

Budget Alert 3.10: Budget Time Again – Part 2

By Laurel Theresa Bain

Consistent with best practice, the national budget for 2024 is expected to be presented to Parliament prior to the end of the fiscal year. The Minister of Finance will present the budget statement or budget speech to Parliament which is the most visible document. However, the important documents to be presented for approval by Parliament will be the Estimates of Revenue and Expenditure for 2024 and the accompanying Appropriation Bill. The other documents to be presented to Parliament are i. The Medium-term Fiscal Framework 2024-2026; ii. The Medium-term Debt Management Strategy (2024-2026) and the Borrowing Plan for 2024; and iii. An assessment of economic developments for 2023 and the forecast for 2024-2026.

The Budget Statement is generally eagerly awaited by the public. With a mix of politics and economics, it summarises the Government's performance for the year and outlines the policies, programmes and projects for the next fiscal year. The content of the budget statement is expected to be anchored in the goal of transforming the economy to "A Sustainable, Equitable and Prosperous Grenada for All".

Guided by the principles of accountability and transparency, the Government is expected to give an account of its stewardship for the 2023 fiscal year. There are numerous policies, programmes and projects that are expected to be highlighted, some of which will continue to be implemented in 2024. Among the impactful policy initiatives that were pronounced in the 2023 national budget were i. Free education up to the tertiary level and addressing the skills gap in the economy; ii. Reimagining the Imani programme, iii. Commencement of preparation for the Digitalization of health records and for the introduction of National Health Insurance; iv. Amendments to the provisions of the National Insurance Scheme (NIS); v. Reimagining the social safety net programmes; vi. Improving labour relation systems, including a review of the Minimum Wage Order; vii. The granting of tax concession for selected equipment in the creative industries; viii. The commencement of the digital transformation programme; and ix. Transforming the public service and pension reform. Also, to be highlighted are the policies that were not pronounced in the 2023 national budget but have an impact on the public finances and implications for the ownership and management of state assets namely, i. The reform of the Marketing and National Importing Board (MNIB); ii.

The assumption of the Kimpton Kawana Bay Hotel by the Government; and iii. The reverting of the leasehold of the beach lands occupied by the Radisson hotel to the Government;).

The programmes and projects to be highlighted in the main economic sectors would include the following: In Agriculture, the Food Security Enhancement Project; In tourism, the upgrading of the tourism products and, in particular, rehabilitation of Fort George, Rejuvenation of the Underwater Sculpture Park and the Enhancement of the Grand Etang Shoreline Trail.

The creative and digital economy will be of great interest as it is expected to be a main vehicle for transforming the economy. The areas for reporting are the launch of the Creative Industries Registry and Business Networking Platform, the establishment of the Grenada Office of Creative Affairs (GOCA) and the Creative Industries Development Fund.

The programmes and projects for the strengthening of the social infrastructure to be accounted for include the rehabilitation of schools and medical stations, the teaching hospital, and the housing programmes particularly the upgrading of the Housing Units provided by the People's Republic of China. The other main projects that could be included in the category of strengthening the social infrastructure are the rehabilitation and modernisation of Government buildings, with climate-smart and renewable energy technologies and the construction of a state-of-the-art Halls of Justice.

For the economic infrastructure, the projects that will be at the forefront of the budget statement are the Beautification, Empowerment, Sustainability and Transformation (BEST) Programme, Grenville Flood Reduction Project, the St. John's River Flood Mitigation Project, Sauteurs Breakwater Project, and the Moliniere Landslip Rehabilitation.

Of significance will be the developments in Carriacou and Petite Martinique relating to the construction of the Windward Fish Centre, Road Rehabilitation and Maintenance Programmes, Night Lighting Facilities at the Lauriston Airport, implementation of the Petite Martinique Enhancement Project and the planned construction of the Climate Smart Carriacou Ministerial Complex.

Most of the policies and projects pronounced in the 2023 national budget are expected to continue into 2024. However, in the 2024 national budget and thereafter, new projects should support policies and systems that would foster the strengthening of linkages among the sectors. To further strengthen linkages in the agriculture and marine resources sectors and

agro-industries, policies should be established to ensure that the Government and Government supported institutions use local products in their supply of food. This policy could be supported by stipulating a percentage, which could be increased over time depending on domestic capacity, of local products that should be included in the supplies. This will require assistance from farmers and programmes for organizing farmers and farmers-based organisations to develop the capacity to produce and supply products, systems for storage and transportation, and facilitating timely payments to farmers. The concept for the proposed launching of the Healthy Start School Nutrition Programme should therefore be extended over the medium-term to other Government institutions with the supporting technical, organizational and physical infrastructure.

The tourism industry has returned to its pre-COVID-19 level and will continue to be the leading sector. However, its earnings potential could be maximized by providing incentives for increased tourist expenditure. Therefore, the management of some of the historical and geological sites would need to be upgraded. The management of these sites should be such that the Government can reconcile revenue from visitors to the site with the number of visitors. Then, the activities on the sites should be dominated by the sale of local foods and the products and services from the culture and creative industries. For example, on-the-site paintings of visitors with the lakes and waterfalls and cultural activities particularly during the influx of visitors for carnival could enhance the tourist experience while increasing employment and national income. There is also an enhanced role for the Grand Anse Craft Market and the museum.

The institutionalization of the creative industry should continue to be pursued, supported by the establishment of the Creative Industries Development Fund. As a main sector for the transformation of the economy, mechanisms must be developed to assess the contribution of creative industries to the economy. The creative industries should be actively linked with tourism, while directly increasing export earnings and contributing to higher employment among the youth.

The increased access to secondary education would need to be combined with policies and programmes for streamlining students in the secondary schools and providing adequate facilities for the students to pursue their career path. Within the next three years, children who entered secondary schools in 2023 will be ready to choose their career paths. Systems should be established to provide guidance to those who will require such support. Consideration will

also need to be given to whether there is the need for dedicated institute(s) to accommodate the students that have chosen technical career paths.

The strengthening and upgrading of the professional health services will be a continuous process. This must be supplemented with the application of telemedicine if the health sector is to benefit from a wider pool of professionals. In addition, there will be the need to forge ahead with the preparation for the National Health Insurance and the digitalization of health records.

The public service must be innovative, and the Ministries and Departments should be aligned and organized to support the pursuit of the transformative agenda. While the broader concept of public service reform is being pursued, there should be ongoing programmes to improve critical aspects of the delivery of public goods and services, particularly the use of technology for effective communication within the public sector and with the public. These aspects could be addressed in the context of the digital transformation programme.

The projects in the national budget for 2024 will continue to be dominated by the need for improving and upgrading the social and economic infrastructure with climate-smart and renewable energy technologies. This should be combined with policies and changes in systems to foster the transformation of the economy to achieve the goal of “A Sustainable, Equitable and Prosperous Grenada for All”.

Knowledge is power and experience is the greatest teacher.

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Disclaimer: This article is written in my personal capacity and not in my capacity as Chairwoman of the Fiscal Responsibility Oversight Committee.