



2022 BUDGET ADDRESS  
DELIVERED BY  
PREMIER AND MINISTER OF FINANCE  
HONOURABLE ANDREW A. FAHIE

UNDER THE THEME:  
**Strategically positioning New Industries with sustainability  
innovation being key elements: while concentrating on  
Education small business health care technology and  
improving the standard of living**

Thursday, 11th November, 2021

1. Thank you Mr. Speaker.
2. It is important that I begin this Budget Address from the words of Abba, our Father as found in Luke 12:8, *“And I tell you, everyone who acknowledges me before men, the Son of Man also will acknowledge before the angels of God.”*
3. I thank God for His continued strength as we turn this Budget Address over in to His hands.
4. I say Good Day and GOD’s Blessings to all Honourable Members of this Honourable House and all the people of these beautiful Virgin Islands — wherever they may be, as we continue to move forward in this New Regular, living and working with COVID-19.
5. Together we continue to confront all the challenges and embracing opportunities that this unpredictable pandemic has thrown, and continues to throw our way.
6. I am pleased and proud, as a Virgin Islander, to stand today to present this fourth National Budget in under three years, and to do so with sufficient time in hand for all the necessary

processes to be completed so that everything will be in place for the start of the new financial year in January 2022.

## Introduction

7. Mr Speaker, it is important for us as a young country to bear in mind the symbolism of what it is for a people to develop, present, approve and implement their own Budget; especially when they are able to generate the funds and to balance their Budget for themselves year after year after year. It is something to be proud of, to be inspired by and to be encouraged.
8. For this empowerment, we thank our foreparents. Let us join in paying tribute to our foreparents who started and maintained the course, on the journey to ensuring that the Virgin Islands people are empowered to pursue their aspirations of being fully in control of their destiny.
9. It was the late Theodolph Faulkner and other great Virgin Islands leaders who made the bold and unequivocal declaration on 24 November, 1949: *[And I Quote]*  
  
*“We are imbued with a desire to decide our local affairs our own selves. We have outgrown that undesirable stage where one official, or an official clique, makes decisions for us....*  
  
*We are seeking the privilege of deciding how our monies are spent and what shall be our Presidential laws and policies”. [End of Quote]*
10. That was the impetus for the return of legislative function to the shores of the Virgin Islands, paving the way for Virgin Islands people to enjoy full participation in the democratic election of their representatives and for the making of laws to govern themselves – legislation such as the Appropriations Act.

11. As we continue to honour the struggles and strides of those who led before us, we recall the Late and Great former Chief Minister Dr. the Honourable Willard Wheatley, the first Virgin Islander to officially hold the post of Minister of Finance, on 1 June, 1977.
12. Dr. Wheatley's exceptional public management saw the Government of the Virgin Islands independently closing a budget deficit in 1978 and ending the year with a budget surplus of \$1.3 million. Through this, in one of the most significant milestones in the political and economic journey of our nation-building, the Virgin Islands graduated out of Grant-In-Aid, and have maintain this course through the decades.
13. Virgin Islanders liberated themselves from external financial dependence on the United Kingdom; clearly demonstrating the ability of our people to manage our own economic affairs, hold each other accountable, and uphold their dignity. Virgin Islanders are not defined by anyone or any circumstance. We are innovative, capable and resilient. We just have to continue to believe in ourselves and stay laser-focused on our true Virgin Islands Vision.
14. The year 2021 has been another unprecedented year for the Virgin Islands. While your Government wished we could focus exclusively on delivering our Manifesto pledges - remedying decades old problems with our aging infrastructure and furthering the development of the Virgin Islands for the benefit of our people - this unfortunately could not entirely be the case.
15. For the second consecutive year, like most - if not all - other countries, we remained in battle with the worst pandemic to hit the world in over 100 years. The COVID-19 pandemic, in recent months, is presenting new threats in the forms of aggressive variant strains, as it continues to suppress economic activity generally in every part of the world, and more specifically in the areas of tourism and travel, upon which our economy is heavily reliant. This is subduing revenues for the public and private sectors, and creating hardship for many of our people whose jobs and income streams are adversely affected, not just locally, but globally.

16. In 2021 we saw a major spike in COVID-19 cases on our shores and grief that was unprecedented in our era in the loss of 37 additional lives. We ask God to continue to comfort families and loved ones, as we also remember our loved ones who passed due to different causes. Thankfully, according to recent data, the number of positive cases now stands at about 12, all of which were detected by our effective travel screening protocols. We wish those persons a full and speedy recovery.
17. In January 2021, the United Kingdom Government declared it an appropriate time to institute a Commission of Inquiry (COI) on Governance in the Virgin Islands, under the Commissions of Inquiry Act 1880.
18. The Inquiry, which is still in progress, placed significant demands on the resources of our Public Service as documents dating back more than a decade had to be sourced, officers had to prepare affidavits and statements, and senior public officials including Ministers, Permanent Secretaries, heads of departments and others had to attend the COI to give evidence.
19. The Inquiry took up significant time and attention, but Mr Speaker, your Government fully and faithfully participated in the proceedings, with the hope that a transparent COI would lead to a just and beneficial outcome for the people of the Virgin Islands.
20. These challenges have come as we continue to recover from the 2017 August Floods and two devastating Category 5 hurricanes – Irma and Maria that created a paradigm shift for our economy. We continue our recovery efforts with our limited resources.
21. But, as I will explain later in this Budget Address, your Government and its agencies and departments, still managed to accomplished a lot of work for the development of the Virgin Islands, amid the challenges and distractions.
22. This is an appropriate time to commend our public officers across all ministries, agencies and departments, and all those who have powered through with commitment to keep our Virgin

Islands moving forward during these difficult times. Our successes are the results of collective effort and dedication.

23. The Acting Financial Secretary, Mr Jeremiah Frett, the officers in the Ministry of Finance, and the Permanent Secretaries who provided the Ministry with the relevant programmes of works and project details, have done an exceptional job in preparing the 2022 National Budget, which I present now under the theme of,

*“Strategically positioning New Industries with Sustainability and Innovation: Continuing to improve the standard of living with focus on Education, Small Business, Healthcare and Technology.”*

24. Mr Speaker, what follows in this Budget Address is just a summary and a snapshot of some of the work that has been done and some of the targets that we are setting for the year ahead. More comprehensive details can be found in the Medium-Term Framework Plan 2022-2024 and the Draft Estimates of the 2022 Budget, which I encourage all our citizens to read once it is published.
25. Knowledge is power, and these documents will provide persons with the knowledge and information they need to more actively participate in the opportunities in our economy.

### **The Global Economy**

26. Mr Speaker, context is important. Therefore, we must situate the Virgin Islands economy within the global landscape. That is the only way we can have a proper appreciation for what has happened in 2021 and what the projections will be for 2022.
27. The advent of COVID-19 vaccines early in 2021 brought optimism for the resurgence of economies after a stagnant 2020.
28. In June 2021, the World Bank, in its Global Economic Prospects Report, forecasted that the global economy was set to expand 5.6 percent in 2021 - the *“strongest post-recession pace in*

*80 years... ..underpinned by steady but highly unequal vaccine access.*”The July 2021 global growth projection from the International Monetary Fund (IMF) for 2021 was for 6.0 percent over 2020.

29. This recovery was, however, projected to be unevenly concentrated in a few major economies, with most emerging market and developing economies lagging behind. While about 90 percent of advanced economies were expected to regain their pre-pandemic per capita income levels by 2022, only about one-third of emerging market and developing economies were expected to do so.
30. Further, the World Bank noted, in low-income countries, the effects of the pandemic are reversing earlier gains in poverty reduction and compounding food insecurity and other long-standing challenges.
31. According to the World Bank, by 2022, the global output would remain about 2 percent below pre-pandemic projections, and per capita income losses incurred in 2020 would not be fully undone in about two-thirds of emerging markets and developing economies.
32. Simply put, COVID has messed up the entire world’s economy.
33. The IMF, however, in its October 2021 World Economic Outlook Report has downgraded the 2021 growth projection by 0.1 percent.
34. The world will have to wait until June 2022 to hear what the World Bank has to say.
35. Mr. Speaker, no-one has a playbook for this unpredictable and unprecedented COVID-19.
36. I caution that persons should not get carried away by the overall figures, because while the projections are very encouraging for the wealthier economies, the situation is very much the opposite in the less developed economies.
37. Vaccine access, vaccine hesitancy, the emergence of new variants of the virus, and disruptions to major supply chains, are among the main contributors to the reduced

projection. Pandemic-related disruptions to contact-intensive sectors have also caused the labour market recovery to significantly lag the output recovery in most countries.

38. The IMF is maintaining its projection for 4.9 percent global growth in 2022.
39. Mr Speaker by April 2020, international tourist arrivals globally had dropped by 98 percentage points from pre-pandemic levels, according to data from the United Nations World Tourism Organization (UNWTO). The recovery has been very sluggish.
40. A joint report by the UNWTO and the United Nations Conference on Trade and Development (UNCTAD) in June 2021 estimates a total loss of more than \$4 trillion to the global Gross Domestic Product (GDP) for the years 2020 and 2021 due to COVID-19's direct impact on tourism and its ripple effect on other sectors. Some 53 percent of this loss will be experienced by developing countries.
41. The Virgin Islands is clearly not unique in our experience, Mr Speaker.
42. According to the UNWTO/UNCTAD report, experts do not expect a return to pre-COVID arrival levels until 2023 or later. The main barriers are travel restrictions, slow containment of the virus, low traveller confidence and a poor economic environment.
43. Additionally, the profile of travellers has changed. Retirees, who tend to spend more per trip, are more likely to stay at home. Younger travellers, who seem more willing to travel, tend to stay longer but spend less than older travellers. This means that tourism-dependent developing countries must diversify their industries.
44. While we will strive to be optimistic, we have to also be realistic.
45. We must measure our expectations while global tourism recovers. We must take heed. We must adjust our thinking and our strategy.
46. We must pivot to our strengths, improve on our weaknesses, be cognisant of threats and position to take advantage of opportunities when they arise - and to even create our own opportunities through innovation.

47. We must push forward, adapt, evolve and we must continue to diversify our economy.

### **Financial Performance Review**

48. But notwithstanding this glum projection from the global tourism community, I am pleased to say that the Virgin Islands tourism industry did show some encouraging signs for recovery, particularly in the recent months. And for this we must say to GOD be all the glory.

49. We have much to be thankful for and much to look forward to in 2022 as a preferred destination and jurisdiction.

50. Despite the unavoidable restrictions on travel such as reduced airline and ferry capacities – which apply not only to the Virgin Islands, the demand for the Virgin Islands sun, sand, sea and overall experience has remained high.

51. Up to the end of October just below 38,000 persons entered the Virgin Islands via the air and sea ports, with the vast majority being visitors.

52. With a more aggressive advocacy for mass vaccinations, the reduction of the BVI Gateway fee and easing of the quarantine periods for fully vaccinated travellers, it is expected that the gradual increase in arrival numbers will continue through the rest of 2021 to reach a projected 46,000 overnights and day-trippers.

53. Based on the cruise schedules published by the BVI Ports Authority (BVIPA), it was projected that a total of around 66,000 cruise passengers would visit our shores by the end of 2021.

54. Critical to this progress was the Virgin Islands' profile as a relatively safe destination for travel during the pandemic.

55. We were clear that our strategy for the reopening of the borders and businesses was a managed one with vigilance to keep everyone safe.

56. Notwithstanding the protocols for operations, our people generally kept in line with what was required. Our visitors adapted and adjusted to our New Regular, so that activity could continue to expand.
57. For 2021:
- a. Hotel Accommodation Tax revenue for 2021 is estimated at just below \$2 million;
  - b. Taxes from Motor Vehicle Rentals are estimated at \$92,000 -more than 2020 figures;
  - c. Cruising permits revenue is estimated at \$1.79 million; which is close to 2020 figures;
  - d. Passenger tax (Sea) is estimated to rise at \$442,000; up from \$407,000 in 2020; and,
  - e. Tourist Arrival Levy revenues are estimated at \$840,000, compared to \$691,000 for 2020.
58. When the pandemic struck in March 2020, your Government took some decisive measures, which we said – although they were tough -- were aimed at protecting the lives and livelihood of our people and the economy from catastrophic damage.
59. The level of economic activity that can be seen taking place is proof that we have been able to achieve this so far, and our economy remains stable and resilient after all it has been through in recent years.
60. The stimulation of the economy through various measures assisted in reducing some financial burden on our systems, while creating opportunity for business ideas, innovative operations, and boosting activities where possible.
61. For 2021:

- a. Income and Payroll Tax increased by approximately \$500,000 over 2020's revenue to \$48.6 million;
  - b. Taxes on Goods and Services increased by \$4.67 million over 2020 receipts to \$210.3 million;
  - c. Taxes on International Trade increased by \$3.69 million over 2020 receipts to \$39.62 million;
  - d. Revenues from Money Transfer Fees are estimated at \$2.315 million and Customs Fees at \$350,000;
  - e. Revenues from Trade Licenses also increased to over \$1 million from \$906,000 in 2020. This is indeed an encouraging sign for our aspirations of growing our small business sector, even during this COVID-19 era. In other words, the entrepreneurial spirit in the Virgin Islands is highly stimulated, it's alive. History shows that the people of the Virgin Islands become stronger when faced with adversities.
62. The projected improvement in economic activity in 2021 came as no surprise following the stimulation of the economy from the roll-out of a \$40 million grant from the BVI Social Security Board (BVISSB) in the third quarter of 2020.
63. Do keep in mind that \$10 million from the BVISSB grant was placed into an unemployment relief fund and managed by BVISSB. Also, \$7.5 million from the grant was paid to the National Health Insurance (NHI), where from the inception previous Governments had been delinquent in making payments.
64. Along with the economic stimulus package, your Government also injected resources into the economy by advancing the roll-out of a number of public sector capital projects.
65. The combination of these two measures — the grant and the capital projects — resulted in a vitamin boost for economic activity across many sectors leading to a 2.2 percent upward

revision of the projection for the overall growth in 2021 over 2020, compared to the 7.5 percent contraction that was first forecasted.

66. Mr Speaker, your Government is fully aware of the need to continue exercising a reasonable level of caution. Hence, while this improvement is encouraging, we are cognisant that it is not enough to outweigh the effects of the pandemic on our GDP. We will get there, but it will take diligence, persistence and vigilance.
67. With respect to Financial Services, Mr Speaker, despite the continued declining annual trend in the market share of the industry in 2020, which was accelerated by the COVID-19 pandemic, there was a rebound of the financial services industry in mid-2020, which continued into the first half of 2021, with incorporation figures that were similar to pre-pandemic levels. New incorporations grew by 68.5 percent and 24.1 percent by the end of the second quarter of 2021 compared to the same period in 2020 and 2019, respectively.
68. Incorporations up to August, numbered 23,182, growing 65.5 percent when compared with the same period in 2020. Similar growth patterns were recorded in revenue from fees up to August 2021 with a growth of 3.7 percent compared to the similar period in 2020.
69. Revenue from Financial Services surpassed the initial 2021 estimate of \$184.4 million and is projected to close at \$196.4 million – more than \$7 million in excess of the 2020 figure of \$189.75 million. This is of course due to the sterling efforts of our innovative and driven team at the Financial Services Commission and our other industry stakeholders.
70. While the projection is that new incorporations will remain steady or be slightly improved at best, we must be on guard that the overall declining trends witnessed over the last 10 years, in both incorporations and transactional activity can continue.
71. In the construction sector, Town and Country Planning Department data shows that construction imports grew by a substantial 98.8 percent in the first half of 2021 - to \$51.98 million, compared to the first half of 2020. Inflationary pressures do continue to be felt across

goods following the demand and supply stresses affecting the general movement of prices impacted by the pandemic.

72. While the pandemic impacts linger, in 2021 some sectors continue to operate with certain constraints. On the other hand, other sectors such as mining and quarrying, construction, and transportation and storage are showing signs of increasing economic activity that is largely driven by ongoing public and private sector capital projects.
73. The revised budget estimates show total Government revenue in 2021 was \$332.1 million; just \$190,000 less than the initial projection.
74. Total Revised Recurrent Expenditure for fiscal year 2021 totalled \$341.7 million; \$11.3 million above the initial estimates. This included \$17.88 million in Coronavirus Prevention Expense, which together with other expenditure, was essential in keeping our people safe while protecting the economy during the on-going pandemic.
75. It is anticipated that by the end of 2021 the Government of Virgin Islands will expend \$4 million towards the long overdue increments for work year 2017 and the balance will be expended in 2022.
76. Total Government Debt stands at \$140.98 million as at 15 October, 2021, of which \$94.3 million is foreign debt and \$46.6 million is local debt.
77. The numbers once again show prudent, responsible fiscal management. The situation could easily have turned much worse had your Government not taken the tough and well calculated decisions to mitigate the spread of COVID-19, and to stimulate the economy in the areas targeted.

### **Record and Forecast**

78. Mr Speaker, I propose to take a rather simple approach to presenting the 2022 Budget, so that it is easy for everyone to follow the strategic direction, achievements of the past year and the plan of work for the period ahead.

79. To reiterate, your Government's broad vision for the Virgin Islands is to transform it into a leading regional economy through innovation, entrepreneurship and local and foreign investment in the shortest possible time.
80. All the signals say this is in the best long term interest and sustainability of the Virgin Islands and for our people.
81. Your Government continues to be guided by that mission even as we put forward the 2022 National Budget under the theme:

*“Strategically positioning New Industries with Sustainability and Innovation: Continuing to improve the standard of living with focus on Education, Small Business, Healthcare and Technology.”*

which is consistent with achieving that vision.

82. As a Government and with the help of the people, we must pivot into developing new revenue streams while maintaining and growing our existing industries, so that we can broaden our economic base, create new opportunities for Virgin Islanders and residents, and enhance our resilience from sectoral shocks.
83. At the same time, we must ensure that our people have the support systems that will keep them safe and healthy, and which will assist them in unlocking and pursuing their potential and their aspirations.

### Healthcare

84. Mr Speaker, assuring the health of our people remains one of the highest priorities of your Government, especially as we continue to face the threats of COVID-19 - the worst pandemic to confront the world in over 100 years.
85. There can be no wealth without health.

86. The Ministry of Health and Social Development has had a “lion share” of challenges during 2021 – as they did in 2020. This was due in part to the ever changing dynamics of having to anticipate, plan, prepare and respond to the main issue of COVID-19 and it’s far reaching implications for the safety and livelihood of these Virgin Islands.
87. Despite these challenges, the Ministry of Health and Social Development, its departments, units and divisions have exerted considerable effort in fulfilling its mandate to provide a caring and integrated system of health and social services that facilitates human development and quality of life in the Virgin Islands.
88. COVID-19 dominated the health agenda, as Honourable Members and members of the public would understand. Health officials were on the frontline of managing and remaining vigilant in the national response to the COVID-19 pandemic.
89. This included, but was not limited to:
- a. Redesigning and commissioning a COVID-19 isolation ward in the Dr. D. Orlando Smith Hospital;
  - b. Developing and commissioning the COVID-19 permanent and mobile swabbing facilities at the Dr. D. Orlando Smith Hospital, at the T. B. Lettsome International Airport and at the main seaports in Jost Van Dyke, Virgin Gorda, West End and Road Town;
  - c. Expanding the facilities and ensuring the certification of laboratory services for on-site COVID-19 testing with further expansion to include rapid testing capabilities;
  - d. Preparing for and setting up a field hospital for the management of the June -August 2021 COVID-19 surge;
  - e. Implementation of PCR Testing for all persons entering the Virgin Islands;
  - f. Active testing of several positive COVID-19 up surges;

- g. Implementation and management of the COVID 19 Vaccine program, which is on-going; and much more.
90. COVID-19 is still a live threat and BVI Health Service Authority and other health stakeholders will continue working to keep our people safe. For instance, one area of emphasis in 2022 will be preparation for the implementation of COVID-19 vaccine boosters and vaccination of school-aged children – with parental consent, of course – using the Pfizer vaccine.
91. The work plan for 2022 includes completion of three construction projects in the Major Peebles Wing: the Road Town Clinic 1st Floor; the dual-purpose unit Specialist Clinics and Isolation Unit 2nd Floor; and the expanded Laboratory Unit Annex – Laboratory ISO 15189 certification.
92. Through all the challenges, BVIHSA maintained its prestigious Det Norske Veritas (DNV) accreditation and is preparing for its third on-site survey visit from the accreditation body.
93. Mr. Speaker, the Ministry of Health and Social Development have a broad range of functions, one of which is social programmes.
94. In 2021, through the Housing Recovery Programme, hurricane repairs to 34 homes were completed. Three social homes were built. A fourth scheduled for completion next month. Two rebuild grants were issued. Another two should be completed by year's end.
95. In 2022, the Ministry intention is to construct 13 additional social homes, repair an additional 25 homes that were damaged by Irma and Maria, and complete the process for the issue of 14 rebuild grants.
96. Extensive work with respect to Gender Violence was done by the Office of Gender Affairs, inclusive of completion of the Domestic Violence Strategy and Action Plan. Forty participants were trained in Domestic Violence Protocol. Further training will be done in 2022. A National Gender Policy will also be among the priorities.

97. In due course, the Minister for Health and Social Development Honourable Carvin Malone will elaborate on these and other works under the Ministry such as the programmes for our seniors.

### **Education**

98. Mr Speaker, as I now turn to education, I must first highlight that most of our school buildings are decades old and were not adequately maintained over the years. To make matters worse, they were battered by Hurricanes Irma and Maria, and in some cases schools were left unfit for occupancy.

99. I wish to recognise and commend the dedication of our teachers, who have performed yeoman service in the less than satisfactory conditions. I also must thank the parents and the students for their patience. But the fact is that our teachers and our students deserve a safe and conducive environment. On this, we are all in full agreement.

100. Your Government has been working to restore the school infrastructure. We admit that there is still much to be done. We understand the frustrations, and we aim to push harder with the work.

101. In 2021, your Government upgraded school buildings at the Ivan Dawson Primary School, Lenora Delville Primary School, Robinson O’Neal Memorial Primary School, the Jost Van Dyke Primary School, and the Bregado Flax Educational Centre – Secondary Division. These works included resilient measures such as solar panels. Metal windows were installed in several schools and furniture was purchased for the Elmore Stoutt High School, the Bregado Flax Educational Centre – Secondary Division, and the Enis Adams Primary School.

102. For 2022, the work continues. \$8.5 million is allocated for upgrading some of our school infrastructure through the Recovery and Development Agency (RDA).

103. In the upcoming year, redevelopment of the Elmore Stoutt High School campus will move forward. This includes constructing classrooms and supporting facilities to provide a modern campus for learning and development for our students. Just over \$7 million is allocated for this initiative. All our students and teachers will finally be moving from the CTL building to the Elmore Stoutt campus where they belong and in proper facilities in time for the 2022-2023 school year.
104. Demolition work on the Isabella Morris Primary School began on 1 October, 2021. We have allocated \$200,000 to fund design development and engineering works to inform the construction and development of a new modern facility with SMART and safe standards to ensure a resilient and functional school for the children and teacher of Carrot Bay and neighbouring communities. When completed it will be known as the Isabelle Morris Junior High School.
105. On Jost Van Dyke, our teachers and students have borne a lot and they have been very patient. Four hundred thousand dollars (\$400,000) is allocated towards commencement of the construction of a modern school building that is fitting of what they deserve.
106. We continue to restore functionality to the Bregado Flax Educational Centre on Virgin Gorda. Fifty thousand dollars (\$50,000) is allocated to complete ongoing works at this facility.
107. Additionally, \$800,000 is allocated for the redevelopment of the Eslyn Henley Richez Special Needs Learning Centre, to provide a restored learning environment with smart and safe standards for students with special needs.
108. A further \$1 million is allocated through local funding for rehabilitation and remedial works on various schools throughout the Virgin Islands. Mould remediation on all public schools will continue through 2022.
109. Additionally, we are establishing virtual classrooms to accommodate COVID-19 impacted students with an alternative platform by March 2022.

110. Your Government proposes to increase the funds available for school supplies by over \$255,000 from last year's allocation.
111. In 2021, your Government provided psychosocial support, via webinars, to our youth on dealing with the stress of COVID-19 and Youth Talks on the effects of crime on youth. While these programmes were hampered by COVID-19, we aim to continue these interventions in the New Year.
112. Establishment of the Teacher Education Institute by September 2022 remains another area of focus. The Institute will have responsibility for teacher training, at various levels, to include training of new teachers, offer professional development for teachers and administrators at the Ministry and school levels, and a teacher licensing programme.
113. Professional development sessions on the creation of and use of online assessments, differentiated instruction, online lesson planning, and versatility in the use of the various online platforms were conducted during 2021. These efforts will continue in 2022 to further strengthen the teaching and learning process and student outcomes.
114. Additionally, the OECS Education Sector Strategy (OESS) and the Virgin Islands Education Sector Strategy (VIESS) continue to be implemented and utilized for policy planning and legislative amendments. The Education Advisory Council, Special Education Council, Technical Advisory Council and Veteran Educators' Committee are in the process of being established, and we hope to have these finalised very shortly.
115. The Ministry of Education expanded the Reading Literacy Programme to Grade 4 in September 2020, and to Grade 5 in September 2021. By September 2022, Grades 6 and 7 will be added to the programme.
116. Also by September 2022, the review and adjustment of the Early Childhood Programme for Grades K and One should be completed to include more scheduled language and math literacy and the integration of science and social studies concepts into the language and math lessons.

117. In due course, the Deputy Premier and Minister for Education Dr. the Honourable Natalio Wheatley will elaborate on these and other works regarding education.

### **Youth Development and Training**

118. Mr Speaker, your Government continues to pursue programmes to engage our youth to help them to develop positively and to become empowered.

119. Through the Be Youth Centre (BYC), which was opened in April 2021, we endeavoured to develop programming including social and life skills, job preparation, digital literacy, introduction to technical and vocational skills, and entrepreneurship.

120. Activities such as Youth Talks and Game Night, for example, were successfully implemented. Some of our other plans had to be deferred due to COVID-19; however efforts are underway to redesign these programmes so that they can be offered virtually as far as possible.

121. The Ministry of Education and the Premier's Office are working together to develop a digital literacy programme in secondary schools by March 2022.

122. Your Government will continue to provide scholarship opportunities through financial assistance to individuals to enable the pursuit of tertiary level education both locally and abroad.

123. For the first time, we have introduced the Asia Abroad Scholarship Programme, which is a three-way partnership between the Government of the Virgin Islands, elite Universities in Asia, and the Private Sector, to provide Virgin Islanders the opportunity to study in Asia. We believe that once our people continue to be supported in educational development it will help to advance our workforce and economy.

124. The Department of Youth Affairs and Sports will continue to promote healthy lifestyles through community activities. Between March and June 2021, they successfully

implemented the Industrial Bowling and Softball Leagues. Other sports programmes had to be deferred due to COVID-19, but will be resumed in 2022.

125. The Department of Youth Affairs and Sports is working on Public-Private Partnerships to create entrepreneurship programmes for our young people by June 2022.
126. The marine training, solar training, and financial services training will continue in 2022 at the H. Lavity Stoutt Community College, as many of our people have benefitted from these programmes.
127. In due course, the Deputy Premier and Minister responsible for youth development Dr. the Honourable Natalio Wheatley will elaborate on these and other initiatives in this area.

#### **Developing Business and Opportunities**

128. Mr Speaker, in order to support and stimulate the expansion of our private sector, your Government will be equipping the Virgin Islands Trade Commission in 2022 to tackle its mandate of fostering trade and developing the business environment.
129. This latter function includes looking at areas of opportunities for citizens, encouraging investments, creating new industries while bolstering existing ones, and leveraging existing Virgin Islands assets in cooperation with other agencies with respect to the Green, Blue and Digital economy.
130. Through new legislation, such as the Virgin Islands Investment Act 2021 and the Business Act 2021, new regulations and a new regime, every investor whether Belonger or non-Belonger will know what to expect when investing in the Virgin Islands.
131. The Virgin Islands Trade Commission will also provide the institutional structure for implementation of the Consumer Protection Act.

132. Mr Speaker, the Gaming and Betting Industry is viewed as a promising area for generating revenues and creating economic opportunities for our people.
133. The Gaming Commission board should be in place no later than 1 January, 2022, and staff who will be trained in anti-money laundering should be on board by the second quarter of 2022, so that this new industry can open up and move forward soon thereafter.
134. Legal and regulated marijuana industries have already proven to have provided economic benefits and stimulation to several jurisdictions.
135. The global medical marijuana industry is projected to grow from its current value of \$9.2 billion to \$57 billion by 2027.
136. The Virgin Islands people can benefit immensely if they can participate in this industry. Your Government is working with the UK Foreign and Commonwealth Development Office (FCDO) to address the various issues that are holding back assent to the legislation for the Virgin Islands to establish our medical marijuana industry.

### **Food Production**

137. Mr Speaker, turning now to food production, COVID-19 restrictions and resource constraints hampered the Department of Agriculture and Fisheries from conducting their extension services and other outreach programmes to farmers and commercial fishermen during the past year. We look forward to an improved situation in the future.
138. However, through your Government's COVID-19 Economic Stimulus Programme for farmers and fishermen - utilising \$5.1 million from grant funding provided by the BVI Social Security Board - 201 farmers and 207 fisher folk were able to enhance their ability to produce food to service local demand and enhance the Virgin Islands' food security in the longer term. The results of this initiative can be seen in our supermarkets and at the regular farmers

markets. Additionally, the availability of locally caught fish is more prevalent than it has been for a very long time.

139. Four hundred and eighty thousand dollars (\$480,000) is allocated for the East End/Fat Hogs Bay Harbour Development to increase our capacity for maritime visitors and other activities.

140. Historically, our people were exporters of locally grown produce and livestock, and locally caught fish. As we continue to increase food production capacity, our people will be able to resume this role and enjoy the economic benefits from it.

141. As the Virgin Islands returns to exporting, there will be opportunities to generate new revenue stream inclusive of an export tax from the sale of the various local products and through innovation.

### **Tourism**

142. Mr Speaker, tourism is an intrinsic part of our economy. Despite several challenges and even setbacks, your Government continues to do our part working with different stakeholders through the BVI Tourist Board, BVI Ports Authority, BVI Airport Authority and many other public and private institutions to ensure that our destination is both competitive and sustainable, and to attract visitors to our shores.

143. Where tourism is one of the Virgin Islands' two major economic drivers, any progress we can realise at this time - where tourism industries around the world are being impacted by the continuation of the pandemic - will be of benefit to our economy, our taxi operators, restaurants, tour operators, domestic ferries, land and sea-based entrepreneur, museums, national parks, sailing companies, and all the entrepreneurs and businesses that service our visitors.

144. On 13 October, 2021, the cruise industry began returning to our shores following a temporary halt in July 2021 when we experienced an increase in COVID-19 cases. With all of our people

working together, the number of COVID-19 cases has dropped once again and we hope to keep it so as far as humanly possible.

145. Members would recall that upon our return from Seatrade in September 2021, your Government reported that our cruise partners confirmed a total of 176 extra calls to the Virgin Islands beginning 13 October, 2021, up until 2024. As a result of our efforts we expect to see major cruise lines such as Disney, Carnival and Royal Caribbean making calls in the Virgin Islands.
146. From a broader view, the Virgin Islands can expect a total of 299 calls with 193 at the Cruise Pier for the 2021-2022 season with a projected increase the following season.
147. Discussions continue with the cruise lines to attract additional small and medium cruise ships on Anegada, Virgin Gorda and Jost Van Dyke, to spur additional economic activity.
148. We see more travellers are coming to our shores via the yachting industry. We will continue through the BVI Tourist Board to engage the growth of the yachting industry and promote sports and cultural initiatives to this sector for social and economic benefits.
149. A survey conducted by the BVI Tourist Board on the accommodations sector suggests the number of visitors over the six-month period will rival what we saw for the 11 months since we reopened in December 2020 to October 2021.
150. Many guests are using a shorter booking window for their vacations due to the quickly changing travel landscape. This can result in bookings filling in quickly in the coming months.
151. As properties and fleets return to their full room inventories and with the reopening of properties such as Saba Rock and Bitter End Yacht Club among others, we are optimistic for improved arrival levels for the upcoming season.
152. Due to increased bookings, the International Ferry Passenger Schedule at Road Town Jetty has already been adjusted. We welcome the ongoing partnership with the United States

Government to see trips increased to 100 persons per trip, inclusive of passengers and crew. There is also an additional daily international round-trip service, thus increasing it to three daily round trip ferry services until 31 January, 2022, in the first instance.

153. This is indeed good news as the BVI Ports Authority, ferry operators and stakeholders continue to prepare for the reopening of the West End Ferry Terminal for international ferry passenger operations starting December 2021.
154. We are working diligently to enhance our ports of entry throughout the Virgin Islands.
155. In a few weeks we will see the reopening of the Taddy Bay Airport, Virgin Gorda. The BVI Airports Authority (BVIAA) has completed resurfacing of the runway with terrace, refurbished the pump on the fire appliance, and met with stakeholders including Air Safety Support International (ASSI).
156. Also, we are working on repairs on the rescue boat, an emergency drill, and finalising the updated briefing packs for flight crews. We will also be breaking ground for the new welcome centre. Technical works are ongoing, geared towards the expansion of the Virgin Gorda Airport. The same is being done for the TB Lettsome International Airport.
157. We continue to build an authentic Virgin Islands brand as we create a value for money destination for a satisfying tourist experience that will attract more visitors to our shores. We continue the promotion of cleanliness and enhancement of tourist attraction areas.
158. Two hundred thousand dollars (\$200,000) is allocated for Tourism Infrastructure Development to further improve our tourism product. An additional \$163,000 is provided for construction of bathroom facilities at Brewer's Bay.
159. Mr Speaker, we are now celebrating the second annual Culture and Tourism Month in November under the theme, *"Our Heritage, our People, our Cultural Arts! When Culture meets Tourism, we Capture all Hearts."* We continue to place emphasis on nature, adventure, heritage, eco-tourism and cultural and traditional values.

160. Several partners from the public and private institutions are working together, emphasising nature tourism - which incorporates our beautiful beaches, diving and snorkelling sites, hiking trails, and the upcoming famous Anegada Lobster Fest on 27 and 28 November, 2021.
161. Already, many tourism businesses are actively seeking employees to fill positions. Your Government is organising a job fair under the 1,000 Jobs in 1,000 Days initiative through Department of Labour to connect employees and employers. Your Government is working to get all of our tourism sectors back to full functionality, while helping as many of our people in the Virgin Islands, once again, to be gainfully employed.
162. The National Tourism Strategy when completed in 2022, will be the blueprint for all aspects of shaping and positioning of the Virgin Islands' tourism industry in the current global landscape. This strategy will also provide us with even more modern approaches in how to improve, enhance and sustain our tourism industry.

### **Ports**

163. Mr Speaker, when your Government took office in 2019, we prioritised the reestablishment of ferry services at West End, which we did. We are now taking it a step further in modernising that facility. Two million dollars (\$2M) has been allocated in the 2022 Budget for construction of the permanent West End Ferry Terminal which will accommodate over 200,000 passengers annually.
164. Very soon the Jost Van Dyke ferry terminal will be ready to service both domestic and international passengers. The planning and design for the new ferry terminal at the Valley, Virgin Gorda, to allow for the separation of the cargo and ferry operations and the rehabilitation of the North Sound ferry terminal, is envisaged by the end of January 2022.
165. The BVI Ports Authority aims at ensuring our ports meets international codes and standards. The International Ship and Port Facility Security Code (ISPS) prescribed fencing is being installed at all ports, proper lighting of facilities, and other electronic measures to improve

all Ports' surveillance. Also, there is continued maintenance and upgrades of navigational aids to provide for the safe operation of vessels within our designated harbours.

166. COVID-19 has delayed the rebuilding and improvement of the Information Technology infrastructure, which was damaged during the 2017 hurricanes. Most of the planned improvement of service offerings such as, port management software to get incoming cargo processed efficiently, online billing and payments, online notifications of availability of cargo for collection, improvement of surveillance and establishing resiliency of port data and operations should be completed in the fourth quarter of 2022.
167. The employees remain the Ports Authority's most valuable resource, especially as we strive to improve the range and quality of service. The continued professional development of the employees is a priority in 2022.
168. While COVID-19 has created some financial and operational challenges, the Authority is determined to continue to facilitate domestic and international cargo and passenger services.

### Airports

169. Mr Speaker, earlier, I referenced the work of the BVI Airports Authority as it relates to our tourism efforts, but this is not the Authority's only focus.
170. In support of the development of new industries with sustainable innovation the BVIAA continues working towards the Virgin Islands' future in air service development, as well as to further enhance the current processes and procedures employed by the Authority. This includes works on all three Aerodromes: The Auguste George International Airport on Anegada, The Taddy Bay International Airport on Virgin Gorda, and Terrance B Lettsome International Airport, Tortola.

171. In recent months the Airports Authority has taken the necessary steps to ensure that the runway on Anegada is not only lit, but is in-line with the required regulations, standards and recommended practices for the industry.
172. This will ensure the possibility of safe medical evacuations around the clock, and allow for commercial operations into the Auguste George International Airport after dark, allowing guests from the mainland to be able to fly to Anegada during the short winter days of the peak tourist season.
173. To further facilitate this initiative, the Airports Authority in conjunction with Health are evaluating the possibility of installing a screening facility at the airport so that international flights can be screened on-island instead, of having to stop at Beef Island to do the necessary COVID-19 tests before being allowed to integrate into the community. We are making it more convenient for our international guests coming to Anegada, thereby generating business for the people of Anegada.
174. As mentioned, the Airports Authority is close to reopening of the Taddy Bay International Airport complete with a COVID-19 testing facility in time for Thanksgiving.
175. Residents and tourism and business interests on the Sister Island can also look forward to more flights as a result of close communication with Airport Safety Support International (ASSI) for the lifting of the single engine aircraft restriction that has been in place at the Airport for over 20 years. The lifting of this restriction will, for example, allow for single engine aircraft flown by companies such as Trade Wind Aviation to operate into the airport.
176. Additionally, as mentioned, the BVIAA has teamed up with the Recovery and Development Agency (RDA) to have the runway on Virgin Gorda paved to help further improve safety margins and usability of the Aerodrome.
177. Background works on the extension of the Terrance B Lettsome International Airport are underway with the RDA.

178. In preparation for additional traffic, the BVIAA is continuing works on improving the passenger experience through the Terrance B. Lettsome International Airport with the implementation of a Common Use System to accommodate more airlines and X-ray machines that will improve screening quality, and speed up processing times. Service reliability has also been improved with the addition of two new fire appliances and the imminent installation of an upgraded tower console.
179. We are serious about making the BVI attractive as a hub for air travel in the region, and these efforts will move us in that direction.
180. Also in the area of aviation steps have been taken for the reestablishment of the Civil Aviation Department (CAD) in the Virgin Islands. One benefit of this is that individuals will be able to register their aircraft in the jurisdiction. A local expert in Aeronautical Science, has been appointed as Director of Civil Aviation, and efforts are underway to put all the resources in place for the CAD to become functional. This will include developing a comprehensive plan which must all have regulatory requirements of the International Civil Aviation Organization (ICAO) and the Overseas Territories Aviation Regulations (OTARs), as well as those of ASSI.

### **Other Infrastructure**

181. Mr Speaker, I will now speak about infrastructure, your Government continues to improve our Territory's infrastructure for the benefit of our people and the development of our economy.
182. A total of \$12.4 million has been allocated for a number of infrastructure development projects including but not limited to:
- a. the East End/Long Look Sewerage Project,
  - b. the Cane Garden Bay Sewerage Project,

- c. the Road Town Sewerage Project,
  - d. continuation of works on the RT O'Neal Administration Complex,
  - e. the Road Town Improvement Project, and
  - f. reservoir repairs and improvement of the water network – in areas such as Pockwood Pond, Long Trench, Chalwell, George's North Side, Cane Garden Bay, Sabbath Hill, and certain parts of East End and Virgin Gorda.
183. The allocation also includes improvement of our road networks, civil works across the nine Districts, construction of the Frenchman's Cay Bridge, and revetment and development works on the North Coast roads to reduce the impact of storm surges.
184. Three hundred thousand dollars (\$300,000) is allocated for improvement works on the Community Centres at Cane Garden and East End/Long Look.
185. In 2021, your Government conducted extensive road repairs in a number of areas to improve integrity and performance of the infrastructure, and road safety. Designs and drawings for a number of projects have been completed for implementation in 2022.
186. In Windy Hill, Tortola, and on East Bound Road and Jumper Road on Jost Van Dyke, for instance, curb walls will be installed. Remedial works will also be done on the Great Harbour Road on Jost Van Dyke and at The Valley on Virgin Gorda.
187. In recent years our sportsmen and women have been reminding us of our potential in sports. Four hundred thousand dollars (\$400,000) is allocated to continue the rehabilitation of the Multi-Sports Complex so that our athletes can have a quality facility for talent development.
188. Other initiatives include the further development of local infrastructure for HM Customs, for which \$500,000 has been allocated, and continued work on the National Emergency Management Operations Centre for which \$2.1 million has been provided in the Budget.

## Culture and Heritage

189. Mr Speaker, I will now talk about our culture and heritage, our Virgin Islands heritage and culture are what give us our unique identity. It is who we are as a people, and reflects the long journey of our ancestors, shaped by their struggles and their triumphs, and the legacy that we all carry.
190. It is our sacred duty to ensure that the true Virgin Islands story is preserved and passed on to successive generations, so that they too will have a compass to guide them. It is also important that not just our youths, but everyone, understands this journey, on which one of the major milestones yet to be achieved is self-determination.
191. Additionally, Honourable Members would recall that when our international tourism partners visited the Virgin Islands in 2019, they emphasised the demand for experiences with local cultural content.
192. With all of these things in mind, your Government saw it necessary to intensify focus on Virgin Islands history, heritage and culture. This year we observed Virgin Islands Day and also established Heroes and Forefathers Day as an annual public holiday. The aim is to help us reconnect and restore the bonds with our true Virgin Islands history.
193. This year, as we continued to observe Emancipation Service virtually, we witnessed a video presentation titled: *“The Impact of the Transatlantic Slave Trade on our Health”*. As we approach the Great March and Restoration Day later this month, through the coordination of the Department of Culture, a number of documentaries will also be aired, such as: *“Story of a Colony: Virgin Islands”*; and *“Living Legislators in the Virgin Islands”*. Other documentary programmes are also in production for airing in the near future, and throughout 2022.
194. In 2021, we saw the selection of the first Poet Laureate of the Virgin Islands, Dr Richard Georges, which opened the way for a number of culturally significant activities to take place, and to complement other initiatives around Virgin Islands art, music, literary works, and

more. Special effort was made to ensure that our school children were involved in many of these activities, so that they can know their proud and resilient history.

195. Significant efforts are underway to upgrade our heritage sites such as the Lower Estate Sugar Works Museum, to make them attractive to local and foreign visitors, as well as informative.
196. A National Heritage Sites programme will be implemented by December 2022, as well as a programme to bring cultural/heritage resources into our schools.

### **Technology**

197. Mr Speaker, any country that aims to be competitive must embrace the modern technology that is available, and which supports economic growth and protection of the environment.
198. This is why among your Government's areas of focus are the strengthening of our energy supply to enhance reliability, while reducing our carbon footprint; as well as providing the telecommunications capabilities to support a highly digitised economy.
199. The BVI Electricity Corporation (BVIEC) continues to make great strides with the Virgin Islands clean energy transition towards diversifying energy production utilising renewable energy.
200. On 5 November, 2021, BVIEC signed the contract for the Anegada Hybrid Renewable Energy and Battery Energy Storage System Project with Power52 Clean Energy Access, LLC. This project, when completed during the first quarter of 2023, is projected to reduce the current volume of fossil fuel used to produce electricity on that Sister Island by 95 percent.

201. This will surpass the Government's target of reducing fossil-fuel based generation by 80 percent. The system will comprise of approximately one (1) MegaWatt of solar PV panels and 4,078 kilowatt-hour of Battery Energy Storage.
202. I am pleased with the 39 students who attended the H L. Stoutt Community College Certified Solar Technician Training Programme, approximately 22 have achieved their North American Board of Certified Energy Practitioners (NABCEP) and National Center for Construction Education and Research (NCCER) Certifications, and will use the Anegada Hybrid Renewable Energy and Battery Energy Storage System Project to gain the necessary practical experience that will put them in a position to catapult the Renewable Energy Industry in the Virgin Islands.
203. BVIEC continues to progress the feasibility assessments with respect to exploring the renewable energy potential for utility scale solar PV generation and penetration on the national transmission grid infrastructure in Paraquita Bay, Tortola and Virgin Gorda.
204. On 8 November, 2021, BVIEC commenced its Request for Qualifications (RFQ) process for qualified installers to express their interest in providing engineering, procurement, and construction (EPC) services for a combined solar and battery energy microgrid in Paraquita Bay. This process also includes the construction of a substation to place underground the sole portion of the Virgin Islands' transmission infrastructure which is above ground. This means adding other infrastructural improvements which will not only support transmission grid infrastructure resilience, but also add much needed energy resilience to essential services in the Paraquita Bay area, including water production, sewerage treatment among others. HLSCC will also benefit from this initiative.
205. Following the enactment of both the BVI Electricity Corporation (Amendment) Act, 2015 and the BVI Electricity Corporation (Renewable Energy) Regulations, 2018 which combined provide the Territory with the legal framework to advance the subject of renewable energy, the BVI Electricity Corporation (BVIEC) has processed seven consumer-generator Small Scale Renewable Energy Interconnection applications to date for a combined system size of

approximately 300 kilowatts, four of which have been grid-tied, namely the Bregado Flax Educational Centre (BFEC), Youth Empowerment Project (YEP), Leonora Delville Primary School, and Guavaberry Spring Bay Vacation Homes. We have an additional six customer applications currently being assessed with a combined system size of approximately 60 kilowatts.

206. Your Government has established a basket of incentives to encourage residents to transition to clean renewable energy. This includes zero tax on clean energy equipment for a further one year in the first instance, some duties – albeit low – will begin to apply thereafter. Incentives are also in place for persons to switch to electric and hybrid vehicles.
207. The 2017 hurricanes completely destroyed BVIEC's headquarters in Virgin Gorda. BVIEC plans to commence construction of its new Virgin Gorda Headquarters in 2022. This headquarters is expected to utilise sustainable and greener strategies following the Leadership in Energy and Environmental Design (LEED) framework for healthy, highly efficient, and cost-saving green buildings. Once completed, it will be the first LEED Certified building in the Virgin Islands.
208. To further strengthen our telecommunications infrastructure to provide accessible, reliable and affordable services to our people, the Telecommunications Regulatory Commission (TRC) is working on a number of key initiatives including revision of the Quality-of-Service reporting regime to facilitate comparison of all operators and evaluate overall performance when contrasted with international trends.
209. All operator licences are due to expire in 2022, and the Commission has already started the process, working with the relevant operators according to the established timetables.
210. The TRC is also working to complete the rebuild of the BVI internet Exchange (BVIX), in accordance with the Telecommunications Code (Part 2) (Internet Traffic Exchange) Requirements, 2010, and ensure that all local operators are fulfilling their obligations to exchange local internet traffic through the BVIX, without sending such traffic abroad.

211. The TRC will also commence activities for the updating of the Territory's Telecommunications Policy to ensure it is meeting the needs of the local public and in line with international trends.
212. Mr Speaker, in 2007, when Universal Service was first contemplated in the Virgin Islands, the expectation was that the service would consist of a high-quality public telephone service, including a free telephone directory for subscribers of such service, and operator-assisted information-services. This would include free access to emergency telecommunications services for all subscribers or users of public telecommunications.
213. Fast forward to 2021, Universal Service is now contemplated to consist of high-quality broadband service which affords all users anywhere in the Virgin Islands access to ICT Services using the latest technology at affordable prices.
214. It is further contemplated that following consultation with the licenced telecommunications operators and consumers in the new licencing period, in 2024, a Universal Service Fund which supports the implementation of Universal Service would be set up. This Universal Service would be rolled out in a phased manner until consistent quality of service is available throughout the Virgin Islands.

#### **Further Strengthening the Public Service and Good Governance**

215. As we continue to develop the economy and as we push forward with the digital economy and e-Government, reliable and secure telecommunications is essential with enhancing the convenience and efficiency of doing business with Government offices and agencies.
216. A number of initiatives are in train to improve and broaden the use of digital technology in Government operations and Government services. These include, but are not limited to:
- a. Upgrade of the Government WAN and LAN infrastructure to improve network connectivity following damage from the 2017 hurricanes. Work on building additional capacity to support business continuity of Government operations in the event of any major threats is planned for 2022.

- b. Implementation of document management systems in various statutory commissions, and will continue in the New Year.
  - c. The Inland Revenue Department is upgrading its IT systems to improve the efficiency in collections. Work has already started. Some modules will be rolled out in 2022 and the full system should be implemented before the end of 2023.
  - d. Improving the system for online applications for work permits.
  - e. Commencement of work for digital transformation of the House of Assembly operations.
  - f. Implementing a safe and secure platform for online payments for eServices.
  - g. Redesign of the central Government website to make it more service oriented.
  - h. Opening access to the public for the revamped Attorney General's Chambers website.
  - i. The *SeeClickFix* platform in collaboration with the Deputy Governor's Office, which is a citizen reporting app and web portal. Together with the online appointment system, this forms part of the Customer Service Care Centre under the Public Service Transformation Plan, which is an ongoing initiative.
- and,
- j. GIS channel to provide more timely information in Government's decisions, policies and programme implementation.

217. As we look at improving efficiency and effectiveness in public services, the Water and Sewerage Department (WSD) has been carrying significant deficits over the years. WSD collects on average \$5 million per annum in revenues from the sale of potable water, but it pays to the water suppliers approximately \$27 million per annum, which results in a gross variance of some \$22 million each year.

218. A major contributor to this inefficiency is the very old infrastructure which results in 60 percent of water being lost after production. Legislation is already before the House to transform the department into a statutory body, which will give it more autonomy to tackle some of these problems in ways that it cannot under the present arrangement. Additionally, to curb the margin of loss, the installation of digital meters to replace analog meters is continuing throughout the Virgin Islands.
219. Mr Speaker, your Government is committed national development. We have been working hard with the assistance of the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), on the formulation of the National Sustainable Development Plan (NSDP), which will be our sustainable development framework for the next 15 years. The first draft of the Plan is almost completed and will be circulated for comments before it is presented to the House for approval. This Plan, which is based on the Sustainable Development Goals (SDGs) considered as fundamental human rights of the people, is not being developed in a vacuum, and has already involved widespread public consultation.
220. Also on the topic of public participation, Mr Speaker, funding has been allocated for the establishment of the nine-member Commission to review the Virgin Islands Constitution Order 2007. All the necessary resources are allocated for.
221. Constitutional Review is now long overdue. The world has changed in more ways than we can count. As we confront many of these changes in the day to day affairs, it is clear that we have outgrown our current Constitutional arrangement and a new, more appropriate one must be sought. Your Government looks forward to lively, informed and productive discussions when the Constitutional Review Commission commences its work in the New Year.
222. Mr. Speaker funds have also been allocated in anticipation of the House of Assembly passing the Human Rights Commission Act, Freedom of Information Act, and the Register of Interest Act. This is in keeping with this Government's commitment to further strengthen our institutions, especially in the area of accountability, transparency and good governance.

223. In the 2022 budget funds are allocated to commence the Public Service Transformation initiative. This is a partnership between the Premier's Office and the Governor/Deputy Governor's Office. For far too long there have been cries to modernise the Public Service. In this Budget the Government shows its commitment to do so.
224. Funds continue to be allocated to support the various arms of the justice system and our law enforcement agencies.

### **Budget 2022 by Numbers**

225. Mr. Speaker, looking at the budget numbers, the technical experts at the Ministry of Finance are projecting estimated revenues for your Government in the sum of \$356.7 million; with \$323.2 million coming from taxes and \$33.5 million from other revenue sources.
226. Recurrent expenditure is estimated at \$337 million; with employee compensation accounting for some \$130.8 million; \$87.3 million allocated for goods and services, \$81.7 million set aside for grants to parastatals, statutory bodies and other organizations and international bodies based on existing commitments; \$12.9 million for property and other expenses; \$345,000 for subsidies; \$4.5 million for interest payments; and \$19.4 million allocated for social benefits.
227. A recurrent surplus of approximately \$13.8 million has been projected.
228. Capital expenditure of \$39.4 million is being targeted. This will be funded by \$8.8 million in loan funds from the Caribbean Development Bank Rehabilitation and Reconstruction Loan, and \$9.1 million from the Consolidated Fund, \$17.1 million from the Development Fund as well as \$4.4 million from insurance proceeds.
229. \$19.5 million has been allocated for debt servicing - principal and interest.
230. The additional budgetary support to cover the additional \$40.5 million largely required for the capital projects will be funded through \$8.8 million from the Consolidated Fund; \$600,000 from the Miscellaneous Purpose Funds; \$800,000 from the Environmental Protection and

Improvement Fund; \$21.5 million from the Development Fund and loan disbursements of approximately \$8.8 million. This will result in a balanced budget.

231. The Ministry of Natural Resources, Labour and Immigration will receive the largest share of the recurrent allocations – \$51.2 million or 14.3 percent. This is due to the reassignment of the National Health Insurance to this Ministry as part of our streamlining of systems. The reassignment was also done in 2020 to allow the Ministry of Health and Social Development to increase its focus on healthcare and public health during this COVID-19 era.
232. The allocation to the Ministry of Health and Social Development is \$34.2 million or 9.57 percent of the recurrent budget.
233. The Ministry of Natural Resources, Labour and Immigration and the Ministry of Health and Social Development have been allocated 4.6 percent and 5.02 percent of the development budget respectively.
234. With our heightened emphasis on human capital development, 13.68 percent of the recurrent budget has been allocated to the Ministry of Education, Culture, Youth Affairs, Fisheries and Agriculture, and 26.36 percent of the development allocations.
235. The Ministry of Transportation, Works and Utilities has been allocated 12.34 percent of the recurrent budget.
236. As I have indicated, major construction projects are an area of focus for us to stimulate economic activity and create jobs for our people during this period of COVID-19.
237. For this reason, 32.73 percent of the development budget has been allocated to the Ministry of Transportation, Works and Utilities.
238. The allocations to the Ministry of Finance and the Premier's Office are 6.93 percent and 12.47 percent respectively from the recurrent budget and 12.6 percent and 9.36 percent respectively from the development allocations.

239. Some 12.08 percent of the recurrent budget has been allocated to the Governor's Group. With several major projects on the cards, such as the renovation of Government properties including the House of Assembly building, the Governor's Group has been allocated 7.66 percent of the development budget.
240. It should be noted that 37.17 percent of recurrent allocations will be for compensation of public officers, 24.8 percent will be for goods and services, and 5.52 percent for social benefits.
241. To recap, Mr Speaker, the total budget this year is \$397.17 million. This will comprise of \$337 million for recurrent expenditure; \$39.4 million for capital expenditure; \$5.85 million in contributions to various statutory funds; and \$14.96 million towards repayment of the principal on our debt.
242. In 2022, we estimate development expenditure to be \$39.4 million. This amount comprises of \$7.2 million in capital acquisitions and \$32.19 million in infrastructure development across the Territory. Central Government will be responsible for 65 percent or \$25.75 million of the infrastructure development while the Recovery and Development Agency will handle 35 percent or \$13.65 million.
243. Total expenditure for 2022 is estimated to be \$397.17 million; an increase of \$13.58 million from last year's revised budget estimate of \$383.59 million; and \$698,000 less than the 2020 revised estimated expenditure of \$397.87 million.

### **Conclusion**

244. Mr Speaker, what I have presented is just a snapshot of some of the work that has been done by your Government, its agencies and Departments over the past year as we all continued to navigate the uncertainties and threats from COVID-19.
245. The projects and programmes mentioned for 2022 are also just some of the highlights, and by no means reflect the full scope of the work that is planned for the upcoming fiscal year.

246. Ministerial colleagues will elaborate on the accomplishments and work plans for their respective portfolios.
247. It is my hope that this presentation will assist the public in understanding the wide volume and range of work that their Government has been engaged in, and which we will be performing in our continued service to them.
248. I trust that they will also have a clearer picture of how their tax dollars are being managed, and see that their Government is exercising prudence, that we are transparent and we are accountable.
249. As always, I urge members of the public to take note of the initiatives that are on the horizon and to position themselves so that they can access the benefits and opportunities that will be coming their way – especially as these relate to opportunities for employment, business and self-development. This is how you stimulate an economy for sustainable prosperity.
250. The real economic stimulus that this country needs can only come from the Government stimulating innovation, entrepreneurship, diversification, and human capital development in partnership with our people. Our foreparents did it before, and we can do it again. That is what our foreparents did and that is what we must do again.
251. Despite the challenges, the Virgin Islands economy remains strong and resilient. Look at all we have done together. Your Government is always looking for opportunities for continuous improvement.
252. Furthering the development of the Virgin Islands and her people is consistent with our obligations to our foreparents and to our future generations of Virgin Islanders, and these are obligations we hold sacred.
253. Our Virgin Islands face many threats – natural and manmade – but, with our rich history as our inspiration and our vision as our beacon, we know that with the determined spirit of our people and the guidance and protection of our God, no challenge is insurmountable, especially when we are united in purpose.

254. I now commit the 2022 Budget into the hands of GOD so that He can multiply His favour and prosperity on us as a people and as a country. I look forward to a fruitful and healthy deliberation by this Honourable House.

255. I thank you.