



BUDGET DEBATE 2022



Security



Energy
and the
Environment



Education
and Skills



Development of
Infrastructure



Social
Partnership
and Unity

BUILDING OUR JAMAICA

Sowing **S.E.E.D.S** for
Peace, Opportunity and Prosperity.

Presented By:
Prime Minister, the Most Honourable
Andrew Michael Holness, ON, PC, MP





GOVERNMENT OF JAMAICA

***BUILDING* *OUR* JAMAICA**

Sowing **S.E.E.D.S** for
Peace, Opportunity and Prosperity.

PRIME MINISTER OF JAMAICA

THE MOST HON. ANDREW HOLNESS ON, PC, MP

***BUDGET* *DEBATE* 2022**

THURSDAY, MARCH 17 **2PM**

GORDON HOUSE



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ACKNOWLEDGEMENT

Madam Speaker, I believe we can all agree that these last two years have been extremely trying times for Jamaica, and the world. We give God thanks for sparing our lives and keeping us safe to gather here to discuss plans for the nation.

Madam Speaker, it is not an easy task to manage any Parliament. The objective is to control two competing forces, robustness and rowdiness. I believe that the last Parliamentary Year, under your leadership, supported by the Most Honourable Juliet Holness, our Deputy Speaker, and Miss Valrie Curtis, our Clerk, we have been more robust and less rowdy - increasing, not only the efficiency but more so, the dignity of our work. **Madam Speaker**, the environment in which Parliament conducts its affairs should be reflective of the dignity of our work and support its efficiency. It is therefore fitting that in our 60th year, construction will commence on Jamaica's new Houses of Parliament.

There are many distinguished persons gathered with us today. **Madam Speaker**. Allow me to acknowledge their Excellencies, members of the diplomatic and consular corps, and to express gratitude for their continued cooperation and support for Jamaica, through various initiatives. I want to particularly acknowledge the support we have received during the pandemic, by way of field hospitals, vaccines, and other medical supplies.

Jamaica continues to stand as an amplified voice in defence of an equitable multilateral system of engagement, cooperation, and peaceful conflict resolution among nations. Jamaica has always been consistent in supporting and promoting universal respect and adherence to the principles of international law, and respect for the territorial integrity and sovereignty of all nations. The war in Ukraine has demanded no less of us.

Madam Speaker, I want to acknowledge the work of our public servants and public officers generally, but you will understand if I single out the Cabinet Secretary, Ambassador Douglas Saunders, who has given over forty years of high-quality service to the people of Jamaica through the Ministry of Foreign Affairs and since 2008, through the Cabinet Office. Ambassador Saunders will retire from the post this year, and I wish to commend him for his significant contribution to the public service across ministries and administrations.

I want to also acknowledge one of the most effective, knowledgeable, and hardworking Permanent Secretaries, Mrs Audrey Sewell, who anchors both the Office of the Prime Minister and the Ministry of Economic Growth and Job Creation.

Madam Speaker, we are here today because our constituencies elected us. I have been representing the people of West Central St. Andrew for 25 years now. We have achieved much for the constituency; the Jamaica China Goodwill Infant School, a new community recreation park in Molyne's Gardens, the new Olympic Gardens Police Station and finally, we are building houses for 15 families that were burnt out in Belrock.

This year we will begin construction work on an integrated community development plan for the St. Paul's Lane area of Tower Hill. Through the coordination of the National Housing Trust (NHT),

Jamaica Social Investment Fund (JSIF), the National Water Commission (NWC), the Housing Agency of Jamaica (HAJ) and private sector support, we will be regularizing and upgrading the informal settlement of St. Paul's Lane, by installing sewerage, surveying and reconfiguring lots to create pathways and roadways, constructing 20 housing units and improving some existing structures. We will also be building a Golden Age home for the community. Separately, through private and charitable support, we have signed a contract to construct another Infant School in the area. The objective, **Madam Speaker**, is to make this into a template for quick and effective interventions in transforming informally settled and depressed communities throughout Jamaica.

ENTERTAINMENT

Madam Speaker, another area of the constituency, in which I am particularly pleased to have had a hand in development is the Olympic Way Hip Strip. With the support of the TPDCo we improved the streetscape, painted the frontage along the stretch, and trained persons involved in "street food". Through the Constituency Development Fund we are now in the process of installing cameras at strategic locations to improve security. This "entertainment district" of sorts, is one of the key pillars of the economy of the community. Before the pandemic, there was a dance for every day of the week and vibrant nightlife. I do not need the Minister of Finance, or any other advocate to tell me to hurry up and re-open the entertainment sector.

I appreciate that the entertainment industry has been the most impacted by the pandemic and I have the greatest sympathy for the sector. I don't only talk about it, I have invested in it, my constituents depend on it, I have family members involved in it, and I am interested in it.

Madam Speaker, the Minister of Culture, Gender, Entertainment and Sports has already announced some economic rehabilitation grant support to the sector that could range as high as JA\$1m per beneficiary. To further support the opening of the sector, I have directed CHASE to create a special JA\$150m window of support for the Entertainment Sector. This will be used to help musicians, entertainers, theatre production companies, and promoters of festivals and events. More details including criteria for access will be made available.

Madam Speaker, the Municipal Corporations have agreed that when the Entertainment Sector is re-opened, for the first 6 months, permit fees will be cut by 50%. This will be particularly helpful to small promoters and event organisers.

Madam Speaker, the government owns and operates some venues that are prime locations for events. Some of these venues are sensitive and some are critical revenue earners. Though we would like to make all these venues available at a reduced rental cost or no cost at all, this would not be practical or possible. I have, however, directed that all Government entities, that rent venues, examine the possibility of cutting their rental rates or making the venues rent-free for defined events. I will update the sector on this at a later stage.

Madam Speaker, entertainment and culture are big business, however, this is not always understood because of the high level of informality of the sector. Not all promoters, production companies, producers and creatives are seeking grants. Some have viable products that could be financed on a commercial basis. What they lack is institutional access to credit.

Therefore, the Development Bank of Jamaica (DBJ) will establish a special Entertainment Restart Loan Facility totalling JA\$500 million. Under this facility, JA\$250 million will be reserved for micro-enterprises including vendors supporting the entertainment industry. Micro-enterprises will be able to access loans of up to JA\$750,000 from DBJ-accredited micro-finance institutions for working capital, equipment and refinancing.

An additional JA\$250 million will be reserved for small and medium-sized enterprises who will be able to access loans of up to JA\$5 million through participating DBJ Micro-finance and Approved Financial Institutions. The DBJ will be working out the details with the microfinance and approved financial institutions with a view to launching the facility in April 2022.

Last year, I asked the Ministry of Tourism to make a direct intervention in the supply of trained local entertainment talent for the sector. I am happy to announce that the Tourism Enhancement Fund has allocated JA\$50m to develop designs and start construction of the Tourism Entertainment Academy on Montego Bay Convention Centre lands. The Minister of Tourism will give more details in the sectoral debate.

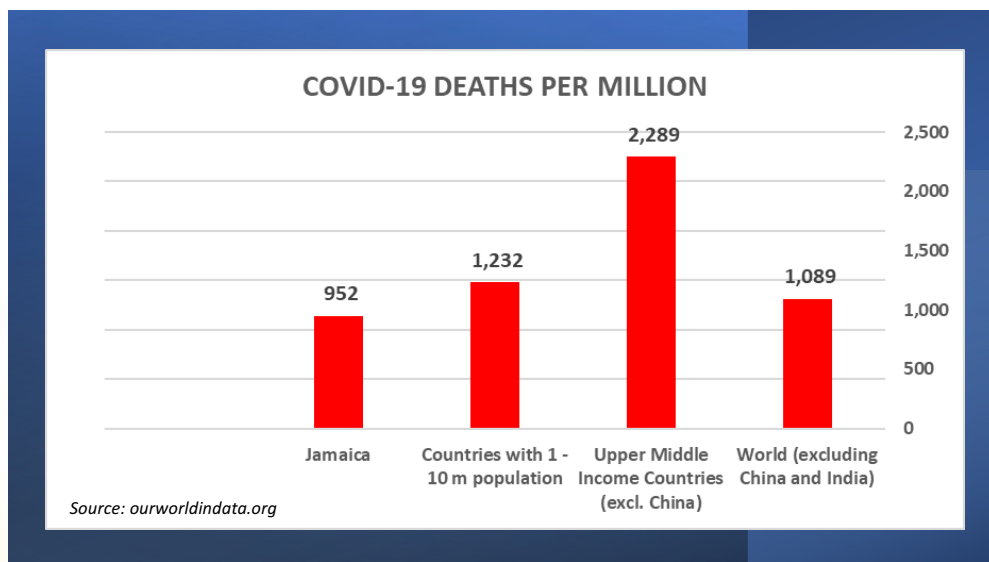
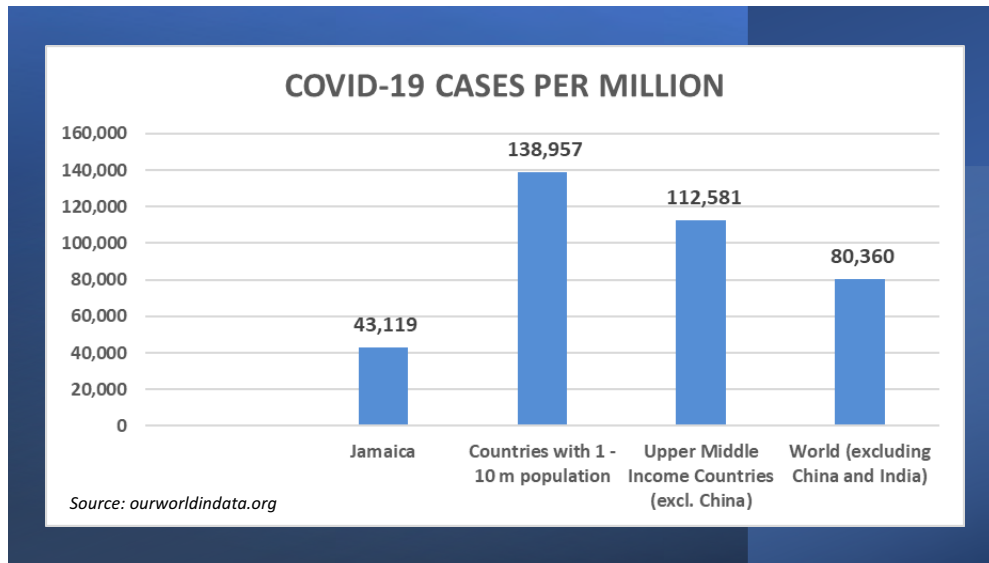
Madam Speaker, we will also be establishing a National Modern Music Grant to ensure that Jamaica continues its proud legacy of influencing global trends in music, arts, and culture. The Grant will be awarded annually to four (4) Jamaicans (one classical, one reggae and two from the dancehall space) from the music and entertainment sectors to pursue their professional advancement, whether they are artists, performers, sound engineers or composers.

Madam Speaker, we are supporting the reopening of the Entertainment Sector, not just with talk but with cash, access to credit, facilitation and training. It may be a distant memory but in June 2021 last year, the government acted early in favour of reopening the entertainment sector, just as we were coming out of the second wave, only to see the emergence of a new strain that scuttled the process. Of course, there was blame all around and accusations of unfairness. I think the lesson for the entire country is that we must be cautious and even now, be prepared for the emergence of a new strain or even an existing strain that may cause a new wave of infections.

Madam Speaker, over the past several weeks I have gotten numerous proposals from persons in the industry. They make important points such as specific support needed to protect the creators and producers of the music, such as improvements to the intellectual property, trademark, copyrights legislation. I will not be able to address these proposals here but I am taking a direct interest in the matter and along with the Minister of Culture, Gender, Entertainment and Sports, Honourable Olivia 'Babsy' Grange will carefully study these proposals with the aim of partnering with the Music and Entertainment sectors towards Building our Jamaica.

MANAGEMENT OF COVID-19

Madam Speaker, on March 10, 2020 the first case of the SARS-COV2 virus was identified in Jamaica. On March 11, 2020 the WHO declared the public health emergency a Pandemic, and on March 13, 2020, the Government invoked the Disaster Risk Management Act as the principal regulatory tool for managing the crisis.



Madam Speaker, the COVID-19 pandemic was the worst health and economic crisis in 100 years and has been by far the worst crisis faced by any administration in this country. It was the greatest test of our strength and resilience as a nation and we have done well.

Madam Speaker, we are in the midst of an impressive economic recovery.

- After a historic decline in 2020, the economy grew by 14.2% in the first quarter of the current fiscal year – the highest quarterly growth rate in Jamaica’s history - and is projected to grow by 7 to 9 percent for the 2021/22 fiscal year.
- Tourism has rebounded to near 70 percent of pre-pandemic levels. We had over 1.3 million stopover arrivals for January to December 2021. This did not happen by chance. It was a direct result of agility and collaboration between the Ministry of Tourism and stakeholders in the tourism sector.

- We are seeing a boom in construction activity with both commercial and residential real estate developments. After a decline in April-June 2020, the construction sector has recorded six consecutive quarters of growth.
- For the last three quarters, all sectors of the economy, with the exception of mining, have recorded significant growth.
- There has been a strong job recovery with unemployment in October 2021 being at a historic low of 7.1%. This is a record.
- Our Debt-to-GDP ratio which had increased from 94% in March 2020 to 110% in March 2021 is coming back down and is projected to be 96% at the end of March 2022. Of 30 countries in the Latin American and Caribbean region, Jamaica ranks 2nd in restoring the Debt-to-GDP ratio to almost pre-COVID-19 levels. Most of our peers have Debt-to-GDP ratios that are still 10, 20, 30 and some even as high as 60 percentage points higher than their pre-COVID levels.
- The list goes on, **Madam Speaker**. On metric after metric, the data is clear. Jamaica is recovering stronger. We are in the midst of a V-shaped recovery.
- Our Net International Reserves stood at US\$3.6 billion as at February 28, 2022. This is US\$500 million higher than the pre-pandemic level in February 2020. How many countries can say that **Madam Speaker**?
- We have managed to maintain the highest credit ratings that Jamaica has had in decades through the pandemic while many other countries have suffered downgrades.
- Our Business and Consumer Confidence Indices, while still below pre-pandemic levels, have increased. For the quarter ended December 2021, Business Confidence is at the highest level since the start of the pandemic and Consumer Confidence increased by 24% in the quarter.

Madam Speaker, it is important to note that these economic gains were not achieved by prioritising the economy over the health response. Our approach from the start of the pandemic was to save lives AND protect livelihoods. It was never one or the other, both had to be done together. Despite the fallout in revenues as a result of the pandemic, the Government prioritized spending on the COVID-19 Health Intervention which has cost \$26.4 billion so far. We also prioritized support to the most vulnerable in our society, giving back over \$40.6 billion to this point. This is the most any government has ever given back in care support in Jamaica's history.

Madam Speaker, we never forget those we lost to the pandemic. However, as a testament to the management of the pandemic, our number of COVID-19 cases per million of the population is 46% below the world average (excluding India and China) and 69% below countries globally with a population size of 1-10 million (Source: ourworldindata.org). Our number of COVID-19 deaths per million of the population is 13% below the world average (excluding India and China) and 23% below countries with a population size of 1-10 million (Source: ourworldindata.org). We kept Jamaica safe from the worst effects of the virus.

Madam Speaker, at this point, I want to recognise all our health care workers, our security forces and all front-line workers who have worked tirelessly and selflessly under extremely difficult circumstances. We cannot say it enough - On behalf of a grateful nation, I thank you!

The last two years have been particularly challenging for the country and we have had to depend a lot on the public health system and our essential workers. While there are particular instances of outstanding actions, the entire system worked to protect and save Jamaica.

Plans are afoot to have a special category of service awards developed for Jamaica 60, to honour our hardworking frontline workers.

Madam Speaker, our response to the pandemic has always been evidence-based, proportionate and situationally appropriate. Since November 2021, we have been widening the guard rails gradually to return the economy to full productive capacity. All our COVID-19 indicators are showing significant improvement and over two years into the pandemic, our population is no longer naive to the virus. Our citizens know what to do to protect themselves and their families.

Madam Speaker, after 2 years of dexterously balancing lives and livelihood with executive powers under the DRMA, the Orders have been gazetted. Effective tomorrow, March 18, 2022, the Order (and measures therein) under the Disaster Risk Management Act will be withdrawn.

Madam Speaker, while we acknowledge that the pandemic is not over, it must be mainstreamed into the general normal management of public health, safety and public order. It is no longer sustainable to manage the pandemic as a “special project” by Executive Order, through the Disaster Risk Management Act. However, risks still remain and continued vigilance is necessary, especially for vulnerable populations. For this reason, some measures will be retained and incorporated into Regulations issued under the Public Health Act instead. These are:

1. The requirement for persons who test positive to isolate;
2. The requirements for laboratories to protect the privacy and identity of persons testing for COVID-19;
3. Handwashing and hand sanitization measures; and
4. Mask-wearing in enclosed spaces to which the public has access, for example, supermarkets, banks, Collectorate of Taxes, will be retained until April 15, 2022. However, mask-wearing will not be mandated, but highly recommended, in establishments that serve food or drink for consumption within the premises.

Madam Speaker, regarding travel, we note that it is becoming more difficult and expensive for incoming travellers to obtain COVID-19 tests. We have decided to retain the requirement to obtain a pre-test within 3 days prior to travel until April 15, 2022, and will then reassess with a view to removal.

Maintaining physical distance will be highly recommended but no longer mandated. The general infection prevention and control protocols applicable to workplaces will also be highly recommended but not mandated. Curfews will come to an end, but we still recommend that you use your discretion with staying out late for your own safety and security.

The prohibition on events and entertainment will now be lifted as of tomorrow March 18, 2022.

The public is reminded that events are regulated under various laws and administered by various entities such as the Municipal Corporations and the JCF, from whom permits must be sought and licenses paid. The permits granted will include a condition that the number of persons in a venue be below 70% of capacity.

Certain restrictions currently applicable to hospitals, nursing homes, infirmaries and correctional facilities will become matters for policy at the level of the Ministry of Health and Wellness, the Ministry of Local Government and Rural Development, and Ministry of National Security, as applicable.

Madam Speaker, I re-emphasize, we are not declaring an end to the Pandemic. There are still outbreaks happening all over the world. We are mainstreaming the management of the disease under our existing public health laws.

Madam Speaker, We are **BUILDING OUR** Jamaica, Sowing Seeds for Peace, Opportunity and Prosperity.

SEEDS FOR PEACE, OPPORTUNITY AND PROSPERITY

Madam Speaker, in our 60th year of independence, the greatest task before us as leaders is to chart a course for the country that secures a future of Peace, Opportunity and Prosperity for all Jamaicans. Over the past decade, through successive administrations, we have laid a robust, resilient and sustainable macroeconomic foundation. This has been achieved through great sacrifice by the Jamaican people and we must never take it for granted. But this is not an end in itself, it is the means to fulfilling the dreams and aspirations of the Jamaican people. The macro-economic foundation is fertile ground on which we must now sow SEEDS for a future of Peace, Opportunity and Prosperity. **Madam Speaker**, my presentation today will be structured around these five SEEDS.

JAMAICA 60: BUILDING OUR JAMAICA *Sowing SEEDS for Peace, Opportunity and Prosperity*

S – Security

E – Energy and Environment

E – Education and Skills

D – Development of Infrastructure

S – Social Partnership and Unity



Security

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**BUILDING OUR
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S - SECURITY

Madam Speaker, since taking office in 2016, a safer, more secure Jamaica has been and continues to be a priority for this Government. I envision a Jamaica where its people live in harmony, where life, nature and property are respected, where our socio-emotional intelligence is such that violence is not used in social interaction. I want to see a Jamaica where the people can sleep with their windows and doors open and I don't resile from that. It is an ambition that we should all have, rather than gleefully jeering where the situation seems overwhelming.

Madam Speaker, I am confident that in my lifetime we will bring our murder rate down to the regional average and we will remove the propensity to violence from our people. I have dedicated myself to this cause and my resolve is steel.

PLAN SECURE JAMAICA

In 2017, we started Plan Secure Jamaica, a comprehensive, whole-of-government, multi-year plan to decisively and sustainably address the epidemic of crime and violence.

Madam Speaker, Plan Secure Jamaica comprises six (6) strategic elements, which I have outlined in previous speeches and will reiterate:

1. Strengthening the national security architecture
2. Protecting and securing Jamaica's borders, maritime space and key sectors of the economy
3. Strengthening the criminal justice system
4. Strengthening national integrity systems
5. Enhancing youth and community development
6. Attaining and sustaining public support for law enforcement and public order.

Madam Speaker, we have been systematically and strategically implementing this plan. We have been putting in place the required technology, surveillance, telecommunications, mobility, forensics, human resource, training, intelligence apparatus, legislation and institutions toward these objectives.

Recruitment and training to increase the size and capabilities of the JCF continues, and the JCF's 2021/22 target of 1,200 recruits will be met. This will be the highest number of members recruited in a single year.

It is an unassailable fact that the investment in building our national security apparatus by this Government is unprecedented.

It is important for the country to understand that we are pursuing a long-term, multi-faceted strategy that will result in sustainable reductions in crime and violence. This is not a quick fix. Under Plan Secure Jamaica, we have started to strengthen our National Security Architecture by increasing the level and intensity of cooperation between agencies in the security space to narrow the opportunities for crime and remove the profit from crimes.

GANGS AND ILLEGAL GUNS

Madam Speaker, the Government has remained unwavering in its strategic focus and resolve to disrupt and dismantle criminal gangs, interdict dons and gunmen, and confiscate every illegal gun in Jamaica.

The failure to take meaningful and targeted action against Jamaica's biggest threat, the illegal gun, by successive Governments is having lasting consequences for us today. This Government has adopted a multi-faceted approach to the problem of illegal guns, through legislation, regulations and law enforcement efforts. The Firearms (Prohibition, Restriction and Regulation) Act has been tabled in this House and is now being reviewed by a Joint Select Committee. It will introduce harsher penalties for offences connected with the illicit trade, manufacture, stockpiling, possession, profiling and use of illegal guns.

We have launched the 'Get Every Illegal Gun Campaign'. The Firearms Licensing Authority (FLA) and the Jamaica Customs Agency (JCA) have intensified their efforts to detect illegal guns entering the country. The Government has already initiated adjustments to the operations of the FLA to prevent impropriety in the issuing of gun permits. Further amendments will be made to the firearms bill to remove the discretion of a Minister to grant firearm licenses, to require fit and proper standards and security vetting for members of the board, to require security vetting and polygraphs for all staff in sensitive posts at the FLA, and to clearly define persons who are prohibited from applying for a firearm.

Madam Speaker, there have been many calls locally for our security partners to assist us with the detection of guns coming into our ports and the interdiction of persons overseas sending these guns to Jamaica. Our partners have been cooperating with us both on guns and lottery scamming. However, from our side we must show we are serious. It cannot be that agents at our ports are complicit in facilitating the import of illegal guns and contraband and nothing is done about it, it cannot be that lottery scammers and other unfit persons are able to get legal guns to carry out their illicit activities. We are tightening up the FLA and Customs, we are sending a message to our security partners that the Jamaican Government is serious about stopping illegal guns, gangs, scammers and drugs, and we will be seeking to intensify our cooperation with our security partners, particularly the United States, the United Kingdom, and Canada.

I have a word to all those overseas sending back guns to Jamaica in barrels and TV's, stop it, we will find you! You mean us no good. "Cyaan sey mi neva did warn you".

The recently launched JCF/JDF Anti-Gang Taskforce has been operational, and their efforts so far have been reaping significant success.

For the period January 1 - March 14, 2022:

- Jamaica recorded 967 major crimes, a reduction of 11%. This is the lowest incidence of major crimes since 2010.
- Murders are down by 5.2% (292 compared to 308)
- Shootings are down by 19% (222 compared to 274)
- 196 firearms have been seized, which represents an overall increase of 26% and a 100% increase in rifle seizures

Madam Speaker, for the last 50 years, illegal guns have posed a challenge for Jamaica. 70-80% of all murders involve the use of an illegal gun. We must change the risk benefit structure around illegal guns. Presently, the risk of owning an illegal gun is relatively low compared to the benefit that a gunman gets. With the new policies, laws and capabilities coming into effect the risk of being involved in any way with an illegal gun or a gunman will far outweigh the benefit claimed from having an illegal gun.

We are changing the narrative where in some communities; illegal guns are a part of life, a part of our culture, and many, especially our young men, don't see them as illegal or even as a danger. While some will choose education as their tool of empowerment and earning respect, some youth unfortunately choose the gun as their route to getting respect and money. We cannot ignore the social factors that have embedded this approach in the minds of our young men, but unfortunately over the years, we as a society have excused the possession of an illegal gun as a means of correcting historic social inequities. We have even cast the illegal gun as an economic tool, a means of livelihood, 'eating a food'. We have been ambivalent in denouncing illegal guns. We have been sympathetic to those who present the argument that they possess an illegal gun for their self defence. Yet, we look on with alarm and amazement that our murder rate is rising, that communities are captured by criminals while decent law-abiding citizens tremble in fear of teenage gangsters. We have sat back for decades as the gun culture took over our communities and our youth, especially our young males. We cannot allow this to continue.

The message we are putting forward is directed especially at our young men, those facilitators of illegal weapons; who hide these weapons or as they say, "lock them", who sell them or rent them, who carry them or courier them. The trigger pullers who use them, the shottas. I am sending a message to those who hang around the gunmen, the girlfriends, baby mothers, sisters and mothers who give them cover and protection. Give up the gun! We would have seen the increased and sustained focus of the security forces so far. If you have an illegal gun, we will find it and the consequences if you are connected with it, will be grim. Finally, to mothers and family members of those young men who have illegal guns, talk to your sons and deliver the warning to them, discourage them. Help them to give up the gun. Tell us where it is and let us find it and get it out of your life. Again - Cyaan seh mi never warn you!

Madam Speaker, the JDF continues to be a critical security asset for Jamaica. I wish to thank Lieutenant General Rocky Meade, retired chief of staff, for his sterling leadership of the JDF and welcome our New Chief of Staff, Rear Admiral Antonette Weymss Gorman. As part of Plan Secure Jamaica we have been expanding the capabilities of the JDF in air, sea, land and cyber domains. The JDF is also playing a key role in social intervention and community building through training and youth engagement.

Madam Speaker, as part of the strategic plan to increase security in our land domain, and in response to the growing trend of criminals creating hideouts and camps in very remote or uninhabited areas from which they launch attacks on communities and then escape back to these areas, the JDF will be expanding its patrol, surveillance, and presence in our remote and inaccessible regions across Jamaica. Where feasible, permanent presence will be established and this will assist not only in detecting criminals and illegal activities but with conservation of resources in these areas.

Madam Speaker, on Thursday I approved the transfer of over 100 acres of hilltop land from the Windsor Farm Property in Wareika Hills to the JDF for the creation of a special operations base. This is a strategic location from which the JDF can take control of that mountain range, and conduct a range of operations in support of the JCF and other national security goals. This is the first of many more to come. We will not cede an inch of land for criminals to feel they have control and are out of the reach of law enforcement and the Jamaican state.

Madam Speaker, too often our intelligence points to crimes being directed from prison including the ordering of murders. The phones and contraband do not walk into prisons by themselves. As it stands now our prisons are a national security risk. Last year I tasked the Minister of National Security and the JDF to finalize designs for a high security prison and identify the lands where such a prison can be built. The plans are close to completion and the land has been located and secured. We consider this a matter of great urgency to be expedited through the public investment process. However, regardless of how thick we make the walls, the number of cameras we install, and how far we locate the prison, if there is collusion between guards and prisoners, phones and other contraband will get in and messages and instructions will get out. It is precisely why the government amended the Corrections Act in December 2021 adding criminal sanction to those who facilitate and benefit from the trading contraband. To note **Madam Speaker**, the first charges have been laid, and a matter related to contraband is now before the Courts. The JCF and Department of Correctional Services will continue to "tighten the screws" on those who seek to continue their criminal enterprise from behind bars.

Despite this important step, there has to be a total rethink of the correctional services to guarantee the integrity of the service. The National Security Council will be considering further reforms in this regard to ensure that criminal masterminds and gang leaders cannot continue to conduct their criminal enterprise and direct murders from prison.

Madam Speaker, this Government is pursuing a comprehensive, sustainable strategy to improve our security and sowing SEEDS for Peace, Opportunity and Prosperity.





Energy and the Environment

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E - ENERGY AND THE ENVIRONMENT

ENERGY

Madam Speaker, just as the world seems to be getting over the worst of the pandemic, the war in Ukraine has further disrupted already fragile global supply chains and worsened high inflation levels through spikes in global commodity prices, particularly the price of oil and gas; casting a shadow over global economic confidence, just at the moment optimism about the post-pandemic recovery was beginning to take hold.

This geopolitical crisis, thousands of miles away, is of macro-critical importance to Jamaica. The cost of energy is now a fiscal risk and likely to become our most significant growth impediment. The cost of imported crude and refined oil products in 2021 was over US\$1 billion, an increase of 77% relative to 2020. The increase in the volume of imports between 2020 and 2021 was approximately 13%. The current levels of global oil prices are 40-50% higher than the average levels prevailing in 2021.

Madam Speaker, this illustrates the extent of oil price volatility and our vulnerability to its vagaries. Volatile oil prices immediately have an effect on the transport sector and on the cost of electricity. This then ripples through all segments of the economy affecting inflation and impacting our balance of payments and therefore the exchange rate. We have been monitoring the world oil prices and have been seeing some recent corrections in the spike. We expect that this downward settling will continue as the markets adjust, however prices are likely to remain high and in the long term the fundamental volatility will continue. The fiscal response to uncertainty and volatility is to build buffers to absorb shocks. This means being disciplined with revenues and targeting expenditure to the people who are hardest hit and least able to withstand adverse price changes.

There are calls from certain quarters to give up revenues, while at the same time calling for increased expenditure. The two things are not sustainably possible without increasing borrowing. While the Opposition can make these calls without any political accountability, it is the Government that must balance the books of the country so that all Jamaican households can in turn balance their books.

Madam Speaker, Jamaica has been through its period of populist economics and reckless fiscal management. It has landed us in high debt and made us unable to respond to crises without incurring further debt. It was not too long ago that the Jamaican people would tune into the budget debates with great fear and trepidation that there would be an increase in tax rates or the introduction of a new tax.

This administration has presented 7 budgets with no net new taxes and 5 budgets without any new taxes at all. In addition, we have removed taxes such as the Minimum Business Tax and income tax for over persons earning less than \$1.5m. We reduced taxes such as GCT and Transfer Taxes. I am sure every Jamaican is quite appreciative of the fact that in the midst of the economic fallout from the pandemic which was the worst global crisis in 100 years and now exacerbated by oil price increases, factors outside of our control, our Government can come to the people and say, "NO NEW TAXES". The Opposition has no credibility in asking for the removal of any tax. The last PNP Administration raised taxes every single year and the Jamaican people faced "lick after lick after lick".

Over JA\$58 billion in net new taxes were put on the people during a period of relative global stability and growth on the long hard road to fiscal stability. We cannot go back there. While I understand they are struggling hard for points in response to our Budget, I urge the Opposition to remain true to the national social consensus around fiscal discipline, which they helped to build, and not sacrifice this consensus for political expediency.

Madam Speaker, the evidence shows that when it is practical to do so, and at the first opportunity, the posture and intent of this Administration is always to reduce the tax burden on the people. As we recover, and our fiscal situation improves I am sure there will be more opportunities for give backs and tax removal.

Notwithstanding, we understand and are deeply concerned about the human suffering and economic hardships caused on vulnerable Jamaicans by general worldwide inflation, and specifically the cost of food and energy.

We have reserved resources in the budget for targeted support to the most vulnerable households and sectors. We have demonstrated that we are able to administer targeted care programmes with great efficiency and effectiveness.

This is a far better way of using scarce resources to show care.

Madam Speaker, short term cushioning is an important response to oil price shocks, however, we must take bold and decisive steps to reduce the extent of our dependence on oil and gas imports for our domestic energy needs. Jamaica is blessed with abundant renewable energy sources – solar, wind and potential for hydroelectricity – and tapping these must be a national priority. We must transition quickly from carbon-based fuels to renewables as the base of our electricity generation and commuter transport. This is the only way to shield ourselves from the instability of the global energy markets. At current price levels, a reduction of just 10% in imported oil could save us close to US\$150 million annually.

Madam Speaker, this is a policy direction that this Government has been pursuing for several years. The Ukraine crisis has only served to reinforce this policy direction and has made it even more urgent. In my Budget presentation in March 2020, I had outlined an innovative and transformational project that would simultaneously address two critical challenges – energy and water. I had indicated that the Government was exploring the implementation of a Pumped Storage Hydro Electric and Water Systems Project.

I am pleased to report that we have received an unsolicited proposal from a Consortium of reputable local and international companies to implement the project. In a nutshell, the project involves deep sea desalination and pumping the fresh water into reservoirs at high elevations using solar power. The fresh water will then be gravity fed downhill through hydro power turbines generating electricity. The water will then be channelled to reservoirs downstream to be used for household purposes and irrigation. **Madam Speaker**, this transformational project has the potential to solve the water scarcity problems of the Kingston Metropolitan Area by providing a third source of stored water supply to complement the Mona Reservoir and Hermitage Dam. At the same time, it would generate a significant amount of hydroelectric power. The project will have a significant cross-cutting impact as it will also provide climate change mitigation and adaptation benefits.

The proposal is currently undergoing technical and due diligence reviews. Subject to satisfactory completion of those reviews, it is the intention of the Government to designate the project a Jamaica 60 National Development Project and enter into direct negotiation with the Consortium in order to fast track implementation.

Madam Speaker, renewables currently account for 13% of our energy generation mix and our stated target for renewables is 30% by 2030. This will still leave us extremely vulnerable to global oil price shocks. We must formally establish a much more ambitious target for renewable energy. The Pumped Storage Hydro Electric and Water Systems Project along with other proposals on the table could move our renewables portion to approximately 50%.

The world is reaching a tipping point for the adoption of electric vehicles. A number of global automobile manufacturers have decided to discontinue the manufacture of internal combustion engine (ICE) vehicles by 2030 to meet regulatory requirements for climate change goals. Jamaica must not be left behind. We cannot become the dumping ground of the world for fossil fuel vehicles that will no longer be allowed in other jurisdictions.

In addition, because of long vehicle lifetimes, there will be a relatively long lead time between implementing policy changes and seeing the impact on our oil imports and on our environment. We must therefore act quickly. With the assistance of the Inter-American Development Bank (IDB), the Government has developed a Strategic Framework to guide the introduction of electric vehicles in Jamaica. According to the IDB, a conversion to e-mobility of 12-16% of our private and public fleet, would result in savings to Jamaica of approximately 2% of GDP.

Madam Speaker, in our 60th year of independence, this Government will pursue energy security and energy independence as a national priority; this is sowing the seeds for peace, opportunity and prosperity.

ENVIRONMENT

Madam Speaker, allow me to shift focus to the issues of Environmental Sustainability, Protection and Restoration. I have said previously and will reiterate here today, “Sustainable Economic Growth cannot be achieved on the back of Environmental Degradation, and no Inclusive Prosperity can be steeped in Pollution”.

Madam Speaker, there has been a concerted attempt by many with political motives to spread misinformation regarding the Environment and Climate Change work that my administration has undertaken both locally and internationally. It is my firm view that any objective assessment will show that this is the “Greenest Government” since Independence.

Orderly Development

Madam Speaker, I am sure it is known that I am a builder. I come from the school of putting one block on top of the other and creating great things. I am pro development. My wife is a developer and I have interests in development. It is a sign of great confidence in any government and economy, especially during a downturn to see cranes hoisting in our cities. It represents renewal and

modernity. We must be careful not to stifle this very transformational force for our economic development.

However, **Madam Speaker**, I believe in orderly development. The Town and Country Planning Authority, the National Environment and Planning Agency and the Municipal Corporations have worked together to prepare new parish Development Orders. Each parish is now covered by at least a provisional Development Order. Nevertheless, I believe we can all admit that there is a concerning level of disorder in development in Jamaica. If the transformation of our skyline, business districts and residential communities is to be sustainable and aesthetically pleasing then it cannot be done in a disorderly way. There are some developers who are noncompliant, while we make no comment on matters before the court or matters decided on, the government takes careful note of the issues raised.

Madam Speaker, a common theme is lack of monitoring, inspection and enforcement on errant developments. There needs to be greater clarity, and tightening of gaps in legislation governing development, particularly the approval process, and there needs to be greater coordination and collaboration between the various agencies and arms of government. Communities have complained of lack of consultation before approvals are granted.

Following from my discussions with both the head of NEPA and the Mayor of Kingston the number of officers will be increased and various technological solutions will be employed to improve monitoring, inspection and enforcement. Aside from improving the coordination among the various development regulatory agencies, the amendment of the 1957 Town and Country Planning Act will be fast tracked with particular focus on improving efficiency and effectiveness of the approval process, the enforcement process, and the process of consultation with the public in the local area in which the development is taking place.

Madam Speaker, the Town and Country Planning Act, is effected through the creation of various gazetted legal documents called Development Orders, which is public notice of the government's policy intent and direction on permissible parameters, form and function of development in a parish or in a particular area of a parish. A development order constitutes land use zoning maps, policy statements and standards relating to land use activities. The development order is important in guiding developers and the wider public on the location, scale, magnitude and type of development to be undertaken in a Development Order Area. It is also important in setting standards to guide the various planning authorities who must match the various development applications they receive against the standard and guidance in the Development Orders. It is therefore of utmost importance that the development orders are clear, concise, reasonable and practical, to avoid confusion and vagaries in the application of discretion in the approval process, or the creation of loopholes which can be exploited against the policy intent.

Madam Speaker, the issues affecting the various stakeholders in the development space are constantly changing from area to area and in their nature, as developers seek out new opportunities and become more innovative and enterprising. If the development orders do not adequately address the issue a contentious social mood can emerge against development, so it is important that the development order is a product of wide consultation and is current in capturing and balancing the concerns of all stakeholders. The Development order for Kingston and St. An-

drew is provisional, meaning it is not the final and approved position of the government. I have asked the various agencies involved to ensure that the Development Order is current in addressing the various concerns so that it can be finalised and confirmed by mid-year.

Madam Speaker, while there is great energy in the private development space, there appears to be very little appetite for developments in urban spaces downtown Kingston or lower St. Andrew. So far the development has concentrated in and around New Kingston and in upper St. Andrew. This is creating housing for a certain price point and income level but it is not addressing the great need for affordable housing within the city. The transformation that private development brings can exacerbate the inequalities and feelings of alienation in the society.

Madam Speaker, looking through a developers lens, there are excellent opportunities for development in areas like Central Kingston, East Kingston, South East St. Andrew to name a few areas. The land in the areas are relatively affordable, the topography is usually flat, basic infrastructure exists or is in close proximity, and the lands are close to economic centres with established public transportation. This by itself would be a developer's dream. However, putting on the financial and economic lens, there are several impediments and risks to private capital that prevent its deployment in those areas. Some of these are known to us, security immediately comes to mind. The fragmentation of land in these areas and the uncertainty of ownership is also a major impediment. If a developer is going to deploy capital in a project with low margins, then scale becomes important in securing returns. The lot sizes available for scale do not readily exist, and while there may be lots available, those lots would not be contiguous. Ideally, we would want to be able to organise the redevelopment of an entire street or an entire block at once. The challenge would be to locate the owners and coordinate their interest at the same time. This is often an impossibility and can be a long and unwieldy process.

Madam Speaker, under the Urban Renewal (Tax Relief) Act, the Government has a very useful tax incentive programme which is administered by the Urban Development Corporation where certain areas of Kingston and St. Andrew are zoned for tax relief and other incentives if private entities pursue developments within those special areas, they would be able to benefit from this incentive programme. Very few if any have applied for the relief. In an article in the Sunday Observer of June 27, 2021, a developer explained some of the reasons why the developers were hesitant to take up the incentives, chief among his concerns was the bureaucracy surrounding the programme and the complications and potential delays which could affect profitability of low margin developments.

Madam Speaker, there is clearly a need for a more coordinated and strategic approach to stimulating and attracting private capital in areas in need of urban renewal. In addition to tax incentives, government has additional tools in the Housing Act, the Local Improvement (Community Amenities) Act and government for the first time in decades, has a clear pathway for capital expenditure. The government will therefore be revisiting the zoned areas under the Tax Incentive Programme for Urban Renewal with a view to including certain selected areas which are not now covered but aligned and in proximity to governments capital expenditure to improve infrastructure. The requirements for the programme will be reviewed to reduce unnecessary bureaucracy, and the government will use its powers under the various legislations where necessary to acquire parcels of land for the purpose of renewing and developing communities of affordable housing in urban areas.

Madam Speaker, I have been deliberate in not giving too many details because I do not want to go ahead of the finalisation of the Development Order, neither do I want speculators to start to act in the market. This will be a game changer for our blighted urban communities and for person seeking to find afford housing in Kingston. This is planting a seed for peace, opportunity and prosperity.

Protected Areas

Madam Speaker, Jamaica is a member of the High Ambition Coalition for Nature and People which has a target of a minimum of 30% protection of land and oceans by 2030. This means that Jamaica is actively pursuing the protection of 30% of its landmass and 30% of its marine areas by 2030. These targets reflect Jamaica's clear ambition to double the targets currently agreed on by the United Nations Environment Programme of 15%.

The Convention on Biological Diversity, to which Jamaica is a Party, defines a protected area as 'a clearly defined geographical space, recognized, dedicated and managed through legal or other effective means, to achieve the long-term conservation of nature with associated ecosystem services and cultural values.

During the current fiscal year, the Government has also made significant progress in advancing protected areas legislation.

Firstly, the Black River Protected Area in St Elizabeth. In my hand is the gazetted order bringing the previously announced legal protection for this area into effect. This designation of the "Black River Protected Area" will preserve the natural and cultural heritage of the area, including the swamp forest, mangroves, beaches, seagrass beds and coral reefs.

Secondly, **Madam Speaker**, I am proud to advise this Honourable House, that the work to declare 78,024 hectares of the Cockpit Country a protected area is complete. Again, in my hand is the gazetted order under the NRCA Act which provides binding legal protection to the area displayed on the map. It is important to note that the protected area is approximately 3,292 hectares larger than the 74,726 hectares which was announced in 2017.

Madam Speaker, the CCPA is the island's largest terrestrial protected area and overall, the second largest protected area after the Portland Bight Protected Area which spans 187,615 hectares of both terrestrial and marine areas.

To facilitate an accurate definition of the boundary of the CCPA, a ground truthing exercise was undertaken. This activity commenced in July 2018 and was completed in December 2021. In undertaking this exercise, the Department surveyed and installed geo-referenced permanent markers along 77% of the boundary and used outstanding topographical features to delimit the remaining 23%.

Madam Speaker, we have also included an additional 841 hectares of the "clawed back" area under mining lease SML173 within the boundary of the CCPA. Concurrent with the designation of the CCPA, the Government has issued the Mining (Prohibition) (Cockpit Country Protected Area) Notice, 2022 under which the entire area is closed to prospecting and mining.

In closing on the issue of Cockpit Country, I wish to also advise the country that the Government will not stop simply with the designation. Work is advanced with the help of the Global Environment Fund to invest US\$49 million over the course of the next 5 years into sustainable management of the protected area.

Madam Speaker, there is more to come.

In the upcoming financial year, we will move forward with the protection of the Pedro Cays and the surrounding waters. The work in this area is far advanced and will protect 88,200 hectares of land and marine area.

In addition to this, **Madam Speaker**, the Government will move to create a Designation under the NRCA Act for Ecologically Sensitive areas. This will provide a greater level of protection for areas with particular environmental sensitivities. The Government has already identified 16 such areas, 9 of which will be in the coastal zone. The Great Bay Area in South West St. Elizabeth, and the Dry Harbour Area in St. Ann are on the list of areas to be protected. This will mean that activities such as mining will not be permissible in these designated areas.

Madam Speaker, with the addition of the CCPA, and the completion of the new designations, we will be well on our way to meeting the target of 30% of land and marine areas under protection by 2030.

Madam Speaker, this Government is protecting Jamaica's environment for future generations and sowing SEEDS for Peace, Opportunity and Prosperity.



Education and Skills

BUDGET
DEBATE 2022

**BUILDING OUR
JAMAICA**

E - EDUCATION AND SKILLS

Madam Speaker, education is the foundation on which all our aspirations of Peace, Opportunity and Prosperity depend. The root cause of and therefore the solution for all our economic and social ills – poverty, crime and violence, economic stagnation – lies in the education and socialisation of our children.

The pandemic has had a devastating impact on education. While there have been many notable successes in getting children tablets and computers as well as expanding internet access, the learning loss over the past two years has been incalculable. Jamaica is not unique in this regard. UNESCO reports that school closures impacted approximately 1.6 billion children or 94 percent of the world's student population.

Madam Speaker, I want to thank the many principals, teachers, school workers, parents and students who have done their best to persevere in the most difficult circumstances. Nothing could have given me more satisfaction than to see our children returning to full face-to-face schooling.

Madam Speaker, we have budgeted approximately \$1 billion for this upcoming fiscal year for temporary teachers to help our schools. Since the recent launch of our extra lesson programme to help with the recovery, 2100 students have registered for the online extra lesson programme and 11,926 students have registered and are now engaged in the face-to-face extra lesson classes (6175 secondary students and 5751 primary students). I want to encourage our students and parents to take advantage of this extra -lesson support to begin to make up for the learning loss.

While we work to address the learning loss from the pandemic, we are concurrently embarking on a systemic transformation of our education system to address three fundamental issues: The first is the quality of education and alignment with the future job market.

Many of the things we take for granted today - iPhone, twitter, WhatsApp, Instagram and snapchat - did not even exist 20 years ago. If we take a look at the most valuable companies in the world by market value in 2004 versus today:

- In 2004, General Electric was No. 1. Today, it ranks 134th and Apple is at the top.
- Only one company (Microsoft) that was in the top ten in 2004 is still in the top ten today.
- In 2004, only 2 of the top 10 were technology companies. Today, it is 7 of the top 10.

This shows us the fast pace and direction of change. We are now firmly in the midst of a global technological revolution, the 4th Industrial Revolution, that is transforming the way we access information, communicate, learn, and even play. In its scale, scope, and complexity, the transformation is unlike anything we have experienced before.

In our 60th year of independence, as we look to the future, Jamaica cannot rely solely on the industries that have sustained us for the last 60 years. We must bring new ideas and technologies to expand and increase efficiency of our traditional industries. We must also create and invest in the industries of the future to diversify our industrial and productive base.

The World Economic Forum in its Future of Jobs Report 2020 estimated that by 2025, 85 million jobs may be displaced by technology. However, the Report also estimates that 97 million new roles may emerge that are more adapted to the new division of labour between humans, machines, and algorithms.

Madam Speaker, is our current education system geared toward preparing our children to compete globally and get their fair share of these 97 million new digital economy jobs? I think we all know the answer. We therefore need to urgently transform our education system so that our children have the skills to participate in this revolution.

STEAM disciplines (Science, Technology, Engineering, Arts, and Mathematics) and Coding are at the heart of the global technological revolution. We must truly embrace science and technology as drivers of economic transformation and growth.

Madam Speaker, we are known for our athletes, music and culture; now we must become known for being innovators and creators in science and technology. We must harness the same audacious spirit that makes Jamaica as a small tropical country bold enough to compete in the Winter Olympics to believe that we too can compete with the best in this global technology revolution. This is something we have done before. There have been several ground-breaking Jamaican innovators. For example:

- Drs. Manley West and Albert Lockhart developed Canasol, a breakthrough treatment for Glaucoma.
- Dr. Cicely Williams discovered the child malnutrition syndrome, kwashiorkor.
- Dr. Thomas Phillip Lecky created new cattle breeds that are more suitable to the Jamaican climate and terrain.
- Dr. Paula Tennant developed a bioengineered papaya plant that is resistant to the Papaya Ringspot Virus (PRSV).

I have named just a few. There are several others. How many Jamaicans, particularly our children, know of these Jamaican scientists?

Madam Speaker, in our 60th Year of Independence, we must ensure that their stories are publicized and heard by every boy and girl in school so that they appreciate the rich legacy that has preceded them on which they must build the new Jamaica. We must endow Jamaican boys and girls with not only the technical skills but the self-confidence and belief that it is not beyond them to develop the next great innovation, the next Google or Apple, or find the cure for cancer, right here in Jamaica.

We have begun the transformation but there is still a long way to go. The Government has been taking deliberate steps to position Jamaica as a technology and innovation hub – the Silicon Valley of the region. We have recently launched the Coding in Schools Programme in partnership with the Amber Group and Digicel. Coding will be taught from Grade 1 to Grade 13 across all public schools and youth will acquire basic numeracy, language and problem-solving skills which are the prerequisites for coding.

Madam Speaker, while the pandemic slowed down our plans, we have not given up on our objective to build six (6) new STEM schools and one new Performing Arts school. Work has con-

tinued apace to identify lands and we will launching an Architectural Design Competition for the designs of these new schools.

The second core objective of education transformation is the restoration of our societal values. Over the past decades, there has been an erosion in the moral fabric of our society and the basic norms of decency and civility that once characterised us as a nation. Verbal and physical abuse, vulgarity and barbarity are becoming far too commonplace in our inter-personal interactions. We have socialised an entire generation into normalising violence. This is at the root of our epidemic of violence.

The National Commission on Violence Prevention was established to study the problem of violence and the existing strategies being used to reduce violence and make realistic and attainable recommendations. The Commission has been consulting with violence prevention stakeholders in the public and private sector and civil society to identify gaps in past and current initiatives. The research confirms that violence prevention is a complex task, and requires a comprehensive approach, including legal, educational, cultural, behavioural and social protection interventions. Another critical finding is that violence prevention is most effective when it begins at an early age; parenting support and early childhood development are critical investments in violence prevention.

Over time, violence prevention recommendations will be used to guide the creation of policies and programmes geared towards a shift in cultural norms and behaviours.

If we are to have any hope of restoring the values, attitudes, and behaviours that we once cherished as inherently Jamaican, they must form a central part of the education and socialisation of our children. A key component of our educational curriculum must be focused on developing the socio-emotional intelligence, competencies and skills that will enable us individually and as a people to accomplish great and complex tasks productively with a pro-growth and pro-social mindset while managing our emotions in social transactions to resolve conflict without violence and deviance.

The third core objective of education transformation is to address longstanding issues of inequity in our system. Education is the great socioeconomic equalizer. Several of us came from very humble beginnings and we are here as a result of access to education. We owe it to current and future generations to give them the same opportunity. Under our current education system, access to the best schools is highly correlated with socioeconomic status. We must take decisive steps to improve access to quality education for the poor and underprivileged.

We now have the report of the Education Transformation Commission chaired by Professor Orlando Patterson which provides us with a solid blueprint and recommendations for the way forward. The Ministry of Education and Youth has begun its analysis of the report and recommendations.

Madam Speaker, one of our challenges as a country has been implementation. In order to ensure that the Commission's recommendations are implemented, I will appoint an Education Transformation Oversight Committee (ETOC) drawn from members of the Commission and key stake-

holders, including the Opposition, that will be responsible for monitoring and publicly reporting on the progress of implementation of the recommendations. The Oversight Committee will be chaired by Dr. Adrian Stokes, a Financial Economist and Senior Business Leader who is a Director of the DBJ.

THE HEART/NSTA TRUST

Madam Speaker, let me now turn to the HEART/NSTA Trust. Over the 40 years of its existence, the Trust has trained and certified hundreds of thousands of workers and established an enviable institutional framework for TVET in Jamaica. In fact, in the last Global Competitiveness Report issued by the World Economic Forum in 2019, Jamaica ranked 36th out of 141 countries in the quality of vocational training. Jamaica was the highest ranked Caribbean country and the third highest in Latin America and the Caribbean.

Madam Speaker, while we work to strengthen the governance of the Trust and refocus its strategy to improve its effectiveness, let us not “throw the baby out with the bath water”. We need to build on the Trust’s multi-decade institutional knowledge in the fields of technical and vocational training, national service and lifelong learning.

Madam Speaker, I have appointed a new Board under the chairmanship of Professor Alvin Wint. Key changes that the new Board intends to implement are:

1. Improvement in the quality of vocational training through increased integration of STEAM skills;
2. A shift in the training model to a greater focus on Industry attachment, through apprenticeship;
3. Re-introduction of Service Corps to increase engagement of unattached youth and Strengthen National Service in: Environmental Management, Geographic Information Systems, Infrastructure and Construction, and Document Management and Digitization.
4. Increased engagement of “at-risk” youth.

Madam Speaker, I have also asked Professor Patterson, as a follow up to the Report of the Education Transformation Commission, to lead a comprehensive review of the organisation and delivery of the Jamaican system of Technical and Vocational Education and Training (TVET) including an institutional review of the HEART/NSTA Trust and recommend changes to improve its effectiveness.

Madam Speaker, this Government is transforming our education system and sowing SEEDS for Peace, Opportunity and Prosperity.





Development of Infrastructure

BUDGET
DEBATE 2022

**BUILDING OUR
JAMAICA**

D - DEVELOPMENT OF INFRASTRUCTURE

Madam Speaker, this Government has always viewed the development of infrastructure as a key driver for progress and a critical enabler for productivity, job creation, poverty reduction and sustainable economic growth.

We are improving our Physical Infrastructure - roads, bridges, houses, ports, schools, hospitals, police stations, tourist establishments, water and sewer lines etc. and our Digital Infrastructure, which are the foundational services necessary for the information technology capabilities of the country such as digital identification systems.

Let me emphasize that infrastructure is not just roads and buildings, it is the interconnected system of sustainable, resilient and inclusive solutions that work together to drive progress toward our goals. In order to optimize these solutions and accelerate growth, the link to improvement in quality of life must be evident.

Madam Speaker, we are cognizant that Jamaica's infrastructure is under stress. Much of our infrastructure is aged; we have population and economic activity shifts. In this our 60th year, we must tactically and strategically plan for our development to address the current symptoms of infrastructure deficits — traffic congestion, inadequate healthcare, poorly designed townships, insecure water and electricity supply, as well as pollution.

It is why the strategic aim of this government has been to deliver modern infrastructure that meets our present needs and facilitates future development.

Physical Infrastructure

Our Road Network

Madam Speaker, it is often said that the road to development begins with a road. However, when road networks are not properly planned they become a hindrance to development. The approach to improving our road network has to be strategic and systematic in order to future proof the development opportunities.

Madam Speaker, as Jamaica becomes more urbanized, it is obvious that our present road network cannot efficiently carry our development needs. By our history, most of our roads followed the coast as many towns formed around ports. We are now finding that our coastal roads are at risk from sea level rise, but they also cut through valuable beach front land which limits development prospects.

Some of our main roads and highways pass through “one-road townships” which slows down traffic significantly and increases travel time. We have been steadily developing a programme to move our roads inland as much as possible and realign routings for highways to avoid going through townships. However, we are realigning the road and bypassing townships so as to create safer and more resilient infrastructure and improve driveability and shorten journeys which is good for commuters, it is also good for the towns by taking off unnecessary congestion.

Madam Speaker, the grand vision, which is also a practical vision, will not only involve the relocation of roads, to safe ground and better alignment, there are townships that in their present locations are indefensible to climate change effects or logistically challenging for greater development plans. I know in the minds of some, towns are immovable. However, as we seek to build a first class infrastructure and smart urban areas which are the basis of good quality of life, we must orient our minds with the very fundamental interest of improving the lives of people at the forefront, to recognizing that the elements of our built environment are to be logically and strategically arranged for efficiency, sustainability, and aesthetics.

Montego Bay Perimeter Road

Madam Speaker, in my last Budget presentation, I outlined the plans for the Montego Bay Perimeter Road so I am pleased to update the nation today. The US\$274.5 million contract was signed with the China Harbour Engineering Company and the process of land acquisition and design works is ongoing. The contractor has been mobilized and works on the widening and improving of some local roadways in Montego Bay are slated to begin in the coming Financial Year. This will be transformational to the city of Montego Bay.

Allow me to note two other important features of this major road infrastructure project:

- The development will be done in an environmentally sustainable manner as NROCC and the Forestry Department have signed an MOU which will see large-scale replanting of trees (approx. 62.5 hectares), to replace the tree cover that may be affected during the construction, and;
- The contractor is contractually required to collaborate with the HEART/NSTA Trust on ensuring Jamaican workers are trained and benefit from knowledge transfer.

Madam Speaker, it is of such tremendous significance that I will again highlight that, this will be the first major highway development which is financed with Jamaica's own resources rather than borrowed money. We have come a long way as a country. This Government is not only ensuring that Jamaica makes strides in the development of critical infrastructure but also in how these developments are financed.

The Hopewell / Sandy Bay / Lucea Bypass

Madam Speaker, once the Montego Bay Perimeter road is complete, we are sure that public sentiment will mount regarding the congestion in Hopewell, and Lucea. The NWA has developed preliminary designs and plans for these towns, however the geography of the area makes it quite difficult and expensive to construct bypasses. I have assigned Minister Homer Davis to begin consultations with the Hanover Municipal Corporation and the political representatives, on possible solutions and strategies that could be employed to achieve the objective of improving traffic flows and developing the townships.

The Southern Coastal Highway Improvement Project (SCHIP)

Madam Speaker, the implementation of Southern Coastal Highway is one of the Government's flagship road projects for the upcoming fiscal year. The works being implemented under the project, include:

- Road widening and realignment
- Drainage upgrade
- Bridge construction

- Water line and Sewer line installation
- Ducts for fibre optic cables (in collaboration with MSET)
- Traffic management improvements
- Safety improvements (sidewalks, streetlights, markings, signage, etc.)

This is not only a roadway, it is a development corridor and a game changer for the eastern end of the island.

Madam Speaker, Tranche 1 of the project has five (5) packages which are between 63% and 78% complete with the Hordley to Long Road and Manchioneal to Fair Prospect stretches at the highest levels of completion. Cumulatively, the Government is spending just under \$5.4 billion on the corridors making up Tranche 1.

Tranche 2, valuing approximately \$6.6 billion, has a further five (5) packages and is between 15% and 30% complete. Just over 38 kilometers of road is being targeted for reconstruction under this tranche.

Additionally, the May Pen to Williamsfield (PHASE 1C) of the Southern Coastal Highway Improvement Project is underway and is scheduled to be completed in March 2023. Upon completion this road extension will enable the bypass of the winding and narrow roads of Porus in Manchester, eventually merging into the Melrose Hill Bypass. It will reduce the travel time from Kingston to Williamsfield to approximately 40 minutes, thereby improving personal productivity and providing a basis for bolstering business activity, including South Coast tourism.

Madam Speaker, while we celebrate the gains, I must also acknowledge the disruption to the daily life of citizens, especially in Portland and St. Thomas.

Some residents have been negatively impacted by the disruptive nature of the works. I have directed the NWA to ensure that contractors are respectful of the rights and property of the residents. I ask the residents and commuting public to continue to have patience and pardon us, as we make progress on your road to prosperity. You will be the beneficiary of a high quality integrated road infrastructure that will enable future economic development for the next 40 years and beyond.

Northern Coastal Highway Project

Madam Speaker, traffic volumes along the North Coast Highway have increased significantly since it was developed in the 1990s and therefore exceed the design capacity of the current roadway. With new housing and commercial establishments along that route, the highway, in some sections, functions more like a local road with many ingress, egress, crossings, and encroachments. This means that travel time and congestion on the roadway will be increased for road users. We have been hearing the complaints of the travelling public on this very important corridor.

NROCC has commenced project planning activities for the upgrade of approximately 60 Km of roadway from Seacastles in St. James to Mammee Bay in St. Ann from 2 lanes to 4 lanes, with a 21 Km 4-lane bypass for the now constrained and congested towns of Discovery Bay and Runaway Bay. We are expecting to complete the planning phase, to progress to the public investment approval phase and procurement phase in time for construction in the next Financial Year.

Annotto Bay Bypass

Madam Speaker, the NWA is currently carrying out shoreline protection work on sections of the North Coast Highway that leads through Annotto Bay. In addition to the threat from the sea, the road leading through the town is significantly congested. The NWA has finalised an alignment (route) for the bypass road which is more inland. Design work will begin this year and we expect to have the project through the investment approval and procurement process in time for construction in the next Financial Year 23/24.

Port Antonio Bypass and the Wider Port Antonio Development

Madam Speaker, you will recall that the GOJ undertook the Southern Coastal Highway Improvement Project with the expressed aim to unlock the developmental potential of Jamaica's South and East Coast. In furtherance of this goal, the Government has approved the construction of the Port Antonio Bypass, in Portland as a part of the Southern Coastal Highway Improvement Project. As currently conceptualized, the project will see the construction of 17.4 Kilometers of four (4) lanes of arterial road around Port Antonio and two standard shoulders.

Madam Speaker, the initial and primary objective is to take passing traffic out of the town, therefore two (2) driving lanes will be fully built out in the first phase, with reservations for the remaining two lanes and utility corridor to accommodate water, sewerage, and broadband. The medium term objective is to plan out residential and limited commercial development along the bypass corridor which will connect with the 140,000 square feet Boundbrook Urban Centre. This will create opportunities for the people of Portland to have access to structured development, while lessening the urban use burden on Port Antonio itself. The Port Antonio Bypass Road is targeted to begin construction in the Financial Year 23/24.

Urban High Traffic Road Improvements

Madam Speaker, the Government plans to implement a J\$13 billion Special Capital Expenditure (CAPEX) Programme targeting six (6) strategic high traffic corridors:

PROJECT	PROJECTED		
	START	FINISH	DURATION
Widening of Arthur Wint Drive (Mountain View to Tom Redcam)	April 2022	August 2023	16 Months
Dualization of Grange Lane (I-95 to Madrid Avenue, includes Cumberland Gully Bridge)	April 2022	January 2023	9 Months
Dualization of East Kings House Road and Lady Musgrave Road (Barbican Road to Hope Road to Trafalgar Road)	May 2022	May 2024	24 Months
Widening of Braeton Road and part of Hellshire Main Road (from Naggo Head to the Texaco Gas Station to East Mid Street)	April 2023	August 2024	16 Months
Widening of Sandy Gully Bridge on Washington Boulevard (north side) at Pembroke Hall to part of Ken Hill Drive dualization	April 2023	June 2024	14 Months
New Portmore Access (Mandela Entry into Portmore; Bridge over Rio Cobre)	August 2023	December 2024	16 Months

These works comprise road & drainage improvements, potable water and sewer line upgrades, traffic management & road safety improvements, installation of street lighting, and provision of underground ducts for fibre optic cables to enable future broadband connectivity.

Madam Speaker, the NWA has other high traffic urban roads in the design stage but are not yet put through the public investment and procurement phases. In particular I wish to give notice that work will continue on the upgrading of the Constant Spring Road corridor from Manor Park to Stony Hill Road.

Smaller Community Projects

Madam Speaker, while the Government is focused on realizing economic growth and development through several large-scale construction projects, we have not forgotten to invest in our communities. During the last fiscal year, the NWA expended some J\$5.3 billion on road maintenance and repairs. Another J\$637 million was spent on flood mitigation works.

Madam Speaker, I am also very aware of the seriousness of flooding in some areas of the country, including along Marcus Garvey Drive. Works will be done on mitigating the impact of stormwater flows in places such as:

- Marcus Garvey Drive, St. Andrew
- Maxfield Avenue, St. Andrew
- Falmouth Drag Line, Trelawny
- May Pen, Clarendon

- Santa Cruz, St. Elizabeth
- Port Maria, St. Mary, and
- Montego Bay, St. James

Madam Speaker, I believe that with investments in these locations, our more resilient infrastructure will safeguard against some of the shocks we receive from natural disasters.

Special Focus on Portmore – Jamaica’s 15th Parish

Madam Speaker, English colonial government divided up Jamaica into three counties and various parishes for purposes of political and municipal administration. Jamaica has had as many as 20 named parishes. We no longer have a St. Thomas in the Vale, or St. Dorothy. These parishes were all incorporated into the parish of St. Catherine by law in 1867 which defined our present 14 parishes up to today.

Madam Speaker, there is no question that Portmore has evolved distinctly and discreetly from St. Catherine. The people in Portmore identify themselves with Portmore and they get most of their services in Portmore. There has always been a recognition that Portmore as a community was evolving to the point where it should administer its own affairs hence its municipal status. However, Portmore has evolved even further since its municipal state and it became quite clear to me during the outbreak which necessitated the lockdown that Portmore was geographically, socially and economically constituted as its own distinct administrative unit and concern, quite unconnected to the issues and concerns of the St. Catherine Municipal Corporation.

Points being made about the absence of important infrastructure such as a hospital or a market are not fatal to Portmore becoming a Parish. As announced earlier the government will be undertaking 3 major road improvement projects in Portmore including a new seamless access to Portmore from Mandela. The Ministry of Health and Wellness has already unveiled plans to significantly improve the health infrastructure. The Government is now actively reviewing lands in Portmore to construct a fire station and a market, and the UDC is finalizing plans to construct a climate change park. We have the Emancipation themed Park in St. Andrew, we built the Harmony themed Park in Montego Bay, and now we will have the Climate Change themed park in the Parish of Portmore.

Madam Speaker, the government intends to develop Portmore into a Smart Tech City serving the Global Services and Knowledge Services industry. Through the Port Authority and the Factories Corporation we are making major investment in infrastructure to support these industries. We know that the people of Portmore share this vision of an economically thriving, urbane, modern, creative and socially progressive community. We are confident that the new Parish status will unleash a sense of pride in the community which will see the fulfilment of this vision.

Port Authority of Jamaica

Turning now, **Madam Speaker**, to the Maritime Sector, there were several positive developments by the Port Authority of Jamaica in 2021/22 despite the challenges imposed by the pandemic.

Cargo Operations

The cargo transshipment sector grew by over 20% in spite of global supply chain disruptions.

There was an expansion in volumes at the Kingston Container Terminal by several large shipping lines. During the year, the capacity of the terminal was officially certified as 3.2 million TEU, up from 2.8 million TEU.

Cruise Shipping: Creating a Multi-destination itinerary

Cruise Shipping was the sector most badly affected by the pandemic. The complete cessation of vessel arrivals in April 2020, continued throughout the first half of this fiscal year. Through careful efforts ships began to slowly return in September growing steadily and expanding to all ports by the end of 2021. Notwithstanding the loss of revenues from cruise operations, the PAJ continued investing in upgrading the facilities at all the terminals with a view to improving the efficiency of operations and in keeping with a deliberate strategy of differentiating each of the island's terminals.

In Ocho Rios, a second major berth was developed at the Reynolds Pier to accommodate the increasing demand from the cruise lines. All industrial activities have been moved to the western side of the port and the eastern end has been transformed into a cruise-friendly location with a new reception building, new ground transport handling facilities and new amenities. A new promenade linking the Reynolds Cruise facilities to the town of Ocho Rios was completed. In total, over US\$23 million has been invested in the Reynolds Pier transformation. Madam Speaker, Ocho Rios now boasts a second berth for the largest cruise vessels, a capability befitting the Caribbean destination with the most exciting attractions.

In Falmouth, the PAJ completed a unique Artisan Village at Hampden Wharf in collaboration with the Tourism Enhancement Fund. The newly constructed shopping facility will offer visitors the best available products from local artisans, craftsmen, entertainers and culinary experts. The facility will be accessible directly from the Cruise Port and will be open to the general public. The facility has been handed over to the Tourism Enhancement Fund which will be managing the operations of the facility.

In Port Royal, the new terminal has been completed and is fully functional with attractive reception facilities, ground transport handling facilities, and the Seawalk berthing system. In addition, Fort Charles has been substantially upgraded, a new promenade linking the terminal to the town has been constructed, a new sewage treatment plant to accommodate the terminal and the town has been commissioned and a building to house a new museum and a restaurant is under construction and is to be completed in the second quarter of 2022. In collaboration with the NWC, the connections in the town to the new sewage facility are to be implemented during the coming year. The NWC will also be upgrading the water supply to the town. The National Housing Trust and the Housing Agency of Jamaica will collaborate with the PAJ and the Urban Development Corporation to renew the housing stock and associated infrastructure in the town and to participate in the implementation of the new Master Plan.

Madam Speaker, though badly hit by the pandemic, we used the time wisely to prepare for the recovery. The investments in restoring the competitiveness of our cruise ports have begun to pay important dividends. With our growing international competitiveness, the Government's focus is now on ensuring that it brings real economic sustainability to the towns which serve as hosts to these ports. The objective is to create Jamaica as its own multi-destination cruise-ship itinerary

of unique stops. We have Montego Bay, which is different in offerings compared to Ocho Rios, which is different in offerings from Falmouth; and we now have Port Royal with its own historical unique offerings. For this strategy to work, we must invest in developing the town as well as the port.

Madam Speaker, I already mentioned some of the plans for the Port Antonio Bypass. The other half of the plan is to develop the tourism potential of the town. I have given directions to the PAJ to develop the East Harbour as a cruise port and to develop the lands surrounding West and East Harbours, Titchfield Hill, Navy Island, Boundbrook and the Folly Lands utilising a PPP framework to construct appropriate hotels, resorts, residences, shopping, galleries, and restaurants. This will be the largest and most ambitious development of its type in the region. The concept is to create a low density, high value, sustainable tourism product, that is in keeping with the character of Portland, but will also bring jobs and opportunity for the people of Portland. Again, let me say that this development along with the developments in St. Thomas will make the long-neglected Eastern part of the island, the new frontier of development in Jamaica. We are planting the seeds of Peace, Opportunity and Prosperity.

Special Economic Zones

In respect of Special Economic Zones, the development of 160,000 square feet of modern new facilities was completed at the Portmore Informatics Park which is now fully tenanted. The modern new campus, constructed at a cost of US\$21 million establishes the new benchmark for the Global Outsourcing sector which is seeking to move up the value chain to create new higher value-added jobs.

A new 200,000 square foot logistics facility was completed at the Kingston Logistics Park, immediately adjacent to the Kingston Freeport Terminal. The facility meets and exceeds the established international standards for new logistics facilities and is now tenanted. In addition, a new Security Complex, currently housing the Jamaica Customs Agency's CET Operations and the operations of the US Container Security Initiative was constructed and is also fully tenanted.

A new state-of-the-art Buoy Tender christened Jamaica III was acquired at a cost of US\$17 million. Equipped with the most modern features and capabilities for a workboat of this type, it will make the process of maintaining the buoys and beacons around the island substantially more efficient and will also play a critical role in the maintenance of the lighthouses and berths across the country.

Monetization of BPO Assets

Turning to what is to come Madam Speaker, the PAJ having pioneered Jamaica's Business Process Outsourcing industry in its Montego Bay Free Zone and having established Portmore Informatics Park as the new benchmark of excellence in the sector, will now seek to monetize some of its investments in this sector and reinvest the proceeds in catalyzing development in other economically attractive growth areas where the Private Sector has yet to become comfortable.

Madam Speaker, this is consistent with the PAJ's role as an agency of Government that catalyses and stimulates development. Accordingly, the PAJ is at an advanced stage of preparing to bring some of its BPO assets to market in a way that will allow a wide cross-section of Jamaicans to participate as investors in this growing sector of activity where Jamaica has demonstrated a distinct competitive advantage.

The proceeds from the monetization will be re-invested in expanding near port logistics assets immediately adjacent to the Kingston Container Terminal and in Caymanas. This is an important area of opportunity for Jamaica with the improving competitiveness of our terminals and the trends towards nearshore production and logistics operations in our hemisphere.

Factories Corporation of Jamaica

Madam Speaker, I have already outlined major plans for the eastern end of the island. I am happy to report that following the securing of funds, the contract for the Morant Bay Urban Centre was signed yesterday. Under this project, 436,000 sq. ft. of space will be created to house public and private sector entities.

Madam Speaker, for the upcoming financial year, the FCJ will advance its central mandate of developing town centres through projects such as the Naggo Head Integrated Business Centre, Hayes Redevelopment and Expansion, Old Harbour Town Centre and Negril Town Centre.

Development Bank of Jamaica

Madam Speaker, the Minister of Finance would have already highlighted initiatives of the DBJ geared toward the creation and continued growth of MSMEs in Jamaica. Additionally, the DBJ continues to showcase the Power, Promise and Performance of successful Public-Private Partnerships (PPPs) such as the German Ship Repair and Dry Dock facility which is now far advanced.

Madam Speaker, we are making progress with the Greater Bernard Lodge Development: Phase 1 of the divestment, which included 5 Blocks (3 Residential and 2 Light Industrial Blocks), was successfully tendered in 2021. Cabinet gave approval on December 13, 2021, for 4 preferred bidders to purchase lands for development at a cost of J\$1.37 billion with aggregate estimated investments in the developments of J\$19.27 billion. The development is expected to directly employ 800 persons annually during construction. The sale agreements are being finalized with commercial close expected by 31 March 2022.

National Housing Trust

Madam Speaker, the NHT has continued to focus on the increased deployment of its financial resources towards creating and financing housing solutions. A total of 92% of the Trust's total assets is now invested in housing.

In order to generate additional cash to accelerate housing developments, the NHT has been undertaking sales of mortgage receivables under the Joint Finance Mortgage Portfolio (JFMP). The sale of mortgage receivables resulted in inflows of \$11.5 billion in this financial year following \$26.2 billion in the previous financial year. The sale of the remaining portion of the JFMP is expected to be completed by the middle of the upcoming financial year.

The NHT is projected to create a total of 7,324 new mortgages at a value of \$30.27 billion by the end of March 2022. Housing expenditure for the current fiscal year is projected at \$50.4 billion, up from \$48.2 billion in the previous year. Madam Speaker, since 2016/2017, the NHT has been steadily increasing its housing expenditure - more than doubling it from \$24.1 billion in 2016/2017 to \$50.4 billion in 2021/2022.

NHT Annual Housing Expenditure FY 2016/17 - FY 2021/22



The Trust is projected to achieve 3,259 housing completions for the 2021/22 financial year. Notably, the completion of projects has been adversely affected by the pandemic.

Housing Starts

Madam Speaker, the table displayed outlines the Government's plan housing starts for the next four years relative to our commitment to build 70,000 houses. With current developments, completed, under construction, in negotiations, budgeted, or in planning and design, we have programmed 43,172 units of the 70,000 we have committed to building.

Table 1: Actual and Planned Housing Starts 2021 - 2026

	PROGRAMMED					TOTAL	TO BE	TOTAL
	2021/22	2022/23	2023/24	2024/25	2025/26	PROGRA MMED	PROGRA MMED	
NHT	1,516	7,207	8,538	11,114	1,905	30,280	12,800	43,080
HAI	3,008	2,435	-	-	-	5,443	8,557	14,000
GREATER BERNARD LODGE DEVELOPMENT	1,647	1,487	1,000	1,000	-	5,134	9,866	15,000
SOCIAL HOUSING	315	500	500	500	500	2,315	-	2,315
SPECIAL URBAN RENEWAL HOUSING PROJECT	-	-	-	-	-	-	700	700
GRAND TOTAL	6,486	11,629	9,538	12,114	2,315	43,172	31,923	75,095

Madam Speaker, the Government's stated target of 70,000 new housing solutions by the end of the 2025/2026 is not a pipe dream; there are concrete plans in place to achieve it.

Madam Speaker, during 2021/22, projects at Perth 1A, Manchester; Seascope, and Ruthven Towers in Kingston and St. Andrew as well as Twickenham Glades in St. Catherine were completed. Currently, the NHT is overseeing ongoing construction activities at 24 housing developments with a total of 11,394 housing solutions.

Madam Speaker, I should state that the mandate to the NHT is not only to build house. We have been hearing the cry of the people for affordable housing. We have been sharpening our pencils to get the numbers down, through creative designs and material use, and creative financing options, but even at those price points housing is just not affordable for a large segment of the Jamaican population. For the barbers, mechanics, household helpers, taximen, cooks, gardeners, owning a home is almost an impossible dream. Though some of these persons may have been contributors to the NHT, and would have been entitled to a loan, there were very few housing solutions that their income could afford. In effect, this socio economic demographic of persons, have technically been financing higher income earning groups.

Madam Speaker, we have instructed the NHT that in its current housing developments, it must focus on housing solutions that will come into the market at between JA\$8m and JA\$11m. Someone purchasing a house today for JA\$8m would be paying on average JA\$29,800 per month for a mortgage. This is still high but not unreasonable, and it is an improvement as the average price range previously was JA\$11m to JA\$15m or higher which would see a monthly mortgage of JA\$39,500 for the lower end of the range.

Madam Speaker, the only way to bring the cost of housing lower is for the government to subsidise the unit. Currently the government does full subsidy on social housing programmes that are targeted to indigent beneficiaries. The HAJ and the NHT invariably subsidise their development projects by absorbing planning and approval costs, land acquisition costs and sometimes, infrastructure costs. The government could not afford a wholesale financial subsidy on housing, however the government is examining a strategy to make lands it owns available for housing development at no cost to the developer in a structured programme where only the cost of construction and infrastructure will be passed on to the purchaser. Later on in the year, I will brief Parliament on this initiative.

New Financing Framework

Madam Speaker, in an effort to significantly increase the supply of new housing solutions, the NHT reviewed financing options that would substantially increase the amount of funding available for new housing construction. The NHT has developed a new financing and product delivery framework.

The new framework is an arrangement with Partner Mortgage Lending Institutions (regulated by the Bank of Jamaica) to fund the full mortgage disbursements to NHT contributors, including NHT mortgage benefits, up to \$6.5 million. The disbursement including the NHT portion will be fully financed by the Partner Institution. The NHT will then pay directly to the Institution the difference between the interest rate charged by the Institution and the interest rate charged by the Trust.

Madam Speaker, this will relieve the NHT of the cash required to fund the principal amount of the mortgage upfront as this will be funded by the Partner Institution. The NHT will have an ongoing obligation to fund the interest rate subsidy between the mortgage lending rate of the Partner Institution and the NHT rate. **Madam Speaker**, it is important to note that the mortgagor will not be negatively impacted, as the interest payment will be exactly the same as if the funds were accessed directly from the NHT.

For illustration, **Madam Speaker**, a mortgagor seeking financing of \$10 million will access the entire amount from their chosen institution. However, the mortgagor will pay interest on \$6.5 million at their applicable NHT rate, for instance, 4%, and at the normal rate for the partner institution on the remaining \$3.5 million, say 7%. The NHT will pay the partner institution the shortfall between the NHT's rate and the PI's rate (3% in this case) on the \$6.5 million.

Revised Policy on Subsidies

Madam Speaker, in the NHT's current business model, subsidies are applied to NHT benefits by one or more of three general criteria:

- Interest Rate Subsidies for Special Groups
 - Interest Rate Subsidies based on income.
 - Price Subsidies applied to the selling price of a housing solution within a development
- Income is not currently considered as an additional criterion for whether a subsidy can be applied to members within a special group, or applicants to a particular development.

Effective July 1, 2022, the Trust will revise its policy on subsidies in an effort to ensure that they are applied to those who are most in need. Income will be the sole determinant of whether a subsidy is applied.





Review of Interest Rates

Currently, the interest rate for each applicant is decided on the basis of income at the time of application and is applied over the life of the loan. However, as the circumstances of mortgagors change, their new incomes may place them in a higher or lower income band, lessening or increasing the need for an interest rate subsidy.

Therefore, as of July 1, 2022, all new loans will be subject to a periodic review in order to determine whether the level of subsidy given at the opening of the loan is still required or whether a greater or lesser subsidy is needed.

Disability Grant

Madam Speaker, the Disability Grant was introduced in July 2017. Under the programme, NHT mortgagors with disabilities or who reside with and care for a family member with disabilities are eligible for a grant of up to \$150,000 to be used to retrofit or upgrade the dwelling to make it suitable to serve their needs.

Effective July 1, 2022, the NHT will double the Disability Grant benefit and allocate up to \$300,000 per individual up to a maximum of two persons living with disabilities per household.

Up to Three Applicants per Housing Solution

The NHT will allow up to three (3) contributors to apply for a two-bedroom or larger unit to better improve affordability. This policy position ensures that more persons, particularly family members, can access housing. A key provision of this policy is that proof must be established that the applicants are bona fide family members, and have demonstrable kinship ties (for example, wives, husbands, children and siblings).

NWC

Madam Speaker, the COVID-19 pandemic presented several challenges for the NWC. Nevertheless, they were able to improve service reliability to over 500,000 persons in Kingston and St. Andrew with the substantial completion of major potable water projects (Six Miles to Downtown at a budgeted cost of over 3.4 Billion) and the rehabilitation of the 5 million gallon treated water storage reservoir at Constant Spring.

Madam Speaker, given that I have already spoken about the pumped hydro storage under the Environment Section and that the past year was not one where we had water lockoffs and constant reliability issues and complaints, let me highlight the fact that the NWC successfully implemented over 135 small to medium sized in-house projects in several parishes that made a huge difference. These projects included the upgrading of existing networks, source integration, tank installation and facility upgrading and the installation of new pipelines. For several of these communities, it is the first time that piped water supply will be accessible to residents in several decades and even within the lifetime of some persons. Allow me to highlight a few:

- Uphill, St. Ann – First time receiving piped water in over 50 years.
- Salt River, Clarendon - First time receiving piped water in over 70 years.
- Guys Hill, Hamwalk Redwood, St. Catherine - First time receiving piped water in over 20 years

Madam Speaker, the NWC continued its rehabilitation of wastewater treatment facilities including Greater Portmore at a cost of \$673 million, Horizon at a cost of \$300 million and Eltham Park at a cost of \$21 million. Sewer replacements were undertaken in areas such as Duhaney Park, Washington Gardens and Portmore at a cost of \$400 million.

Land Titling

Madam Speaker, this Government continues to emphasize that access to a registered title is a means to positive economic and social outcomes. As such Systematic Land Registration has been making a difference starting with our breadbasket parish, St. Elizabeth. We are scaling up land registration to support the country's aim of extending the benefits of recognised property rights to more Jamaicans. Notwithstanding a setback due to the pandemic, the Government is on track to deliver 20,000 titles in three years.

In order to increase efficiency and in line with the digital thrust, the NLA is in the process of implementing an electronic titling system ("e-titling system") to replace the current paper-based titling system. The proposed e-titling system will not change the legal requirements of land registration and conveyancing but will change the way we conduct conveyancing transactions in Jamaica. Benefits will include:

- faster processing times,
- greater production capacity, and
- increased capabilities to create data-based land information products

Development of Digital Cadastral Map

Work also continues on the build-out of a National Digital Cadastral Map of Jamaica to show the relevant position of surveyed parcels in relation to each other and eliminate duplication and possible liability issues for the Government.

Spatial Data

Critical support continues to be provided through the National Spatial data division to coordinate and execute field ground verification exercises, spatial data analysis and development of ArcGIS web-based applications to support data collection/verification and communication of project results on a community and parish level.

The use of Geographic Information Systems (GIS) and its related technologies within the public sector has been increasing within the last five years. Geospatial information and technologies were integral in the identification and ground verification of potential areas for development to support the execution and completion of the New Social Housing Project. The technology also supported solutions-based applications development and decision making across Government.

Madam Speaker, the development and growth of any modern economy is inextricably linked to the state of its infrastructure. This Government is prioritizing efficiency in its development as we sow SEEDS for Peace, Opportunity and Prosperity.

Digital Infrastructure

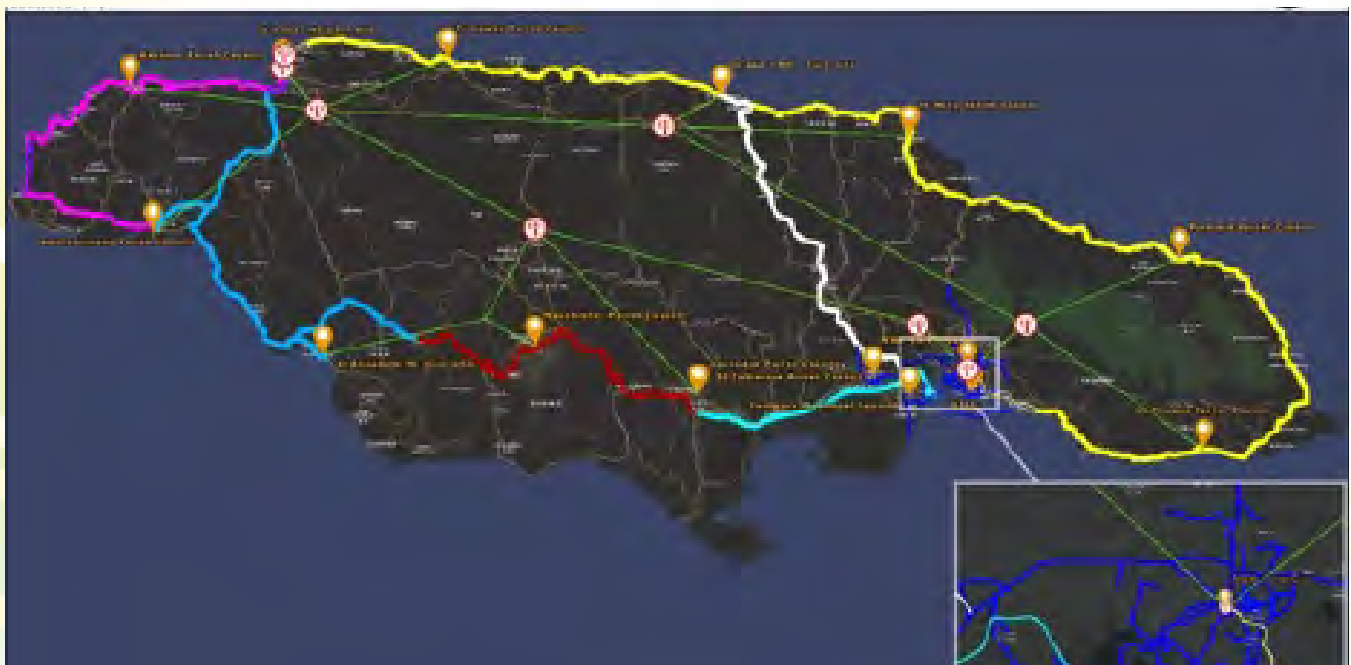
Madam Speaker, the Government is pursuing a vision of making Jamaica a Digital Society and must have the supporting infrastructure. Just like roads and highways enable the movement of goods and people in the physical economy, we have to build the information superhighways to transmit data in the digital economy

The diagram now being displayed shows the three layers of infrastructure that we are building. The first layer at the bottom of the diagram is the Communications Infrastructure. This includes the fibre backbone, Wifi hotspots, 4G LTE and all the technology that enables transmission of data.

DIGITAL INFRASTRUCTURE LAYERS



Madam Speaker, at the start of the pandemic, over 56% of our population had no internet access and therefore could not take advantage of online services. In response, the Government through the Ministry of Science, Energy and Technology implemented the 100 Day ICT Action Plan and the National Broadband Initiative. The 100 Day ICT Action Plan sought to construct a National Emergency Communication Backbone to support very high-speed data connectivity to Municipal Corporations, Parish Courts, Hospitals, Health Centres, Airports, Ports, Police Stations, Post Of-



fices, Public Wi-Fi Hotspots, Public Schools and expand the coverage of the Jamaica Eye Closed Circuit Television Cameras system along the major highways serving rural and deep rural communities.

The Ministry of Education and Youth and the Public Broadcasting Corporation have started utilizing the National Emergency Communication Backbone to deliver online educational content to the major Cable TV networks and small Rural Cable Networks. This will provide a source of continuous educational content to students who live in homes without access to the internet.

The private sector has stepped up in a very big way in providing the Government access to spare fibre optic strands in their cables. To date, the Government has access to 683 km of private sector fibre optic cable capacity to make possible the construction of the National Emergency Communication Backbone. The map on display shows the extent of the public-private partnership. The blue lines represent Government-owned fibre optic cables which are primarily within the Kingston Metropolitan Area. All other colours represent a private company donation of fibre optic capacity.

The second map now being displayed shows the overall status of the project where the blue lines now represent the active segments of the network, meaning there are agencies using the network and the yellow lines represents work in progress with regards to cable installations. These cable works are expected to be completed within the next 2 months enabling additional agencies to use it. To date, 9 Parish Courts, 30 High Schools, and 9 Municipal Corporations are utilizing the network.



Madam Speaker, the Government will build on the success of the public-private partnership with the National Emergency Communication Backbone to construct National Underground Fibre Infrastructure to enable the private sector to expand their services into unserved and underserved communities. The National Works Agency has been instructed that going forward all major road improvement projects must include broadband-enabling infrastructure such as ducts, manholes and fibre optic cables.

The second of the three layers of digital infrastructure is to enable proper identification and authentication as well as digital payment. When a transaction is conducted online, the person with whom you are transacting is not physically in front of you. So the challenge is how to properly identify and authenticate the person?

Madam Speaker, the National Identification System (NIDS) is part of this second layer of digital infrastructure and is well on its way to becoming a reality. The National Identification and Registration Act was passed and the Regulations are targeted to be tabled by May 2022. I am pleased to report that we are on track to issue our first National Identification Cards before Jamaica 60. The verification of identity, and the authentication of digital signatures using the National Identification Card will also become a reality before our 60th anniversary of independence.

The hardware and software to support the national Public Key Infrastructure (PKI) has been installed and is to be commissioned by April 2022. The Public Key Infrastructure will enable the holders of National ID cards to begin using digital signatures.

Madam Speaker, I want to ensure that everyone understands the significance of digital signatures. When you conduct a physical transaction, for example, withdrawing cash at the bank, you sign a withdrawal slip and present it to the teller with your ID. The teller compares your signature with the bank's records and if it matches, the teller will process your withdrawal. However, if some fraudster were to get hold of your identification papers and try to withdraw funds from your bank account, they would most likely fail because their appearance would not match the picture on the ID and they would be unable to provide a signature that matches yours.

Now let us move to the digital space. You are not physically in front of the teller but have issued an electronic document instructing the bank to transfer \$10,000 to your aunt's account. The bank needs to verify two things – that you are really the sender of the instructions; and that the instructions are exactly what you sent and have not been altered or tampered with during transmission of the electronic message. This is exactly what a digital signature does. It is used to authenticate the sender of an electronic document and ensures that the document reaching the recipient is the same one you sent without any alterations.

Madam Speaker, the national ID and digital signatures address the fundamental problem of authentication and establishing identity in online transactions. They are fundamental building blocks of Jamaica becoming a Digital Society. I want Jamaicans to understand that there can be no Digital Society without a proper system of identification and authentication.

Madam Speaker, another issue with online transactions is how to pay someone when you are not physically present. Using physical cash is not an option. JAMDex, the BOJ's digital currency,

will solve this problem and will do so without citizens having to pay bank fees.

Madam Speaker, the third layer of digital infrastructure builds on the first two layers. With National IDs and digital signatures in place, the sky is the limit in terms of the number of applications for which any public sector or private sector entity could use the technology. There would no longer be any need to be physically present to conduct a transaction as the identity of the person conducting the transaction can be verified online.

Madam Speaker, enrolment in the National Identification System will be voluntary but I am confident that the benefits to citizens will encourage them to enrol. In the short-term, the holders of a national identification card will be able to:

1. Use the National ID as proof of identity to access all services requiring the use of an ID card, without a JP verification.
2. Use the National ID as the only form of ID to apply for government social programs and to open low-KYC bank accounts
3. Access all existing online services at the TAJ and get an express queue at selected Tax Offices to access services.
4. Use the National Identification Card as a driver's licence and renew the driver's licence online.

Madam Speaker, in due course, there will be other uses and benefits, for example, transfer of motor vehicles and registration of motor vehicles and other assets online.

Madam Speaker, the Registrar General's Department (RGD) has been continuing its drive to migrate more of its business online to improve ease and convenience. During this financial year, the RGD introduced an online application for adoption certificates. The RGD is also seeing increased demand for online verification of certificates and has put in place the facility to provide real-time online verification via a secure platform.

Additionally, a New Civil Registration Solution is to be implemented in the upcoming financial year. Approximately 17,000 marriages occur annually in Jamaica and the process of registration is currently manual. In the upcoming financial year, the RGD is planning to launch e-registration of marriages.

Madam Speaker, the Government is committed to making more public services available online to increase efficiency and reduce the burden and cost of interactions between citizen and state. We encourage private sector entities to do the same so that Jamaica can truly become a Digital Society.

However, the Government is sensitive to the many Jamaicans who will need time and support in transitioning to the use of digital channels. Our strategy will be inclusive and will maintain support for those who rely on face-to-face interactions.

G-DATA - Data Security and Management for a Digital Society

Madam Speaker, as a digital society, we will require the efficient and effective movement of information 24/7, 365 days of the year. To ensure that data is retrievable on-demand, we will be

establishing modern Data Centres compliant with the international standards for data centre reliability and performance.

Madam Speaker, in the recent fire at the Brown's Town Courthouse a mass of court documents went up in flames. What a loss to the country and to so many people!! These data centres will minimize the risks of loss of data critical to the functioning of the Government from natural disasters such as flooding, earthquake, fire as well as human threats. In addition, the modern data centres will allow for improved resilience through centralised disaster recovery processes as well as increased efficiency through greater use of automated server monitoring and management. Madam Speaker, in the upcoming financial year, we will also commence the planning process towards constructing a modern National Archives facility that will collect records of the Jamaican Government's civil events, decisions and actions and preserve them for future generations. The facility will be constructed with non-combustible materials (walls, columns and floors), thereby preserving and securing the treasures of our culture, our heritage, our Jamaica.

Madam Speaker, this Government is laying the foundations for Jamaica to become a Digital Society and sowing SEEDS for Peace, Opportunity and Prosperity.



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Social Partnership and Unity

BUDGET
DEBATE 2022

**BUILDING OUR
JAMAICA**

S - SOCIAL PARTNERSHIP AND UNITY

Madam Speaker, as we continue to sow SEEDS of Peace, Opportunity, and Prosperity, we are acutely aware that we will be unable to achieve those goals without partnership. That is why I have prioritised the National Partnership Council and will be taking steps this year to strengthen the Council and continue to work to build consensus around critical areas that affect our country. I have tasked Minister Without Portfolio, Minister Floyd Green, with overseeing the Partnership and directed him to take steps to assess and strengthen engagement.

Over the course of the last 7 weeks, the Government had a series of consultations with members of the National Partnership Council, including representatives from the private sector, the Opposition, trade unions, the clergy, youth leadership, women's advocacy, civil society and academia. From these consultations, the strengths and weaknesses of our social partnership were ascertained and a clear path to reformation has been paved.

The Partnership Council convened last week and discussed our COVID-19 management strategy, the plans for face-to-face school, the Russia/Ukraine War and rising energy prices. **Madam Speaker**, this Government is taking an inclusive approach.

Madam Speaker, allow me this opportunity to thank our Partners for continuing to come to the table and engaging this Government. This year, we will implement a new structure for the National Partnership, enabling a more robust and inclusive process and ensuring that the wider public is aware of its work. Additionally, we will be seeking to sign a new Partnership Agreement that will drive our strong recovery and sustainable growth, with priorities to include education, digitization and the environment.

Madam Speaker, the Government recognizes the importance, particularly in our form of democracy, of structured opportunities for both political parties to meet and discuss issues affecting the nation. To that end, we resumed the Vale Royal talks on February 27, 2022, around an agenda that included National Security, Constitutional Reform, Health and Jamaica 60 commemorations.

Madam Speaker, on the issue of Constitutional Reform and the shift in Jamaica's status as a Constitutional Monarchy, it was agreed that the approach must be collaborative and guided by expert advice. We will establish an Advisory Committee including bipartisan representatives to review the existing body of work and advise the Government in accordance with the jurisprudence. The Bills to effect the agreed constitutional amendments will be reviewed by a Joint Select Committee of Parliament and, ultimately and most importantly, **Madam Speaker**, submitted to the Jamaican people for them to have their say through a referendum.

Madam Speaker, Jamaica needs all hands-on deck and this Government is committed to working in partnership with all stakeholders to herald a new era of Peace, Opportunity and Prosperity.

CONCLUSION

Madam Speaker, as we celebrate our 60th year of independence, we have a lot to be proud of. Jamaica is one of the oldest democracies in the world. In fact, Jamaica is the oldest Black democracy in the world. As we celebrate our 60th year as an independent state, we also celebrate with pride, 78 years of being a democratic nation as marked by Universal Adult Suffrage in 1944. We have made significant strides as a nation. Jamaicans continue to excel in various fields of endeavour and wave the black, green and gold high.

However, we are yet to scratch the surface of our tremendous potential as a country. We are a people richly blessed with strength, wisdom, courage and creativity. I have a firm and abiding belief that our best days are ahead of us.

Though the road may be rocky and the hills steep, I have unshakeable faith in the goodness of my country and the resilience of my people. As we move into the next phase of our journey as an independent nation, we are determined to sow the seeds for a bountiful harvest of Peace, Opportunity and Prosperity for every citizen.

Our best days are ahead of us.

I am inspired every day by Jamaicans who commit their talents, strength, integrity and wisdom to **building our Jamaica**, the Jamaica we all want, the Jamaica we all deserve.

On Saturday, I met and was inspired by two of our new artists and a producer, one of whom is here with us this evening.

I met a young man who goes by the name Yaksta. He is known for the hit song 'Ambition'. I also met Blvk H3ro (Black Hero) who is known for his song "It Nuh Easy" and Tandra who is a music producer and engineer at Big Yard Studios.

Yaksta is promoting a positive influence on Jamaican Music and so is Black Hero. Yaksta's top song, released about a year ago, has over 10 million views on YouTube.

He says:

*"Why own a Ferrari
With no where to park it?
Why shop at Louis V when there is a Target?"*

*"Farming over flossing
Investment over braffings
Inheritance fi me seeds"*

This is a positive message that can inspire a nation and guide us in our personal affairs in navigating these difficult times of crises, uncertainties, inflation and good shortages. It speaks to a practical pro-growth, pro-social, wealth-creation, self-reliance ethos that all our young people

need to have in these difficult times. These are messages that we must promote as we seek to define who we are as people. There is no success without sacrifice, no wealth without work, we must save and invest today for a better tomorrow.

Madam Speaker, this Government has an ambitious vision of Peace, Opportunity and Prosperity for Jamaica and we are sowing seeds today to achieve that vision for all Jamaicans.

Our best days are ahead of us.

In 1935, our founding father, Sir Alexander Bustamante was clear in his commitment to the people of Jamaica.

I leave you with his words:

"Be not afraid, do your duty towards your countryman, towards humanity. They will thank you at least in silence, and at the right time when the good Lord sees fit, he will bless you, even though you might not be aware of it."

May God Bless Us All and May God Bless Jamaica Land We Love.

