similar plans for the Bath Estate Bridge and all the other bridges in Roseau.

The vulnerability of the city to flooding will be reduced if not eliminated by continuing with the construction of river walls from the E.C. Loblack Bridge to the Link Road Bridge. The approach to this bridge will be modified and its height increased to allow for the free flow of water along the riverbed during periods of unusually heavy rainfall.

I am happy to report, Madam Speaker, now that discussions with the utility providers have been concluded and agreement reached for underground placement of their utility lines, work on this activity will soon commence.

Simultaneous with the undergrounding of the utility lines, will be the upgrading and resurfacing of three streets in Roseau and improvements to the sidewalks will begin. The three streets are Independence, Great George, and King George the Fifth Streets. Work will also commence on adjoining side streets namely River Bank, Field's Lane and Upper Lane. To ease congestion in the city and facilitate the flow of traffic into and out of Roseau, work will begin in the new fiscal year on construction of a bypass on the eastern periphery of the Botanic Gardens, extending from the UWI School of Continuing Education to the vicinity of the Bath Road junction leading to Morne Bruce.

Madam Speaker, this Government is not leaving out property owners in the capital whose commercial and residential properties suffered at Maria's hands. There will be a transparent and inclusive process, including discussions with owners to determine the regime of concessions that will facilitate improvements to their properties in a manner that is both aesthetically pleasing and resilient to climatic and seismic hazards.

We can already begin to think of a Roseau that is free of utility poles and overhead cables, charming with its restored historical buildings, covered drains, streets that are well lit and; beautifully landscaped sidewalks that are spacious and friendly to all users, especially the elderly and those with disabilities. The threat to city dwellers and businesses posed by the overflowing banks of the Roseau River will become something of the past. A climate resilient Roseau will be a clean, attractive city with a rejuvenated Botanic gardens, modern parking facility, resilient housing and green spaces. Roseau will not just be rebuilt; it will be made a model of climate resilience.

## **The National Resilience Development Strategy**

Madam Speaker, we have captured the elements of building resilience in the National Resilience Development Strategy (NRDS) which is a broad framework that provides the guidelines for achieving our national strategic objectives by 2030. The NRDS focuses on an integrated approach to development, to combat poverty and restore dignity to all.

Detailed targets, and plans of the NRDS will be articulated in various sector-specific strategies and plans. One such plan is the Climate Resilient National Plan (CRNP).

How we proceed to implement each of these plans will be determined, to a large extent by the performance of the global economy, the economy of our benefactors and friends, and our own domestic economy.

## **The Climate Resilient National Plan**

The Climate Resilient National Plan (CRNP) will be based on three main pillars:

- Climate-Resilient Systems
- Prudent Disaster Risk Management
- Effective Disaster Response and Recovery

Madam Speaker, permit me to elaborate on what is envisaged under those three pillars.

### *Climate-Resilient Systems*

The first pillar of building Climate-Resilient Systems is the most difficult and the most important. This will cover a wide range of systems and processes that must be capable of adjusting to and absorbing the impacts of climate change, including a robust and responsive financial system that will be able to support the other elements of climate resilience. This is the essence of climate change adaptation.

In our Climate Resilient National Plan, we will focus on climate-proofing our economic assets such as roads, bridges, housing, schools, ports, health facilities and other economic infrastructure. These are the assets that usually suffer the greatest damage during storms and hurricanes and place the largest financial burden on Government during the period of post-disaster reconstruction. Madam Speaker, it is not just our economic infrastructure that we must make more resilient. Our resilience programme must extend to our food security systems, water and sanitation systems, energy systems, communications systems, health service delivery systems, education systems, and all other social delivery systems. Our plan is to inculcate resilience at the household, community and national levels.

Madam Speaker, Dominica is ‘The Nature Isle.’ Our natural resources are the foundation of who we are and what we do. They provide the substrate on which all social and economic development is built. It is imperative therefore, that we take all measures to protect our natural environment and ecosystems and to properly manage our forests, watersheds, and marine spaces.

### *Prudent Disaster Risk Management*

The second pillar of our plan will be focused on minimizing and managing, as best we can, the risks associated with climate-related disasters. This will require the development of a strong evidence base for decision-making. To allow us to better plan for and manage the damage caused by extreme weather events, we will improve the structure of our disaster management systems and strengthen the planning process through relevant protocols and enactment of appropriate legislation.

Prudent disaster risk management will entail the construction of more resilient emergency shelters. Such shelters are by definition, powered by independent and renewable energy sources, with adequate storage, that can operate independently of the grid. They will have sufficient water storage capacity to supply potable water during the period when national water services are temporarily disrupted and they will be suitably equipped and resourced. In that regard funding from the European Union will be used to construct some purpose built hurricane shelters. Madam Speaker, I wish to thank the EU for its solid partnership with us over the years but more particularly its sterling response since Hurricane Maria.

This component of our Climate Resilient National Plan will also include establishing or strengthening established procedures to evacuate people from disaster-prone areas when it is clear that lives will be at risk from a pending weather event. We will not be able to shield ourselves completely from being impacted by an extreme weather event, but we can put measures in place to minimize the loss of life and disruption of livelihoods from the event.

### *Effective Disaster Response and Recovery*

The final pillar of our climate resilient national plan speaks to the post-disaster phase, minimising disaster impacts and reducing the pain and the period of recovery. Adopting knowledge gained from our past, we are using the lessons of Erika and Maria to develop a best-practice model for post-disaster response and recovery.

This entails putting in place better, more efficient systems for search and rescue, relief coordination, restoration of road networks and port services, clean up and sanitation, and the preservation of law and order. It will require efficient networks for ensuring there is a reliable supply of food, water and medical services where those are needed. It will require

cooperation between telecommunications service providers to allow sharing of their network to facilitate communication and the dissemination of vital and life-saving information.

It will involve the development of robust business continuity measures for both the public and the private sectors, so that essential operations may be resumed as quickly as possible. It will mean leading the way in the establishment of systems that facilitate the speedy restoration of livelihoods, particularly in the agriculture, fisheries and tourism sectors.

It will call on us to have more effective and efficient procedures to accurately assess damage and loss and to identify the support and the resources that must be mobilized. To this end we will establish and operationalise a Disaster Management and Preparedness Fund to empower and facilitate the disaster committees at the community level. Most importantly, it will necessitate levels of community, district and national coordination and cooperation that surpass anything we have achieved in the past.

### **Climate Resilient Execution**

Madam Speaker, due to capacity constraints, we have had challenges in the past in the timely delivery of our public sector and capital spending programmes. We do not intend for this to be repeated as we seek to attain climate resilience. The Government therefore conceptualised the creation of an agency dedicated to delivering on major capital projects in line with the new National Resilience Plan.

That agency is called the Climate Resilient Execution Agency of Dominica (CREAD). Its role is to coordinate and implement selected capital projects assigned to it by the Cabinet through the Policy Advisory Board, that are critical to building a climate resilient infrastructure. The CREAD will also perform an important function of retooling public officers by exposing them to new technologies and systems in engineering design, project management and procurement to increase their efficiency and effectiveness in managing donor and local resources for project design and implementation.

The CREAD will be staffed by local and international experts with experience in various engineering disciplines, climate and resilience building and procurement. The creation of this agency has received broad support from our donor partners who, over the last few months, have been working very closely with us in fleshing out the nuts and bolts to make CREAD a functioning reality and we thank them for their dedication and support. The United Kingdom through its Department for International Development, DFID, has provided technical advice and financial support for the establishment of CREAD and the



Canadian Government has provided drafting assistance for developing the legislative framework to govern it. We expect to bring the draft Bill to Parliament at its next sitting.

I can report to the House Madam Speaker, that after an extensive selection process carried out by a recruitment firm and supervised by a Selection Committee made up of public officers and representatives of our donor partners, I was presented with a shortlist of candidates and the Chief Executive Officer of CREAD has now been selected.

### Natural Capital

Madam Speaker, we know first-hand how climate change can affect our infrastructure and physical capital. Our relationship with our natural environment is key to building resilience because “there is no Planet B” on which we can live. If we ignore the environment, take it for granted, or treat it as though it can stand up to extraordinary and incessant abuse, we do so at our own peril. These reasons compel us to build resilience to ensure our survival, our sustainability and our success.

### **Madam Speaker, we must aim for sustainability.**

Our terrestrial and marine spaces sustain our economy and drive our competitiveness. That is why we have long had a tradition for respecting and preserving the environment. Legislation establishing forest reserves and protected areas has been on our books for upward of fifty years. Madam Speaker, we will further strengthen and expand our national forest reserve by including part of the Indian River ecosystem as part of the National Park System. In addition, we will take steps to protect, enhance, and develop our beaches and marine environment.

We have commenced the clearing of fallen trees and the replanting of our incredible forest cover; we need to mobilise resources both for and from our rich natural capital. Government is currently in discussion with the World Bank on the options for making our forests an investible asset class that will attract finance to accelerate reforestation. These options include everything, from debt deals, to debt for nature swaps, to environmental bonds, to securing global finance and where possible concessionary finance.

These are not measures at which anyone can scoff, as current thinking in global development is that natural asset valuation and investment are the kinds of “out of the box” approaches which must characterise development policy and planning. This has come with the recognition that our development imperatives are in fact environmental considerations, the management of which either places fetters on, or acts as an impetus to economic growth.

Dominica is moving swiftly to be a beneficiary of this new thinking and the global funding which it supports. Indeed, in the last few years there have been a plethora of development agencies which are based on the promotion of sound environmental management and from which resources and financing can be obtained. In addition, traditional multilateral institutions and the Caribbean Development Bank (CDB) have embraced approaches that are more protective of the natural capital of sovereign states. As a result, increasingly at the international level, there is focus on the Green Economy and taking advantage of our vast marine space. To give effect to such policy approaches and to maximise the benefits therefrom, Dominica must develop appropriate policy, legal and regulatory and incentive frameworks.

Madam Speaker, in that regard, I wish to draw attention to the national Low Carbon Climate Resilience Strategy which seeks to establish a well-defined, integrated and sound legal and institutional framework for environmental management. It identified the necessity to:

- Manage risks from climate change and pollution;
- Promote and attract sustainable private sector investments in Dominica; and
- Preserve and protect the pristine environment.

The existence of a robust regulatory framework is critical to build a Resilient Dominica. We are therefore consolidating various pieces of legislation pertaining to the environment into a new bill to deal with climate change, the environment and natural resources. This bill will establish, for the first time in Dominica, a comprehensive legal and institutional framework to address the threats, causes and consequences of climate change.

### ***Building A Climate Resilient Economy***

#### **Agriculture**

Madam Speaker, Maria had a profound impact on the agricultural sector. It is estimated that 65 percent of coconut, 80 percent of cocoa and 80 percent of citrus trees were either destroyed or damaged by Maria. There was extensive damage to banana, plantain and vegetables crops. The livestock sector was similarly impacted, with over 50% of cattle and pigs, and 90% of sheep, goats and chickens, killed. For forty years we have not had to import eggs to meet local demand, Maria changed that. In addition to these crop and livestock losses, there was loss of biodiversity, dislocation of lands, transport and sedimentation of soil material, damage to feeder and farm access roads and to Government infrastructures.

The cost of recovery of the agricultural sector is estimated at EC\$239.0 million.

Madam Speaker, agriculture will continue to be a vital sector of our economy, making significant contributions to food security and to export earnings. However, in order for this to continue and grow in the face of climate change, the sector has to be restructured and retooled. It has to be made resilient.

This will involve:

- The introduction and promotion of climate / weather resilient crop species, climate-adapted cultivars and seeds that are able to sprout and thrive in situations of drought and excess water.
- The adoption of climate resilient technologies such as ICT.
- Crop system integration for soil protection.
- The adoption of new technologies, greenhouses, water and soil strategies that are more protective of crops.
- Proposals for new farm insurance mechanisms.
- Greater empowerment of the farmer in making decisions for overcoming his production challenges.

We have secured funding from the World Bank to the tune of US\$25.0 million or (EC\$67.2 million) to implement a comprehensive programme in agriculture, which we believe will complement our existing programmes. Some four thousand nine hundred (4,900) farmers and fishers will obtain assistance to restore their agriculture and fishing production systems, and adopt climate smart practices. These practices will seek to reduce risks at the level of the farm and will address matters such as windbreaks, grass barriers, mulching, contour planting, terracing, water harvesting, irrigation, soil testing and farm access and feeder roads.

Overall, the project aims at rebuilding and modernising the agricultural sector, supporting the livelihoods of the farmers and farm workers and contributing to sustainable food security.

Madam Speaker, production targeting the export market is essential for the farmer seeking maximum production and productivity from his investment. The modernisation process will therefore address the important issue of Farm Certification, which is now a requirement for export of agricultural products to regional and extra regional markets.

We are seeing the impact that the direct financial support provided to farmers after hurricane Maria is having on the domestic market. The markets in Roseau and Portsmouth are now fully supplied with ground provisions and vegetables. The availability of locally

produced eggs, poultry and pork are also steadily on the increase. The rehabilitation and replanting of bananas and plantains have been phenomenal and the banana unit of the Ministry of Agriculture estimates that some 4,000 boxes of bananas are currently available on a monthly basis. Plantain production is also on the increase and the full impact of this increase will be evident later in the year.

Programmes for the rehabilitation of coffee and cocoa, the expansion of vegetable production and operationalization of the tissue culture facility, which were in progress before Maria, are all continuing. Madam Speaker, while Government proceeds with the building of a climate resilient agriculture, it is imperative that we seek to ensure the sustainability of the sector itself and maintain our status as the breadbasket for the northern and eastern Caribbean.

We will continue to meet with women and all interested young persons, who are interested in becoming farmers. The intention is to develop a special package of incentives which would likely include direct support, to assist their entry into the sector. This will be characterised by carving out a more effective mechanism for the delivery of services to the farmer and fostering the development of a farmer who is truly empowered.

We need our farmers to think ecologically, to work with nature, and to be innovative and business minded.

Madam Speaker, strict guidelines will be put in place to guide the operation of a refocused Agricultural Investment Unit (AIU). The primary purpose of this unit will be to design and operate an incentive driven financing programme and to provide technical support to the commercial farmers, which will give them every opportunity to succeed.

These new approaches in agriculture will be delivered by a more modern Division of Agriculture which will be reorganised to help it better fulfil its new mandate and to assist farmers in meeting the phyto-sanitary standards which will facilitate entry into export markets of both their primary and tertiary or value added goods.

### **Resilience in the Tourism Sector**

Tourism will play a major role in building economic resilience, maintaining resilient livelihoods and in enhancing the ability of our economy to rebound after a disaster. Beginning with a review of the Tourism Policy and Tourism Master Plan to support the Climate Resilient vision for Dominica, Government will also ensure that increased focus is placed on the development of coastal and marine tourism, integration of renewable energy, energy efficiency, and water conservation at hotels and tourism sites, restoration

of our marine and forest reserves, and building an efficient waste management system. We will continue to work with stakeholders to integrate climate resilient solutions into the development of infrastructure and general operations of entities in the tourism sector.

Madam Speaker, preliminary estimates suggest that tourism brought in EC\$383 million in 2016, and is one of the most important sectors of our economy. Though long-stay visitors are the greater contributor to tourism earnings, the contribution of cruise tourism is significant because of the support it provides to large numbers of self-employed persons providing services as vendors, tour operators, taxi operators, tour guides and restaurateurs.

The hotel sector is in recovery and rebuilding mode after 72 percent of rooms were damaged. We were able to receive our first cruise ship in January, less than four months after Maria. Extensive work has been done on the Dame Eugenia Charles Boulevard, and the cruise ship berth in Roseau has been repaired. The Ministry of Tourism has worked tirelessly to get tourism sites ready to receive visitors and we are pleased to welcome back Carnival Cruise lines, which resumed service to Dominica on 10<sup>th</sup> July 2018. We expect Carnival to visit fortnightly for the rest of the season.

Madam Speaker, barring any setbacks, we can look forward during the next calendar year to positive outcomes in respect of hotel projects funded under the Citizenship by Investment Programme. These warrant my giving you some detail.

Within a few weeks after the hurricane, work resumed on the Kempinski Resort project. All major structural works have been completed, with the exception of ongoing roof installation that was damaged by hurricane Maria. Some 450 construction workers are currently on the job and the hotel is expected to be opened by the third quarter of 2019. I am pleased to inform this House that a Manager has already been appointed for the hotel operations and the opening of the Range Kempinski will add 161 rooms to the current hotel stock.

Ay Ay Holdings (Caribbean Ltd), the company constructing the Jungle Bay Hotel in Soufriere, is reporting satisfactory progress with the ongoing works. Upon completion, this project will consist of 60 villas comprising 120 rooms; permanent employment will be provided for 100 people. Phase 1, comprising 30 villas is targeted for opening by February 2019 and the entire project is expected to be fully completed and operational by December 2019.

Madam Speaker, construction of the Anichi Resorts (Marriot) at Picard is advancing speedily. When completed, this hotel will add 128 rooms to the existing hotel stock and should employ up to 280 persons. Five building blocks are currently under construction.

A fourth CBI funded project, the Tranquillity Beach Hotel in Salisbury, is gearing up for the commencement of construction. The promoter has begun mobilisation of equipment and machinery, sourced housing for management and staff and should commence actual construction by October 2018.

Substantial work has simultaneously been ongoing on the Cabrits Resort and Spa or the Moroccan Hotel, as it is more popularly known. The entire roof structure had to be redesigned and redone after Maria, and the hotel is now scheduled for completion before the end of this year. This hotel is a clear demonstration of the strong relations between the Kingdom of Morocco and Dominica, and we thank His Majesty the King and the Government of Morocco for this most generous gift.

Madam Speaker, heavy emphasis has been paid to providing for the long-stay passenger, but it is important that we respond to the competitive challenge we face in further developing cruise tourism, by deepening its resilience and attractiveness and increasing earnings from the sector.

### **Resilience in the Transport Sector**

Madam Speaker, the very features that gives Dominica its' pristine and alluring beauty; its mountains, valleys, streams and rivers, also pose a challenge. Mother nature can contribute to the undermining and blockage of roads, the sweeping away of bridges, rock-falls and landslides, that render roads impassable and vehicular traffic impossible, after sustained heavy rainfall and stormy weather.

### **Roads**

To build resilience in our road network, making it less vulnerable in these circumstances, the **Road Standards** will be revised and adapted to incorporate resilience measures which protect against impacts of climate change.

Careful attention will be placed on the planning and design of our road network as well as general infrastructure. We will consider the realities of climate change and future negative impact on these structures. This necessitates vulnerability assessments and mapping and guided by this, revised road standards; existing roads will also be upgraded. More focused attention will be placed on the location and alignment of roads, on slope stabilization, drainage and road maintenance. We will employ advanced engineering technologies to build for greater resilience. Madam Speaker, we are aware that this approach will be more costly but we believe that in the long term these are investments that the country should make.

Our road network and bridges have been highly vulnerable to overflowing rivers during periods of sustained and heavy rainfall. In addition to building more robust bridges and constructing river walls in susceptible areas, we will further build resilience by introducing a regime of dredging of the rivers. Since Maria, we have undertaken an unprecedented programme of river dredging in many parts of the country. This will continue and will be incorporated into Government's maintenance schedule.

We will also be seeking assistance from a friendly country that is conversant with dredging technologies for terracing the river bed and creating large pools, thereby reducing the velocity at which the water flows and reducing the occurrence and intensity of flooding and its resulting impact on roads, bridges and river walls.

### **Housing and Resettlement**

Madam Speaker, one of our goals is to ensure that housing and the living conditions of all Dominicans are safe, healthy and adequate. The most optimistic among us also realise that this is a goal to be achieved in the medium to long term.

Shelter is one of the basic needs of man, and it is the policy of this Labour Party Government that every family or individual should have adequate shelter. By adequate shelter, we mean a quality of housing that provides safety and security from all natural hazards. In other words, Madam Speaker, our housing stock should be built to the recommended new building standards such that, each home should be able to withstand a Category 5 hurricane, negating the need to relocate to a hurricane shelter when a storm threatens.

Over the past twelve years, thousands of families and individuals have benefitted from the housing revolution introduced by this Government. Maria damaged or destroyed over 20,000 homes. Post Maria, we must rebuild to higher standards of resilience.

Madam Speaker, the Government has targeted the construction of 5000 homes to adequately provide housing for families and citizens of the country. In that regard, this Government has already entered into a contract to build the first 1000 homes which we are satisfied can withstand Category 5 hurricanes and seismic events. Construction has already commenced. Some of the homes have been delivered and we expect that during the course of this financial year they will all be completed. These homes will be built in communities all across the country.

Government, recognising the vulnerability of some communities, in building a climate resilient nation, will be relocating several individuals and communities from where they

currently reside to safer locations. In this regard, the Government has acquired 18 acres of land in Macoucherie to create a new Coulibistrie, similar to what we have done for Petite Savanne. Lands in Warner have been identified for the gradual relocation of the community of Campbell. We have also identified homes in the village of Colihaut which are to be relocated. As a matter of fact, contracts have been signed for the commencement of construction of some of these homes, in Plat Ma Pierre for several of those families so affected.

Madam Speaker, appreciating that there are limitations on the availability of flat land located in safe zones, the Government has decided to build apartment complexes in some communities to meet the housing needs of the vulnerable. These are of modern design, aesthetically pleasing and upon completion, should engender a sense of pride and dignity in the owners.

These homes will be constructed under the CBI programme by the Montreal Management Consultants Est., the same company engaged in constructing the new Petite Savanne community in Bellevue Chopin. Contracts have been signed and works are already on going in the following areas: -

- Georgetown in Portsmouth. This development will comprise nine buildings containing a total of sixty-eight (68) residences.
- La Plaine. Construction of sixty-six (66) residential units.
- Delices. Construction of sixty-six (66) residential units.
- Grand Fond. Construction of sixty-six (66) residential units
- Castle Bruce. Construction of sixty-six (66) residential units..
- San Sauveur. Construction of sixty-six (66) residential units.
- Cotton Hill in Lagoon in the Cottage constituency 68 residential units;
- Hillsborough Gardens 68 residential units
- Mahaut/Massacre 68 residential units
- Roseau City Square. This development targets two areas in the city. The area known as “The Pound” and “The River Bank.” A total of 135 units will be constructed and the developer should take possession of the site in September. The estimated construction period is 14 months.

These will add to the three hundred and forty-one (341) units under construction at Bellevue Chopin. The handing over of the first 91 homes in this development is scheduled for 31<sup>st</sup> August 2018. The Government expects to have completed 369 residential homes in Bellevue Chopin in this financial year.



Madam Speaker with the utilisation of funds from the Bolivarian Republic of Venezuela, contracts have been signed for a further 155 new homes located at Trafalgar, Grand Bay, Portsmouth, San Sauveur, and Plat Ma Pierre.

This Government has contracted an amount of EC\$108.0 million with the World Bank for the construction of new homes for our citizens. Madam Speaker, in the past I have lamented the slow pace at which the World Bank has moved, but I must take the opportunity now, to acknowledge that in responding to us in respect of Hurricane Maria, the World Bank has moved with alacrity. They have been extremely responsive and supportive and we extend our thanks and appreciation to the entire team at the World Bank.

A total of three thousand, eight hundred and fifty-three (3,853) new homes are already contracted to be built. These homes will be outfitted with solar water heaters and the type of construction being employed will make the homes cooler and will conserve energy. We can say Madam Speaker, that those homes will be environmentally friendly.

The point I also want to make here Madam Speaker, is that less than a year after the hurricane, this Government has designed homes, entered into contracts, mobilised contractors, started construction, built homes and some families are actually living in these new homes. This has been achieved despite high costs, scarce materials on the international market and a shortage of local labour and against the background of all the other rehabilitation and recovery work which had to take place in its own right and in order to enable housing construction.

Utilising funds exclusively from the CBI, the Government has been able to touch every community on the island. We have reached out to thousands of families and engaged all available local contractors. Recognising the fact that we lack adequate capacity, we have engaged contractors from neighbouring islands such as Barbados, St Lucia, St. Vincent and the Grenadines and Trinidad and Tobago to assist with Governments' reroofing programme. We have also entered into an agreement with the Government of Cuba to bring in 100 skilled persons from the Republic of Cuba, eighty-five (85) of whom are already here working diligently.

The regional and international NGOs which operate here in Dominica are doing a remarkable job in assisting our citizens and residents in various ways and for this we are most grateful. We recognise and acknowledge the role that the NGO community plays in complementing the development efforts of Governments world-wide and in the delivery of goods and services. This certainly, has been our experience here in Dominica.

Madam Speaker, while I may have not mentioned every community in Dominica, I will say to this Parliament - no one will be left behind in this country. Every Dominican matters

and is deserving of dignity and an acceptable quality of life. Indeed, Madam Speaker, that is what this Government has always believed and has always delivered. It is the moral, development and governance imperative around which we have intensified our efforts, in the face of Maria.

Madam Speaker, I wish to assure this Honourable House that in building resilience in housing and in resettling communities, we will ensure that new settlements are not located in areas that have been identified as vulnerable. We have produced a graphic manual capturing the standards and techniques to be used in constructing homes to guide building contractors and home-owners in the building and retrofitting of climate resilient housing stock. Government is cognisant that many of the thousands of families who are reroofing their homes or building new ones may not be able to readily access the technical services and advice they require to build to the necessary standard.

Madam Speaker, to better assist home owners and home builders in securing the needed support and to ensure proper and objective building standards that make for resilience, we have established a Technical Assistance Committee (TAC) in seven districts which cover the entire country. Each TAC will be staffed by officers trained in engineering, architecture, construction, project management and social planning. They will deliver advice and provide support services to homeowners, builders, contractors and other interested parties on all aspects of home building or reconstruction to ensure that they remain in compliance with the set standards.

This Government took the lead and immediately began a programme for assisting in rehousing families in communities that were most severely affected by the hurricane. The programme is guided by the following policy:

- To construct temporary or transitional homes for vulnerable and at risk families and individuals.
- Provide direct assistance to those whose structures were intact but had lost their roofs.
- Deliver assistance to those who were uninsured or underinsured.
- Relocate families living along waterways and on steep slopes.
- Continuation of the island wide programme on home repair and construction of new homes.

Madam Speaker, we envision a future in which the elderly, those with disabilities, mothers and children, and our men, will not have to be scrambling to a shelter when a storm or hurricane approaches, for their homes will be secure enough to keep them safe.

### **Building Resilience Around Water Resources**

Madam Speaker, we were well on the way to meeting the United Nations Sustainable Development Goal number six (6) of “Clean Water and Sanitation For All”, when Maria struck us. Approximately 98.0 percent of communities had access to clean potable water then. The hurricane damaged and destroyed all but one of the 42 water supply systems. To date, all but two of the water systems have been fully restored and work is in progress on overcoming the technical issues to restore the remaining two.

Our water systems must be resilient and made less susceptible to natural disasters. In furtherance of this objective, we have assigned the 25 million pounds sterling (£25,000,000) grant from the Government of the United Kingdom, to be applied to the employment of new technologies to make our water system more robust and climate resilient.

So at the end of the day, Madam Speaker, what we will have in Dominica, is a sustainable climate resilient water supply network, which will assure our water security. As a matter of fact, a team of engineers from the British Government visited Dominica to review our water systems as part of the process of the reconstruction of our national water systems in April this year. We wish to express our profound gratitude to the Government and people of the United Kingdom for partnering with us in this endeavour.

We also acknowledge that as difficult as the experience and lessons of Maria have been, the Government has seized the opportunity presented to us to enhance our development planning and programming.

### **Resilience and Security of Energy Supply**

Madam Speaker, the wheels of business, production, distribution and supply, and quality of life, all rotate on the regular, reliable and affordable supply of electrical power. There is a considerable body of evidence that correlates a country’s competitiveness and development prospects to the availability of reliable and affordable supply of electricity. We will achieve this, first by reducing or eliminating our heavy reliance on fossil fuels to generate our electricity, which is a major contributor to climate change.

This goal will be achieved in partnership with the Independent Regulatory Commission (IRC), the electricity company DOMLEC, independent power producers (IPPs), other private sector companies and our regional and international partners. Towards that goal, this Government has and continues to adopt a series of policy measures that are informed

by studies which take into account, the economic, social and environmental impact as well as resilience to climate change.

We are working at overcoming this challenge to national development and individual wellbeing by making our energy generation, transmission and distribution climate resilient. In our energy resilient and energy secure future, we envision a mix of hydro, solar and geothermal sources as the drivers of our energy supply, with diesel generation meeting peak load and available as backup power. Setbacks in the generation of electricity from one of these sources, will not affect the operation of the others. An Integrated Energy Resource Plan (IRP), is being designed by the Clinton Climate Initiative (CCI). This will inform us, among other things, on the optimum mix of geothermal, hydro and solar generation.

Madam Speaker from the perspective of the Government, we are identifying the most effective and economical methods to achieve resilience in transmission and distribution lines. We are undertaking a feasibility study to evaluate undergrounding and other elements of resilience. It will focus initially on the transmission from the hydro and geothermal plants in the Roseau Valley to Fond Cole at the DOMLEC network centre, and along the West Coast to Capuchin. The French Development Agency (AFD), has started the process of contracting consultants to carry out the major aspects of the work. A contract is expected to be awarded in the coming weeks and work will commence soon thereafter.

A special solution is under consideration for making the energy supply to the south east and other communities, that are a long way from the main centres of generation, climate resilient. This may involve establishing a series of solar powered micro grids and self-generation from renewable sources of energy for Government facilities, such as health centres, schools, air and seaports, fire, ambulance and security services. Such a system would ensure considerably less time to get it operational should we be struck by an event with as much destructive force as Maria.

Madam Speaker, in respect of the geothermal energy, the report of the Environmental and Social Impact Assessment (ESIA) commissioned by the World Bank has been received and posted on the Government's website. This study is a condition precedent for release of the Bank's funds to finance the geothermal plant. Discussions have been held with the communities that were the subject of the ESIA and feedback from residents and from any other concerned parties, would be welcomed by the World Bank and the Government.

May I also inform you that the Dominica Geothermal Development Company is currently holding discussions with DOMLEC on a Power Purchase Agreement (PPA), to settle all issues surrounding the purchase of geothermal power. Once settled between the geothermal

company and DOMLEC, the agreement will be submitted to the Independent Regulatory Commission (IRC) for its approval.

Madam Speaker, I want to remind all citizens and residents that the power generated from the plant will be sold to DOMLEC at a much lower price than it is costing DOMLEC to generate energy from diesel fuel. This lower price will be passed on to the customers. If all activities proceed as planned, then actual construction of the new plant will commence during the third quarter of 2019.

### **Building Financial Resilience**

Madam Speaker, resilience defined in the context of financial management allows for financial resources to be used to enhance mitigation measures and to encourage savings that can be made available to respond quickly when there is an extreme weather event. This includes investment in physical infrastructure, information technology systems and having adequate banking access in times of disaster.

This Government is known to be one that has made prudent and strong financial management, a priority. As we seek to build resilience, this will continue to underpin the overall resilience strategy. The financial resilience strategy supports careful selection and planning of projects, limiting discretionary expenditure, reducing debt and contracting of debt on concessional terms. It includes strong tax administration and procurement practices that give Government the best value for money, strong regulation of the financial systems, including the non-bank financial sector and promoting a good statistical base to inform policy decisions.

Madam Speaker we should also not lose sight of the need for prudent financial management, extending from Government to corporate entities and to citizens. Let us accept that every individual has a responsibility ‘for the management of one’s own wealth and finances.’

### **BUDGETARY PROPOSALS FOR 2018/2019**

Madam Speaker, having traversed the landscape, I turn now to the estimates of revenue and expenditure for the fiscal year 2018/19.

Total revenues identified for financing of the Budget are estimated at \$947.3 million. This consists of the following:

- recurrent revenue totalling \$788.8 million;
- local capital revenue in the amount of \$5.0 million;

- loan funds in the amount of \$23.4 million;
- current grants in the sum of \$4.1 million and
- capital grant resources in the sum of \$126.0 million.

Total expenditure estimates amount to \$1.1 billion. This comprises of recurrent expenditure (inclusive of interest payment and debt amortisation) in the sum of \$598.6 million and capital expenditure in the sum of \$454.3 million.

A current account balance is projected at \$238.7 million while the Primary Balance (after Grants) is estimated at a negative \$54.8 million. This budget is expected to record an overall deficit of \$105.6 million, equivalent to minus 4.0 percent of GDP.

### Recurrent Revenue

Madam Speaker the components of current revenue are as shown in Table 1.

**Table 1. Breakdown of Current Revenue**

Item	Estimates 2018/2019	%	Estimates 2017/2018	%	Projections 2017/2018	%
<b>Tax Revenue</b>	<b>359.9</b>	<b>46%</b>	<b>365.4</b>	<b>46%</b>	<b>335.6</b>	<b>51%</b>
Personal Income Tax	36.8	4.7%	34.0	4.3%	35.2	5.4%
Corporate Income Tax	21.0	2.7%	39.8	5.1%	19.6	3.0%
Taxes on Property	7.8	1.0%	9.0	1.1%	6.0	0.9%
Tax on Domestic Goods & Services	212.2	26.9%	203.0	25.8%	202.9	31.0%
Int'l trade taxes	82.1	10.4%	79.6	10.1%	71.9	11.0%
Non-tax Revenue	428.8	54.4%	421.0	53.5%	318.3	48.7%
<b>Total Revenue</b>	<b>788.7</b>	<b>100%</b>	<b>786.4</b>	<b>100%</b>	<b>653.9</b>	<b>100%</b>

Madam Speaker, for fiscal year 2018/19, non-tax revenue is estimated at \$428.8 million or 54.4 percent of total revenues. This comes primarily from the Citizenship By Investment Programme (CBIP), which is expected to bring in \$406.6 million. Taxes on domestic goods and services are the second largest contributor to recurrent revenue and are estimated at \$212.2 million or 26.9 percent. The sum of \$82.1 million or 10.4 percent is expected from taxes on international trade and transactions while the sum of \$36.8 million and \$21.0 million respectively, are expected to come from personal income tax and from corporate income tax.

Table 2 shows the overall summary for the fiscal year 2018/19.

Table 2 - Overall Summary	
	Estimates 2018/2019
<b>Revenue</b>	
General Revenue	788.8
Current Grants	4.1
Capital Grants	126.0
Loans	23.4
Other Inflows	5.0
<b>Total Revenue</b>	<b>947.3</b>
<b>Expenditure</b>	
Compensation	171.4
Other Current Operating Expenditure	353.0
Debt Service	25.7
Project Expense	454.3

<b>Total Expenditure</b>	<b>1004.4</b>
<b>Current Account Balance</b>	238.7
<b>Primary Balance</b>	-54.8
<b>Primary Balance (% of GDP)</b>	-4.0%
Debt Amortization	48.1
Sinking Fund	0.5
<b>Total Expenditure plus Debt Amortization and Sinking Fund</b>	<b>1053.0</b>
GDP (Market Prices)	1383.0

### Recurrent Expenditure

The total amount budgeted for recurrent expenditure inclusive of interest and debt amortization for 2018/19 is \$598.6 million. This compares to \$580.5 million for the previous year 2017/18.

Table 3 below shows the distribution of expenditure by Ministry/Department.

Table 3

<b>Ministry/Department</b>	<b>Amount (000's m)</b>	<b>%</b>
Office of the President	1.2	0.20%
Integrity in Public Office Commission	0.5	0.10%
Public & Police Service Commissions	0.5	0.10%
Legislature	1.1	0.20%
Audit Department	1.1	0.20%
Ministry of Justice, Immigration and National Security	50.2	8.40%
Elections	1.9	0.30%
Ministry of Trade, Energy and Employment	2.9	0.50%



Office of the Prime Minister	9.2	1.50%
Ministry of Finance	251.0	41.90%
Ministry of Agriculture, Food and Fisheries	8.6	1.40%
Ministry of Education and Human Resource Development	75.5	12.60%
Ministry of Housing and Lands	3.8	0.60%
Ministry of Ecclesiastical Affairs, Family and Gender Affairs	7.6	1.30%
Ministry of Health and Social Services	71.6	12.00%
Ministry of Environment, Climate Resilience, Disaster Management and Urban Renewal	8.3	1.40%
Ministry of Tourism and Culture	19.2	3.20%
Ministry of Information, Science, Telecommunications and Technology	6.4	1.10%
Ministry of Kalinago Affairs	0.5	0.10%
Ministry of Youth, Sports and Constituency Empowerment	8.5	1.40%
Ministry of Commerce, Enterprise and Small Business Development	0.7	0.10%
Ministry of Planning and Economic Development	2.3	0.40%
Establishment, Personnel and Training Department	8.3	1.40%
Ministry of Public Works, Water Resource Management and Ports	36.2	6.00%
Ministry of Foreign and CARICOM Affairs	18.6	3.10%
Cabinet Office	2.6	0.40%
<b>GRAND TOTAL</b>	<b>598.6</b>	<b>100.00%</b>

Madam Speaker, the largest allocation of the budget is under the Ministry of Finance in the sum of \$251.0 million. This includes an amount of \$25.7 million for payment of interest and an amount of \$48.6 for debt amortization and sinking fund contribution. The sum of \$36.5 million is allocated for retiring benefits to be paid to former public officers, to contractual officers, as well as for the payment of compassionate allowances and non-contributory pensions to those over 70 years.

The Ministry of Education and Human Resource Development will receive the second highest allocation of \$75.5 million or 12.6 percent of the recurrent budget. The Ministry of Health and Social Services has the next highest allocation in the sum of \$71.6 million. The Ministry of Justice, Immigration and National Security will receive an allocation of \$50.2 million or 8.4 percent of the total, while the Ministry of Public Works, Water Resource Management and Ports will receive \$36.2 million or 6.0 percent of the total budgetary allocation.

Madam Speaker, Table 4 provides a summary of recurrent expenditure by economic classifications.

**Table 4 - Recurrent Expenditure by Economic Classification (\$m)**

Classification	Estimates 2018/19	%	Estimates 2017/18	%	Projections 2017/18	%
Personal Emoluments	171.4	29%	164.9	28%	181.6	35%
Goods & Services	238.5	40%	237.9	41%	145.1	28%
Interest	25.7	4%	26.4	5%	29.7	6%
Transfers and Subsidies	108.9	18%	96.3	17%	99.9	19%
Refunds	5.0	1%	5.0	1%	5.0	1%
Investment Financing	0.5	0%	0.5	0.1%	0.5	0%
Sub-total	550.0	92%	531.0	91%	461.8	90%
Debt Amortization & Sinking Fund	48.6	8%	49.4	8.5%	50.8	10%
<b>Total</b>	<b>598.6</b>	<b>100.0%</b>	<b>580.4</b>	<b>100%</b>	<b>512.6</b>	<b>100%</b>

Madam Speaker, personal emoluments consisting of salaries, wages and allowances, total \$171.4 million or 29 percent of the recurrent budget.

Goods and services account for \$238.5 million or 40 percent of the total. This category includes provision for supplies \$26.4 million; utilities \$18.3 million; professional and consultancy services \$31.7 million and CBI administrative expenses \$101.7 million.

The sum of \$108.9 million or 18 percent is estimated for transfers and subsidies which include retiring benefits in the sum of \$36.5 million, and other transfers in the sum of \$72.3 million, to include educational grants, local Government grants and contributions to regional and international institutions.

**Public Sector Investment Programme**

Madam Speaker, we have stabilized the situation caused by Maria and created the platform on which recovery and rebuilding can take place. This requires a degree of coordination, of integrated thinking, of cross-cutting plans not ordinarily pursued in the course of everyday governance. Our task is not just a physical and financial one, premised only on building infrastructure. The social and moral dimensions of development are also crucial to our mission.

I will now set out budgeted plans for 2018/19 that follow from the medium term Climate Resilient National Plan that I described earlier.

The Public Sector Investment Programme (PSIP) seeks to execute the Government’s national development objectives, through viable capital projects geared toward achieving desired socio-economic outcomes. It outlines a three-year investment portfolio of capital projects aligned to the Medium-Term Policy Framework (MTPF), which identified the following Strategic Priorities for socio-economic transformation:

- Economic Growth and Debt Sustainability
- Job Creation, Competitiveness and Innovation
- Poverty Reduction, Housing and Human Capital Development
- Agriculture and Food Security
- Environmental Sustainability
- Law and Order

Table 5 below summarises the allocation on the capital programme for 2018/19

**Table 5 Summary of Public Sector Investment Programme for 2018/2019**

<b>MINISTRY</b>	<b>Total \$</b>	<b>GOCD \$</b>	<b>Loan \$</b>	<b>Grant \$</b>	<b>Percentage \$</b>
<b>Justice, Immigration and National Security</b>	5,656,143	5,656,143			1.25%
<b>Trade, Energy and Employment</b>	27,023,527	17,577,950		9,445,577	5.95%
<b>Finance</b>	2,042,887	134,876		1,908,011	0.45%

<b>Agriculture, Food and Fisheries</b>	27,182,798	15,978,827		11,203,971	5.98%
<b>Education and Human Resource Management</b>	12,806,598	3,514,922		9,291,676	2.82%
<b>Housing and Lands</b>	85,880,430	68,360,430		17,520,000	18.90%
<b>Ecclesiastical Affairs, Family and Gender Affairs</b>	8,900,025	317,500		8,582,525	1.96%
<b>Health and Social Services</b>	22,316,280	9,490,068		12,826,212	4.91%
<b>Environment, Climate Resilience, Disaster Management &amp; Urban Renewal</b>	29,976,461	11,729,277	6,460,961	11,786,223	6.60%
<b>Tourism and Culture</b>	9,050,121	9,050,121			1.99%
<b>Information, Science, Telecommunications &amp; Technology</b>	400,000	400,000			0.09%
<b>Kalinago Affairs</b>	2,060,000	2,060,000			0.45%
<b>Youth, Sports and Constituency Empowerment</b>	12,043,821	12,043,821			2.65%
<b>Commerce, Enterprise and Small Business Development</b>	11,400,000	11,400,000			2.51%
<b>Planning and Economic Development</b>	2,067,434	649,484		1,417,950	0.46%
<b>Establishment, Personnel and Training Department</b>	3,952,459	3,952,459			0.87%
<b>Public Works, Water Resource Management and Ports</b>	188,095,465	132,610,619	16,927,640	38,557,206	41.40%
<b>Cabinet Office</b>	3,442,500			3,442,500	0.76%
<b>TOTAL</b>	<b>454,296,949</b>	<b>304,926,497</b>	<b>23,388,601</b>	<b>125,981,851</b>	<b>100%</b>

### **Public Works, Water Resource Management and Ports**

The Ministry of Public Works, Water Resource Management and Ports has been allocated the largest share of the capital budget to the tune of \$181.10 million or 41.4%.

The key priority strategic areas that will be addressed by these significant investments are:

- Climate resilient road network in order to ensure that transport connectivity can be restored quickly after a catastrophic weather event.
- Upgrading of terminal facilities at the Douglas-Charles Airport.
- Improved safety and security systems at the said airport.
- Rehabilitation of water catchment areas.
- Integrated water resource management.
- Integrated development efforts with all other utility services.

Madam Speaker, the Government's flagship project which will be implemented in fiscal year 2018/2019, is the Roseau Enhancement Project, which will transform Roseau into a climate-resilient, green, smart and modern city. This project is significant in the life of our citizens and the development trajectory of our country.

The three streets to be rehabilitated this year are Independence, Great George, and King George the Fifth Streets. Work will also commence on adjoining side streets namely River Bank, Field's Lane and Upper Lane. Works will also include the undergrounding of utilities and reconstruction of sidewalks.

### **Housing and Lands**

The second largest allocation of \$85.9 million or 18.9% of the 2018/19 capital budget, will be devoted to the Ministry of Housing and Lands. An amount of \$52.6 million represents new initiatives to address the pressing need for the construction of new homes. Other allocations are for home renovation and repair, and the implementation of the Sustainable Housing Solution project under which 1,000 homes will be constructed. This is part of the Government's commitment to build 5,000 climate resilient homes, part of which will be financed by the World Bank.

### **Environment, Climate Resilience, Disaster Management & Urban Renewal**

The major project under the Ministry of Environment, Climate Resilience, Disaster Management & Urban Renewal, is the Disaster Vulnerability Reduction Project, which is allocated \$15.6 million. The other major environmental projects are:

- Supporting Sustainable Ecosystem;

- Building Resistance to effects of Climate Change; and
- Low Carbon Development Path Promoting Energy Efficient Lighting and Solar Photovoltaic Technologies.

An amount of \$2.8 million is estimated to be spent on the Urban Renewal (Botanical Gardens Development and Green Spaces) project. The aim of this project is to improve and beautify the capital and urban areas frequented by locals and tourists. This project is part of the wider vision of making Roseau a resilient and aesthetically attractive city.

The Roseau market is the venue for a cultural hub of weekly activity. Our market holds fascination for tourists and visitors alike. It is the point where farmers, vendors and small business operators meet to ply their trade. Madam Speaker, we will address the issue of the hard working market vendors. We cannot continue to have them exposed to the elements. This Government has therefore taken a decision to upgrade the facilities, during this financial year. The market will be reconstructed to capture the features of an, open and scenic gathering point, serving not only as an outlet for agricultural and other produce, but a venue for light entertainment as well.

### **Agriculture, Food and Fisheries**

In keeping with the climate resilience thrust, the Ministry of Agriculture, Food and Fisheries is charged with the responsibility to develop and manage a modern agricultural sector that is productive, competitive, efficient, sustainable, and environmentally sensitive. It must adapt to the impacts of climate change, through the promotion of climate-smart agricultural production systems and the cultivation of crop species that are less vulnerable to climatic conditions, and in particular, water variability. Additionally, our national agricultural infrastructure must be better able to withstand extreme weather events, while contributing to the national goals of improving food security, sustaining growth and development, enhancing employment, and creating new opportunities for income generation particularly in the rural sector.

The Ministry has a total investment portfolio of \$27.2 million or 5.98% of total public investment for the fiscal year 2018/2019.

All the projects cover the strategic areas for Agriculture, Food and Fisheries within the climate resilience framework of the Government and strategic priorities. These are:

- Adopting a more resilient, modernized and inclusive approach;
- Encouraging priority investment in interventions which address concerns of food security, livelihoods protection and rural development;
- Enhancing institutional and human capacity; and

- Strengthening the policy, strategic planning and management capability to support sustainable agriculture and fisheries development, inclusive of agriculture risk management.

The portfolio is largely driven by the new project – “Enhancing Agricultural Resilience and National Food Security”, which is mainly funded with funds from the World Bank.

Under this project, a number of interventions will be undertaken to:

- Construct modern agricultural facilities, including agricultural stations and propagation facilities;
- Develop climate smart agricultural production systems;
- Further develop institutional capacities in respect of human resources, laboratories and the legislative framework governing the sector; and
- Restore and explore the use of alternative water management systems.

Major projects include:

- The Support to Horticulture Industry;
- Development of Banana and Plantain Industries;
- Crop Production Support;
- Livestock Development; and
- Investment in the Modernization of Traditional Crops.

In respect of the fisheries sector, the “Building Resilient Fish Supply through Modern Technology Applications” project involves an assessment of the climate change vulnerability in the fisheries sector and the utilization of modern technology applications to potentially contribute to food security. Going forward, within the dimension of disaster risk management and climate change adaptation, Government seeks to:

- incorporate and improve early warning systems in the fisheries sector;
- mainstream climate change policies into fisheries plans, policies and legislation;
- prepare a strategic action plan for climate proofing the fisheries sector.

### **Ministry of Trade, Energy and Employment**

The portfolio of projects within the Ministry of Trade, Energy and Employment is valued at \$27.1 million. Of this amount, \$15.6 million is attributed to the construction of the domestic geothermal energy plant, which reaffirms Government’s commitment to pursuing a low-carbon development pathway, and facilitating the use of renewable energy for local consumption and export. The former will have the effect of lowering the cost of electricity, which will improve the competitiveness of all our economic sectors, reduce the cost of doing business in our country, and most importantly, lower the cost of living for our

residents, while the latter will allow us to earn valuable foreign exchange and create a new revenue stream for government.

The second largest project under this Ministry is the National Employment Programme (NEP) with total cost estimated at \$8.0 million. At the close of the last fiscal year 2017/2018, approximately two thousand (2000) interns were engaged under the programme across three (3) areas: public, private and community involvement components. The Apprenticeship Programme has been subsumed under the NEP.

### **Ministry of Health and Social Services**

Total investments for the Ministry of Health and Social Services are approximately \$22.3 million, with \$21.8 million for on-going projects. In respect of the health sector, The Ministry will focus on the seven (7) pillars of World Health Organization (WHO)/Pan American Health Organization (PAHO) which capture the building blocks for health systems strengthening. These are service delivery, health workforce, health information system, access to essential medicine, financing, leadership/governance and community participation.

A number of health facilities around the island will be rehabilitated and made more climate resilient. The smart health care facilities initiative by PAHO will continue with investments in seven (7) health care facilities. The designs for the new Government of Mexico funded, Mexico Marigot Hospital and the other new health facilities will incorporate climate resilient structural components in the new fiscal year. Work on the New National Hospital financed by the People's Republic of China will recommence this year. Furthermore, steps will be taken to ensure that the health facilities contain alternative, independent sources of power to be able to remain operational immediately after a disaster.

### **Ministry of Education and Human Resource Development**

An amount of approximately \$12.8 million will be allocated to the Ministry of Education for the construction of schools. The focus will be on the structural aspects of the education system to be resilient to shocks, incorporating climate smart components, disaster resilient technology, and building-back-better principles for reconstruction and rehabilitative works. This will translate into the creation of a better learning environment and more effective service delivery.

Madam Speaker, post Maria, the People's Republic of China has pledged an estimated US\$15.0 million to support the construction of new climate smart schools. The schools targeted are as follows: -

1. Tete Morne Primary



2. Bellevue Chopin
3. Soufriere
4. Castle Bruce primary
5. Thibaud
6. Calibishie
7. Goodwill Secondary Schools

The Government of Canada has also committed US\$5.0 million towards the construction of the Grandbay Primary School and Morne Jaune Primary Schools. Additionally, major rehabilitation works will be done at the Delices Primary, the Salisbury Primary and W.S. Stevens Primary Schools.

Madam Speaker I wish to express our profound gratitude to the Government and people of the People's Republic of China and the Government of Canada for their generous support towards the rehabilitation and rebuilding of those schools severely impacted by Maria.

During the fiscal year, preparatory work for the implementation of the projects at the schools identified above will begin. In addition, an amount of \$3.08 million is expected to be spent on the reconstruction of a number of early childhood facilities via grant financing from the Maria Holder Trust. Madam Speaker we are grateful for the support of that Trust.

#### **Ministry of Youth, Sports and Constituency Empowerment**

The public investment portfolio for the Ministry of Youth, Sports and Constituency Empowerment amounts to \$12.04 million or 2.65%, all locally financed. Almost \$7.3 million relates to works required in respect of rehabilitation of the Windsor Park Stadium. Two (2) million is to be allocated for constituency empowerment while \$1.33 million will meet contractual payment obligations in respect of the National Multi-Sports Complex for the design phase of the project.

#### **The Ministry of Commerce, Enterprise and Small Business Development**

The Ministry of Commerce, Enterprise and Small Business Development will be given \$11.4 million or 2.51% of the capital budget of fiscal year 2018/2019 in furtherance of Government's commitment to (i) the development of small and medium size enterprises and the manufacturing sector and; (ii) fostering a culture of entrepreneurship in Dominica by creating an opportunity for innovative and technology driven enterprises by targeting university graduates returning home from study with highly specialized skillsets.

### **Ministry of Tourism and Culture**

Almost 2% or \$9.05 million of the capital budget will be allocated to the Ministry of Tourism and Culture, with approximately \$4.3 million going towards traditional activities under the Tourism Site Enhancement and Community Cultural and Heritage Tourism Development projects. An additional \$1.24 million will be spent on Coastal and Marine Tourism Development. Due to the coastal devastation experienced from Hurricane Maria, this project encompasses rehabilitation of jetties and moorings, beach restoration and development and support to the yachting sector. \$1.4 million will be spent on cultural facilities, namely the Old Mill Cultural Centre and the Arawak House of Culture.

### **Social Policy Development**

In the area of social policy development, \$0.77 million is anticipated to be spent. The Poverty Assessment project seeks to continue the implementation of a survey to obtain socio-economic indicators in the post-disaster context. Technical and financial support will be provided by the Caribbean Development Bank through the OECS Commission and the World Bank.

The Development of Population Policy & Action Plan project will include the development of a Population Situation Analysis Report, and a Population Policy, Strategy and Action Plan. The Integrating and Localizing the Sustainable Development Goals (SDGs) project seeks to adapt the globally accepted 2030 Agenda to our nation's context by aligning the Sustainable Development Goals to our vision, priorities, needs, resources and challenges.

### **Enhancing The Environment For Doing Business**

Madam Speaker, the World Bank has been undertaking assessments of the business climate around the world. Doing Business measures regulations affecting eleven areas of the life of a business. These areas include starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, labour market regulation, enforcing contracts and resolving insolvency. The Doing Business report for 2018 focuses on reforms that took place in the period June 2016 and June 2017. Dominica ranked 98 from a list of 190 countries.

This ranking is slightly improved from the 101 position of 2017 and occurred in spite of the fact that in the fiscal year 2015/16, tropical storm caused damage and destruction costing 90% of our GDP. Madam Speaker, while this is useful information for us and that it helps us measure how we compare with other countries, we are fully aware of the things

we need to do differently or better to improve the way we do business in Dominica, if we are to attract new business capital and investment in our country.

### **Establishing A Joint Public Private Sector Finance Committee**

Madam Speaker, the Government has reached agreement with the Private Sector on the establishment of a Joint Public Private Sector Finance Committee to recommend and implement improvements to existing financial legislation and financial instruments. At a recent pre-budget consultation, the private sector was invited to submit the names of those who they wish to form that committee. The list of names has been provided and the Hon. Joseph Isaac has been nominated by the Prime Minister as his representative. Minister Isaac is also expected to serve as the Chairperson of that Committee.

It is hoped that the Committee will provide an ideal opportunity for private public sector dialogue on financial matters.

### **Doing Business At The Customs Division**

Madam Speaker, Government recognises that the public needs to be more aware of the measures that it has put in place to facilitate the conduct of business. Towards that end, we will begin with the Ministry of Finance, and will publish on the Government Website, a series of procedures relating to some of the services offered through that Ministry.

Madam Speaker the private sector expressed grave concern that the ASYCUDA WORLD computer software which was introduced in 2009 to increase efficiency in processing imports at the Customs Division, is not being put to optimal use. The Customs Division was required to update the risk profiles of private sector firms with a view to reducing the number of companies whose imports must be assessed before release and the expansion of the use of the prepayment system.

The Customs Division has been directed to allow low risk importers to be channelled to the green lane effective September 1, 2018. In addition, twenty-one (21) deserving companies will have 80% of their declarations channelled through the Green Lane. The companies will be informed directly by the Customs and the assessments will continue with a view to increasing the number of companies that can go through the Green Lane.

A prepayment system has been in place at the Customs since 1<sup>st</sup> December 2011. This system provides importers with an alternative payment option on the ASYCUDA World system. This feature allows the Account holder the privilege of paying Customs

declarations online thus reducing overall transaction times. The account holder will no longer need to appear physically to the customs cashiers to execute revenue payments.

Individuals, Companies, Sole Traders, Brokers and other interested persons who are registered and holders of an ASYCUDA user name and password and are desirous of establishing a prepayment account are required to officially fill in a prepayment account application form and submit to the Comptroller of Customs for approval. Successful applicants will be notified within ten working days on receipt of the application and will be informed of the general terms and conditions of establishing a prepayment account.

Account holders will be issued with a pre-payment account number and a required PIN number (secret code) to be associated with their account. All prepayment accounts must have a minimum limit of EC\$2,500.

Madam Speaker, I trust that traders and importers will make use of this facility.

### **Reforms in the Security System**

Madam Speaker, the Commonwealth of Dominica Police Force is governed by the Police Act Chapter 14:01 of the Revised Laws of Dominica. At present, there are 501 established positions within the police force at various levels. The Government has taken a decision to increase the number of established positions within the police force by 100.

In an effort to enhance the ability of the police force in carrying out its functions, there has been an increase in the rank and file, training of new recruits to fill the 26 positions currently vacant and continuing training to fill the additional 100 positions approved by Government.

A review was done of the police force and in this financial year some structural changes will be effected to allow for a more robust, efficient and effective police service and increased training opportunities in all spheres of policing, will be made available to the rank and file. The Government will continue to ensure that our police force has all the necessary tools of trade including adequate vehicles to carry out its mandate.

### **Administrative Legal Matters**

Madam Speaker, in the coming year the Ministry of Justice must focus attention on improving service delivery at the Registry.

It now takes a minimum of three days to process a request for a birth, death, marriage or adoption certificate. The aim is to reduce this to one day. To meet the one-day processing

time, Government has provided additional equipment to be devoted to the processing of both the online and 'walk-in' requests.

Madam Speaker, a few years ago the Government invested heavily in a Unified Land Information System. The main purpose of that system was to ensure that there was adequate and correct information to expedite the process of land registration. The Government recognises that there have been delays in the processing of titles, and we therefore took the decision to create a separate entity for the registration of Titles and a post of Registrar of Titles, whose mandate it is, to focus solely on matters relating to land tenure in Dominica, particularly the processing of Certificates of Title. We expect that with this new arrangement we ought to see a vast improvement in service delivery.

Madam Speaker, private sector and investors alike are of the view that this will translate into more investments and the greater flow of capital.

A joint task force will be formed to oversee efforts at addressing the other areas which hinders the process of doing business in Dominica such as work permits, registration of companies, obtaining telephone, electricity and water connections, obtaining planning approval and the like will be established and required to report to the Prime Minister by October 31, 2018.

### **Privatisation of Waste Collection**

Madam Speaker, the Government has taken a decision to outsource the collection of waste island-wide in order to improve the reliability and efficiency of waste collection across the country. The Solid Waste Management Corporation will therefore focus on the management of waste as well as the enforcement of the appropriate legislation in respect of litter and unlawful disposal of waste in various parts of the country.

Post hurricane Maria, the country has been burdened with an abundance of disposed galvanize, metals and bulky waste materials and other roofing metals. The Government has therefore budgeted over \$5.6 million to properly dispose of such waste material. Madam Speaker, the Government has contracted a Venezuelan firm and paid a deposit to the firm to undertake that major venture. The firm should be fully mobilised by end August 2018.

Madam Speaker, while the Government is playing its role to address solid waste management and disposal, let us recognise that it is the citizens of the country who litter, who do not respect the personal good practices of garbage disposal and management. Keeping our country clean and beautiful must start with each and every Dominican and I urge each and every one to act on this civic responsibility.

### **Banning of Certain Plastics and Styrofoam**

Madam Speaker, Dominica prides itself as the “Nature Isle”. We must in every way deserve and reflect that designation. The issue of solid waste management affects that perception and we continue to grapple with it. In a previous Budget Address, I announced a decision to restrict the importation of non-biodegradable containers and plastic implements used in food service. This matter has not proceeded as quickly as we would have liked, as we wanted to ensure that we implemented that policy without compromising our obligations under the revised Treaty of Chaguaramas.

It is acceptable for a country to adopt measures which will help in the preservation of the environment. Therefore, Madam Speaker, consistent with the Government’s vision to create the world’s first climate resilient nation, our designation as “The Nature Isle” and our commitment to protect Mother Earth, effective 1<sup>st</sup> January 2019, a number of items considered to be inimical to the environment will be banned.

These will include the following:-

- plastic straws,
- plastic plates,
- plastic forks
- plastic knives
- Styrofoam cups
- Styrofoam containers

Madam Speaker, the necessary legislation will be prepared, part of which will be the full list of items which will be subject to the ban.

### **Expansion of the Pilot National Health Insurance**

Madam Speaker, as you may recall a pilot National Health Insurance programme was formally launched on 3<sup>rd</sup> April 2017. This Government provided an amount of five million dollars (\$5 million) from the proceeds of its Citizenship By Investment Programme (CBIP) to the Dominica Social Security for administration of the said Pilot program.

By the end of the first year of its existence, that is up to 2<sup>nd</sup> April 2018, twelve (12) infants, ranging in age from two days to two years and seven months, had been assisted in accessing critical medical care overseas. At that time, total amounts disbursed, in respect of such cases, has been \$782,678.14. As at June 25, 2018, the number of cases assisted under the Pilot reached sixteen (16) with a total disbursement of \$1.3 million. Based on the experience of the pilot programme over the last year we have decided that the age limit for children accessing assistance under the programme be extended to age 16 years.

Where the family seeking assistance from the pilot programme has private insurance, their claims should first be made to the private insurance after which any shortfall would be considered by the NHI Pilot programme. This pilot is the second step toward the establishment of a comprehensive national health insurance programme for our citizens.

### **Integrating People with Disabilities Into Mainstream Activities**

This Government is of the firm conviction that every citizen has a right and obligation to participate fully in the development of Dominica. Having listened to the representations made by the Dominica Association of People with Disabilities, on the Convention of the Rights of People with Disabilities, we have decided to put systems in place to allow for the implementation of the following Articles of the Convention on the Rights of People with Disabilities, namely, Articles 9, 11, 21, 25, 26, 27 and 28.

Madam Speaker, I commend those with disabilities who see beyond their disability and continue to make a meaningful contribution to national development and to seek every day to have the highest quality of life and applaud the DAPD for their advocacy, leadership and commitment to country.

As a Government we pledge our support in ensuring that they are brought into the mainstream of social and economic activity, social benefits and national life. The Ministry of Health and Social Services has been mandated to work with the Association of People with Disabilities in the preparation of an action plan for the implementation of measures to give effect to the Government's commitment.

### **Government Pensioners:**

Madam Speaker Government recently increased the non-contributory "over 70" pension to \$300 per month. At the same time, the Dominica Social Security (DSS) was urged to increase the minimum pension to \$300.00 per month. The increase to \$300.00 was predicated on the assumption that, the amount of \$300.00 was the minimum necessary to meet basic needs.

In reviewing the list of former public officers who are currently receiving a Government pension, it was noted that a number of them receive less than \$300 per month, some in fact receive only \$50.00 per month.

Madam Speaker this is untenable. Effective August 2018, no public officer who receives a Government pension will receive less than \$300.00 per month. We trust Madam Speaker, that this will bring some level of relief to many of those who will benefit.

### **Marijuana:**

Madam Speaker at the recent Heads of Government CARICOM meeting in Jamaica, a report by the CARICOM Regional Commission on marijuana was presented, which highlighted a number of recommendations in respect of our approach to marijuana.

In this financial year, this Government will engage stakeholders on issues relating to use of marijuana in Dominica for medical purposes and possible decriminalisation. A task force will be appointed to advance or coordinate the public dialogue and the CARICOM Regional Commission report will serve as a basis for discussion.

### **Incentivising the private sector to rebuild:**

Madam Speaker, the magnitude of damage and destruction to business premises caused by hurricane Maria, calls for sustained efforts in effecting repairs and in rebuilding. These efforts are likely to continue over the next three to five years.

Immediately following Maria, the government recognised the need to assist citizens and approved a waiver of import duties and taxes on the commercial and non-commercial importation of building materials. This ended in June 2018.

From discussions with private sector representatives, it appears that a significant number of local merchants were challenged with the importation of the unprecedented quantities of building materials required to commence an immediate national rebuilding programme.

As a result, to accelerate the overall reconstruction process, government imported building materials to the tune of EC\$17 million.

However, government recognises that there is still a need for extending support and further stimulating business recovery notwithstanding its likely impact of the revenue base; we have therefore decided to grant a waiver of import duties on the same list of items for which a waiver of import duty was granted after the hurricane Maria.

This concession will apply to registered businesses in the productive and distributive sectors who are tax and social security compliant and will commence on 1<sup>st</sup> September 2018 for a period of one year.

### **Recounting Further Achievements**

Madam Speaker, a national priority after Maria, aimed at ensuring that farmers returned to their farms as quickly as possible so that our citizens could quickly have locally produced food and crops. This was captured in a twelve-point programme immediately prepared to jumpstart economic activity. Vegetable seeds were obtained and supplied to farmers, fertiliser was distributed to them, and generally, the farmers responded positively. To



further stimulate a rapid resurgence of agriculture, direct financial assistance amounting to US\$7.0 million, the equivalent of EC\$18.9 million was provided to farmers and fisher folk.

Root crops, such as yams, dasheen and sweet potatoes have maintained a steady presence on the local market since they were not as severely affected as the tree crops. Programmes for the rehabilitation of coffee and cocoa, the expansion of vegetable production and the operationalization of the tissue culture facility, which were in progress before Maria, are all continuing.

## **Tourism**

I have already recounted in some detail our efforts to make this sector more resilient. The sector will also benefit from the ongoing national measures at water conservation, the laying of underground wiring, reduced costs from renewable energy coming on stream, improved access through the built environment of roads and bridges, our efforts to preserve and protect our natural environment and the creation of greater ease in doing business. To assist the recovery of the hospitality sector, the interest rate for the loan facility at the AID Bank was reduced to 2.0 percent with a one-year waiver on principal and interest and expanded to include all tourism stakeholders. Hotel and restaurant owners also benefitted from the removal of duties on building materials.

Hotel plants currently under construction will increase our room stock by 600, or approximately some 75%, not only expanding our tourism offerings to coincide with increased visitor arrivals from airlift and cruise berths, but will create hundreds of jobs from the management level to administrative and support staff and for nationals to supply a range of goods and services. Dominicans will also benefit from this Government's planning, policy and investment in education and training, since for the first time, the majority of senior management jobs can now be filled by Dominicans.

### ***A Truly International Airport***

Madam Speaker, we have no doubt that the construction of the international airport will help in the further transformation of our economy, especially where investments in agriculture and tourism are concerned. I am therefore pleased to inform this Honourable House that progress is being made towards the realisation of the international airport. Government has set aside funds for construction and we have an agreement in principle from a major firm to assist in additional funding required.

In addition, two friendly countries have given commitments to assist with various aspects of the airport. We propose to commence negotiations in September 2018, for the

acquisition of private lands and properties necessary to facilitate the construction of the international airport. The international airport will certainly help secure the investments made in tourism and the export of our agricultural produce and contribute to building economic resilience. Madam Speaker, mark my words this Labour Party Government shall build the international airport.

### **Improved Seaports**

Madam Speaker, there are two additional projects which we believe the country must pursue and pursue vigorously. One is the construction of a modern cruise village and the other a new container port. In respect of the cruise village, the Government has decided to collapse the ferry terminal and the cruise ship berth into one locality, where all of the amenities will be included, especially to allow the existing vendors to have the opportunity to improve their set up and see a greater return on those investments.

That cruise village will also be transformed into a duty free zone which we believe will take advantage of the thousands of French citizens who make use of the ferries. The cruise village, Madam Speaker, will also assist us in achieving our target of one million cruise visitors. This target has already been discussed with our cruise partners and national stakeholders. To achieve our goal, there will also have to be certain reforms in the cruise industry to include the passage of relevant legislation. We are committed to putting in place the appropriate incentive regimes and enablers.

Madam Speaker, there can be no argument that the existing Woodbridge Bay Port is inadequate. Fortunately, or some may say unfortunately, Maria exposed this reality. The Government will locate the new container port in the vicinity of Canefield. The design and construction of the port will take into consideration the advanced technology now available for port management and the effects of climate change on port operations. Madam Speaker we have signed a Memorandum of Understanding with a design and construction firm and we expect to have conceptual drawings by the end of August 2018. Of course, there will be appropriate and transparent public consultation and stakeholder engagement on this project.

### **CONCLUSION**

Madam Speaker, this phase of our development is a challenging one, but we have an unprecedented opportunity to truly transform Dominica.

**We can succeed.  
We must succeed.**

**We will succeed.**

Madam Speaker, in this Budget, I have laid out this Government's overall plan for making Dominica the first climate resilient nation in the world. This did not arise by chance, but was crafted as a response to two of the most destructive climate related events in living memory, which occurred in rapid succession.

The influx of tangible support in the aftermath of the hurricanes, especially during the period of relief when we had to provide food, shelter and additional security to our battered citizens, was so massive, that it overburdened the capacity of our ports to handle the volume of relief supplies that came pouring in. This was a learning experience for us and we are grateful to all the individuals, organisations, regional and extra regional Governments whose selflessness so overwhelmed our existing systems, that it helped us to strengthen our capacity and systems and be better prepared in the future. Mind you, we pray God that we never again get a visit from a Maria or any of her friends, relatives or associates.

I wish to commend and thank also all of our citizens, the prayer warriors, the clergy, the religious organisations, the families who held strong while other members went out to assist with the rebuilding process, the service providers, DOMLEC, DOWASCO, and the telecommunications providers, the radio stations, and all businesses across the island who held on to their workforce, as well as those who have reopened their doors after suffering so much.

Madam Speaker, I acknowledge and thank all the Government officials, parliamentarians, civil servants, police and fire service, farmers, teachers, members of the medical and legal fraternities, the financial institutions, all members of civil society and the majority of Dominicans who have kept faith with us over these past ten months.

I thank the donor agencies, charitable organisations and foundations, both on island and across the globe, who poured out millions from their coffers, members of the building society - architects, quantity surveyors, artisans, truck drivers and heavy equipment operators and all involved in one way or another in the construction sector and indeed, all those whose kind words and deeds inspired us to reach beyond our full potential.

We have now entered the recovery and rebuilding phases, and we do so with the confidence that we have the firm support of the many Governments and institutions that have pledged financial support to execute these phases successfully. We are gearing ourselves to meet their conditions for an expeditious and timely drawdown of the pledged resources.

Tragic and devastating as Erika and Maria were, they ironically restored our faith in the human family. For we were not previously aware of how much as a nation, and as a people,

we were loved and appreciated. Nor did we truly appreciate our own resilience and capabilities. We were and are truly overwhelmed by the spontaneous outpouring of support and encouragement that has been flowing our way from all corners of the globe. I want to thank the hundreds of our citizens and residents who have been daily praying for Dominica, our citizens, the Cabinet, my family and for me.

On behalf of the people of Dominica, I thank our Caribbean sisters and brothers who joined with people all over the world in offering prayers and tangible support. We have been buoyed by your prayers. We have been sustained by your generosity. We have been encouraged and fortified by your good wishes.

This country and its citizens are now being asked to take a development journey to A Resilient Dominica that will benefit this and future generations. We must take that journey together. While we walk, we must pray without ceasing; we must work without tiring; we must bear each other up without failing.

As we review the last year, undertake the new journey and look ahead to our future, let us give thanks that we have survived; let us build what can be sustained and let us not waver in our certainty that we will succeed no matter how high the odds that are stacked against us.

Madam Speaker, Fellow Dominicans, I stand here proud of what this Government and the people of this country have achieved so far, but we still have far to go and much to do. Let us now work to achieve our new goals, Government and people together, hand in hand. And let us stand firm on our faith, so that we can achieve the vision and goals I have laid out and you have embraced.

**This is the day the Lord has made. Let us rejoice and be glad in it.**

May God bless our efforts.

May God bless our beautiful country, Dominica

Madam Speaker, I thank you.