Speech by the Hon. Minister of Public Infrastructure - Budget 2017

Mr. Speaker, Colleague Ministers, Hon. Members on this side of the House, Hon. Opposition Leader and other Members of the Opposition, I now stand to congratulate my Colleague and his hardworking team for the wonderful effort in putting together this 2017 Budget which was well done – a remarkable feat in so doing before the closure of the 2016 Financial Year.

Mr. Speaker, we are a progressive Government and I am elated to be a part of the team which is working with great vigor to transform this land of ours into a Heaven here on Earth and I know, Mr. Speaker, with the measures contained in the Budget, we will attain our objectives.

Mr. Speaker, from the standpoint of my remit, focus will be placed on a more concerted effort to ensure that roads, bridges, energy, power generation and other infrastructural works are undertaken and expanded, thus leading to a more integrated infrastructure for the creation of linkages with all Regions and all Guyana.

Mr. Speaker, with the kind of initiatives programmed and, with courage and ingenuity, we can and will be able to bring about a transformation never before envisaged. It is, therefore incumbent on all – especially the fence sitters and some of my colleagues on the other side who see only gloom and doom – to catch the vision and come on board to see Guyana and Guyanese attain the zenith of progress and prosperity, thus delivering the good life to all Guyana and Guyanese.

Mr. Speaker, in regard to the theme, “Building a Diversified, Green Economy: Delivering the Good Life to All Guyanese”, my Ministry has already initiated steps to create the linkages.

Mr. Speaker, the Hon. Minister of Finance touched on a number of areas under my purview in his Budget 2017 Speech, which highlighted the passion, drive, and ambition of this Government in regards to infrastructural development.
Continuing in that same vein, I will now review the performance of my Ministry in 2016 and give a projection for 2017.

The overall Budget and expenditure for 2016, as at December 6, 2016:

**Current voted provision** – i) under Policy development and administration, expenditure stood at $2.871B out of $3.418B (84%); ii) Public Works, expenditure stood at $2.42B out of $2.956B (82%); iii) Transport, expenditure stood at $500M out of $790M (63.3%). Overall, out of $6.45B, $5.345B was expended (82.82%)

**Capital voted provision** – i) Specific, expenditure stood at $6.253B of $12.633B (49.5%); ii) Local, expenditure stood at $7.84B out of $10.703B (73.25%). Overall, out of $23.336B, $14.094B (60.4%) was expended.

**Additional Capital Funds:** Contingencies Fund Advance and Supplementary Provision totaled $7.069B and expenditure stood at $1.345B (53.69%)

The overall total for 2016, current, capital, and supplementary, is $37.711B.

In 2017 the total Budgetary allocation for the Ministry of Public Infrastructure is $34.556B (Current provision of $7.295B and capital provision of $27.261B). It is 13.82% of the 2017 National Budget.

**The Georgetown to Ogle Waterfront Infrastructure Development and Enhancement Project**

Mr. Speaker, in my Budget 2016 presentation, I had listed a myriad of projects to be funded by the Government of Guyana and the UK – Caribbean Infrastructure Fund (DFID). However, in reviewing the situation, the preferred option of the **Donor** is for one large project which would stand out and could be easily visible. In a subsequent discussion, the Ministry had proposed another huge project, with two revised projects.
These are the creation and/or restoration of modern Waterfront Recreational Areas between Kingston and Ogle (including a Direct Overhead Link from Recreational Area at Seawall to National Park), and Stabroek Market and Vreed-en-Hoop, along with improved accessibility between Waterfront Development at Seawall and Stabroek Area. The acquisition of a dredge is also a part of this project.

The other project involves the rehabilitation/upgrading of Linden to Mabura Road and construction of a Bridge across the Kurupukari River (Kurupukari Crossing).

The Caribbean Development Bank will be responsible for overseeing these projects and a Team from the Bank will be in Guyana from December 12-15 so that formal agreement could be finalized on the two revised projects.

**Works Services Group**

Mr. Speaker, this Unit is charged with the responsibility for the execution of all foreign and nationally funded infrastructural projects falling under the Ministry of Public Infrastructure.

In regards to the **East Bank Demerara Four Lane IDB Funded Project**, this project commenced in the latter part of 2011 and was finally completed in September 2016 at a total cost of US$17.171M. The works such as drains and traffic signals were paid for under another loan head. The project, which covers 5.4km from Providence to Diamond, is now under the Defects Liability period, which will conclude in September 2017.

Additionally, public advertisements for Pedestrian and Vehicle Overpasses along the East Bank Demerara have been placed in the Print Media and tenders will be opened on December 20, 2016. Civil works are expected to commence in 2017.

Meanwhile, Mr. Speaker, the Sheriff Street–Mandela Avenue Project, funded by the IDB and signed on March 15, 2013, has finally had its project re-scope completed following
protracted delays. Civil works are expected to commence in 2017 after completion of the procurement process.

Furthermore, the award of Civil Works Contract for the East Bank Berbice Road is now likely to commence in 2017 as the Ministry awaits evaluation from independent evaluators recommended by the Guyana Association of Professional Engineers.

Budget 2017 has provision for $1.240B for these two projects.

**East Coast Demerara Expansion Project**

Mr. Speaker, after considerable delays, the Framework Agreement with the People’s Republic of China for US$45.5M concessional loan for the completion of the widening and improvement of the East Coast of Demerara Highway was signed at the Ministry of Finance on November 23, 2016. China Railway First Group Ltd. will complete the entire stretch of road from Better Hope to Belfield.

Budget 2017 has provision of $1.4 billion dollars.

**Fourth Road Project – Vreed-en-Hoop to Hydronie (30.7 Km) CDB Funded**

Mr. Speaker, the proposed works will improve the section of roadway from Vreed-en-Hoop to Hydronie, West Coast Demerara, approximately 30.7 km long; the rest of the roadway was upgraded by the Government of Guyana in 2007. At the end of November, this project was 58% completed; its completion date is December 2018.

Budget 2017 has provision of $2.335B for completion of these works.

**CDB 3rd Sea Defence Project**

Mr. Speaker, the Sea and River Defence Resilience Project outlines the various project components programmed for implementation during the period 2017 – 2018.
This project commenced in the last quarter of 2015 when all the pre-conditions were satisfied. The envisaged benefits include flood protection infrastructure; capacity building within the Ministry of Public Infrastructure; and community awareness and education. Works will be conducted in regions 2, 3, 4, and 6. These works include 5.4km of rehabilitative sea defence at 8 sites in the identified regions.

For 2017, the budget allocation for the continuation of this project is $980M, with a completion date of December 2018.

**Miscellaneous and Urban Road 2016**

Mr. Speaker, the Ministry of Public Infrastructure through the Works Service Group (WSG) has been constructing/rehabilitating roads in Regions 2, 3, 4, 5, 6 and 10 under the Miscellaneous and Urban Roads Programme.

A budgeted amount of G$1.425B and 1.164B dollars have been allocated under the Miscellaneous and Urban Roads Programme, respectively, for 2016. Under the Miscellaneous Programme $665M are being used to construct/rehabilitate thirty one (31) new and existing roads in Regions 2, 3, 4, 5, 6, while the remaining allocation is being used mainly for the completion of multiyear projects.

For the Urban Roads Programme, approximately $386M is to be used to construct/rehabilitate 31 new and existing roads in Regions 2, 4, 6 and 10, while the remaining funds are mainly for the completion of multiyear projects. Works include, the overlaying of streets; pothole repairs; construction and cleaning of drains; construction/repairs of bridges within communities; and construction of walkways.

**By November 30, 2016,** expenditure for miscellaneous roads stood at $1.049B while for urban roads the figure was $917M.

Budget 2017 has provision for Miscellaneous Roads and Urban roads/drainage to the tune of $1.115B and $1.053B, respectively. Additionally, 4km out of 20km of roads to the tune of $176M were completed in Leguan in 2016 and a similar approach where the Mobile Asphalt Plant will be dispatched will be taken in another location in 2017.
Allocations for every region have been increased in 2017. Under miscellaneous roads:

- Region 2 rose 56% from 70M in 2016 to $162,306 in 2017.
- Region 3 rose 23% from $150,365M in 2016 to $196M in 2017.
- Region 4 rose 39% from $180,156M in 2016 to $296,089M in 2017.
- Region 5 rose 29% from $90M in 2016 to $128,130M in 2017.
- Region 6 rose 13% from $174,493M in 2016 to $201,475M in 2017.

Under urban roads:

- **Allocations for Region 2 rose 33% from $40M in 2016 to $60M in 2017.**
- **Region 4 rose 35% from $131M in 2016 to $204,463M in 2017.**
- **Region 6 rose 9.8% from $115.4M in 2016 to $128M in 2017.**
- **Region 10 fell slightly by 0.8%, from $101.363M in 2016 to $100.537M in 2017.**

**Bridges**

Mr. Speaker, two (2) rollover Bridges, at a cost of $37.8M, were completed. Three Bridges (Liliendaal Acrow Panel, No. 66 Truss Bridge, Corentyne and No. 51 Village, Corentyne) with a total contract sum of $169,810,450 have been awarded. Works are ongoing.

Another 10 Bridges with a total contract sum of $80.832M have been awarded and are at different stages of completion. Total expenditure at December 6, 2016 is $125,418M.

Budget 2017 has provision for $220,050M under Bridges.

**City Arches**

The government of Guyana is partnering with two private sectors Ansa Mcal Ltd. and Banks DIH Ltd. to erect two arches that will clearly delineate the boundaries of our beautiful capital city Georgetown to the South and to the East. The Arch to the East will be erected at Cummings Lodge East Coast Demerara and the one to the South which is erected at Agricola East Bank Demerara at a total cost of G$20M.
On May 20, 2016 the Agricola Arch was commemorated by His Excellency President David Granger to mark the southern boundary of the city of Georgetown in celebration of Guyana’s 50th Independence Anniversary.

Within a few months with funding from another private sector (Ansa McAL Ltd.) another arch will be erected at Cummings Lodge East Coast Demerara to mark the Eastern entrance to the city of Georgetown.

In addition to improving the aesthetics of our city, these arches will be permanently become landmarks for local and foreign commuters visiting Georgetown.

*The project also includes the lighting of the arches with solar LED lights; constructing of bus sheds near the arches, also, powered by solar LED lights. Discussions are currently ongoing to supply free wifi in the bus sheds.*

The government welcomes this venture and will continue to partner with the private to execute projects which can benefit the people of and dear land of Guyana.

**Hinterland Roads**

Mr. Speaker, the APNU/AFC Government is committed to the linking of the hinterland to the coastal area and has given full support to its realization since our succession to Office – this is in keeping with the promise in our 2015 Manifesto. An improved road network is vital for the extractive industry as well as our Eco-Tourism industry.

In 2016 the sum of $1.72B was provided. $609.323M was rolled over from 2016 while the 2016 projects totaled $1.105B. Expenditure at the end of November was approximately $636M.

The pace of implementation in 2016 was not as anticipated. However, we have since improved our capacity and, to this end, District Engineers and Clerks of Work have been hired for regions 1-10 and will be supervising the infrastructural projects of both MPI and the Regions/NDCs.

Budget 2017 makes provision for $2.302B for the continuation of road rehabilitation and construction.
Hinterland roads - Contracts are out for Rehabilitation works along the Bartica-Potaro corridor, including an assessment of the link between the Denham Bridge and the Cassandra Crossing. A new Cassandra Bridge will be constructed in 2017, which will restore this vital connection between our two new towns, Bartica and Mahdia. Additionally, the connection between the towns of Mahdia and Linden will be strengthened with a new road under the UK DFID programme.

**Maintenance/Traffic/Safety Department**

Mr. Speaker, the Road Maintenance/Traffic/Safety Department (RMTS) of the Ministry is tasked with utilizing funds to plan, implement and execute various projects, which are aimed at addressing safety and level of service of the national road network.

In the 2016 Budget, approval was given for the rehabilitation of the Soesdyke/Linden Highway in the sum of $98.8M and this has been successfully completed under the Public and Main Access Roads.

Budget 2017 has provision of $350M for rehabilitation of the main highways.

**Infrastructural Development**

This component of the Ministry of Public Infrastructure budget head seeks to address measures that contribute to an improvement in safety on Guyana’s road network. Under the 2016 budgetary allocation, a number of significant projects were completed, including the construction of approximately 800 meters of pedestrian sidewalk in Corriverton and the installation of a total of 311 highway lights on the Corentyne Highway and on the Ogle, Mocha, and Diamond Housing Scheme Access Roads.

Works have also commenced on the construction of approximately 600 meters of pedestrian sidewalk, Vlissengen Road to Albert Street, on a section of Woolford Avenue, and on the installation of 77 highway lights on the No. 19 Public Road between No. 50 to 55 Villages, Corentyne.

Budget 2017 has provision of $607.1M for the continuation of road safety measures.
Special Project Unit – Previously Force Account Unit

Mr. Speaker, the sum of $1.05B was provided in the 2016 Budget for this Unit and works were carried out on 40 roads, totaling 150km in length, under preventative maintenance in Georgetown as well as 31 roads – totaling 1,000 meters – under corrective maintenance in Georgetown and the East Bank of Demerara.

Total expenditure as of 18 November, 2016 was approximately $876M or 84% of the allocation. Supplementary funds were also made available to the tune of $631.7M to boost the Unit and make it more effective in 2017 through the provision of equipment.

Budget 2017 has provision for $1.336B

CORE – Community Organized for the Restoration of the Environment

The Ministry of Public Infrastructure will embark upon a new initiative in 2017 that will lend to environmentally sustainable communities. CORE (Community Organized for the Restoration of the Environment), is a unique initiative that will see the establishment of 20 community groups across all of Guyana’s regions. Each region will have two teams, except Region 2, which will have one team, and Region 4, which will have three teams. Some of the identified communities are Moruka, Port Kaituma, No. 51 to Moleson Creek, Kato, Mahdia, Bartica, Lethem, and Linden.

Each team will consist of 10 members, inclusive of a Team Leader. Employment costs are estimated at an average of $7.44M per annum per team. Tools and safety gear, including safety boots, reflective vests, shovels, brush cutters, and rakes are estimated at $158.302M per annum. The initiative is designed to supplement the work of the Special Projects Unit of the MPI in such a manner that it provides for the environmental upgrade, drainage, and sanitation improvement and general aesthetics of the works being undertaken by the Unit.

Ministry’s Laboratory

Mr. Speaker, the primary aim of the Soils and Materials Laboratory is to facilitate the testing of road building materials (among others) to ensure that these satisfy the required specifications, thus ensuring quality assurance in the construction and
rehabilitation of roads throughout the country, as enforced by the Ministry. Materials which do not satisfy the tests are rejected.

During 2016, field and laboratory tests were conducted, totaling 2,413, and over $21M in revenue was collected.

It is the Ministry’s objective to reestablish the position and image of the Ministry’s effort in quality control as well as reintroduce the Ministry as the leading and recognized testing institution.

**Government Electrical Inspectorate**

Mr. Speaker, this Division continued to carry out its mandate as the Industry’s Electrical Safety Regulatory Body, with over 9,000 certified jobs as of November 2016 and $34.7M in collected revenue November month-end.

Meanwhile, the Electricity Sector (Technical Standard) Regulations Act became law on January 22nd, 2016 and allowed for the adoption of the National Electrical Code (NEC) as the governing electrical code for all electrical matters in this country.

The GEI also conducted public awareness campaigns in Georgetown, Berbice, Linden, Kwakwani, Lethem and Bartica and also undertook major projects, including the cooling and ventilation and fire safety and prevention systems for the Umana Yana.

**Cheddi Jagan International Airport Corporation**

Mr. Speaker, the Corporation continued to manage the Airport in 2016 in an effective and efficient manner in keeping with its mandate.

The Corporation is projected to earn $1.3B by December 31, 2016. As at November 30, 2016, revenue collected amounted to $1.168B compared to $1.033B for the corresponding period last year. These collections reflect a 13% increase.

Furthermore, the Corporation recorded 513,444 processed passengers as of November 2016, compared to 459,346 last year and it was twice successfully audited by the Transportation Security Administration (TSA) of USA in 2016. Meanwhile, Expressions
of Interest were invited for the provision of state of the art security equipment and services at CJIA.

**AIRPORT EXPANSION PROJECT**

- Excavation works 100% complete.
- Foundation treatment 100% complete.
- Sand backfill 68.7% complete at both ends. Completion date - June 2017.
- Total runway works completed to date is 50.54%. Completion date - November 2017.

**In regards to the new Arrival Terminal Building,** foundation works have commenced; the expected completion date is May 31, 2017.

Meanwhile, renovation works for the existing terminal building will commence in stages from the check-in side in the first quarter of 2017 and will last until end of project.

**RELOCATION OF TIMEHRI NORTH RESIDENTS**

Two residents within the NE footprint are already relocated. Contracts have been awarded for the relocation of another three residents within the NE footprint; expected completion end of December 2016.

**Guyana Energy Agency**

Mr. Speaker, the Hon. Minister of Finance has indicated in his Budget Speech that “Government will be implementing a series of renewable energy and energy efficient projects, following the charge given by His Excellency President David Granger for the public Sector to lead the way in transitioning towards greater renewable energy use.” These interactions will be channeled through, and managed by, the Guyana Energy Agency.

Government of Guyana has commenced a review and update of Guyana’s National Energy Policy. The first phase of the study is expected to be completed by December
2016 while the second phase will commence in 2017 and will involve extensive stakeholder consultations towards the finalization of the National Energy Policy.

Meanwhile, GEA and the Hinterland Electrification Company Inc. are advancing the installation of a 20KW hydropower plant at Hosororo, Region 1, to supply electricity to Mabaruma Power and Light Inc. GEA’s Hydropower capacity was bolstered in 2016 with the addition of a German resident hydropower specialist, who has since been working on the Kato hydro, and preparing preliminary assessments for a number of other hydro sites in Guyana. GEA is currently reviewing, updating, and preparing tender-ready documents for the 320KW hydropower project at Kato, Region 8.

Additionally, mention has to be made of the G$1B allocation for renewable energy and, of this figure, $527M is allocated to GEA. The timely implementation of the capital projects for 2017 will require cogent communication, coordination, planning, implementation and monitoring with the relevant stakeholders. GEA had already commenced the process of preparing Tender documents for the close to one billion dollars in Renewable Energy and Energy Efficiency projects for 2017.

Beneficiary Ministries and sector Agencies will be advised of GEA's role in the procurement, implementation, supervision and subsequent transfer of assets via formal communications and follow-up meetings to ensure all parties are aware and in agreement with the designs and intended installations.

GEA will finalize the 2017 Procurement plan and monitor same to ensure timely delivery of the Capital Projects.

Meanwhile, under the Fuel marking Programme, it is estimated that by the end of the year GEA would have conducted more than 12,000 site visits; collected and tested more than 35,000 fuel samples; and seized more than 13,000 gallons of illegal fuel, among other accomplishments.

**GUYANA POWER AND LIGHT ACTIVITIES AND ACHIEVEMENTS IN 2016**

Mr. Speaker, the Guyana Power and Light Inc. considers itself to be a major stakeholder in achieving the vision of the Government’s green economy. It commenced preparatory
steps to position itself to introduce renewable energy from intermittent sources (wind and solar) and non-intermittent (biomass and hydro).

Two preparatory steps that have been completed are:

- The establishment of a Grid Code for utility scaled generation above 1.5 megawatts. The Grid Code provides technical specifications, which defines the parameters that any generation facility connected to GPL’s network must meet to ensure safe, secure and economic proper functioning of the GPL system. The Grid Code was developed by an international and reputable electrical services consulting firm (Siemens). This code will become a public document before the end of this year
- GPL benefitted from the services of a Renewable Energy Expert, contracted through an IADB Technical Assistance Programme. This engagement with GPL is expected to position the company:
  
  Establish the technical parameters for the interconnection of distributed generation not exceeding 1.5 megawatts to GPL’s grid

  Configure the company’s baseload and firm generation to ensure grid stability in the event of loss in generation from the intermittent renewable resources (mainly solar)

  Develop ‘Feed in Tariffs’ (FITs) for energy supplied to the grid. These tariffs will require approval by the regulatory body (PUC).

**Fossil Fuel Fired Generation and Hybrid generation**

Anna Regina – The Company has invested approximately US$3M for 3 x 1.7 megawatt HFO fired containerized generators and expects these to be commissioned in May 2017. This new generators will replace the two aged Wartsila unit.

The new units will also be incorporated into the planned Hybrid Power facility. The Hybrid Power facility is expected to utilize fossil fired generation and electricity from a utility scaled 5 megawatt renewable resource (solar energy).

Bartica – The Company has invested approximately US$1.3M to procure, commission, and conduct preliminary works for 3 x 0.6 megawatt LFO (diesel) fired containerized
generators and expects these to be commissioned in April 2017. These generators will replace the aged generation and will be integrated into a new Hybrid Power facility. The Hybrid Power facility is expected to utilize fossil fired generation and electricity from a utility scaled 2 megawatt renewable resource (solar energy). Additionally, a new location to house the GPL operations has been identified; works are to commence shortly.

**Transmission and Distribution**

Mr. Speaker, the company continued with the development of its Transmission and Distribution System. Tenders have been advertised for the following:

- Construction of four substations: Williamsburg (EBB), Kuru Kuru (EBD), Hydronie (EBE) and Wales (WBD)

  Expansion of substations: Vreed En Hoop, Edinburgh (WCD), Kingston, Sophia, Garden of Eden, and No 53 (EBB).

  Provision and Stringing of approximately 83 Kilometers of 69KV lines. This includes a second transmission line between the Kingston generating facility and Sophia and will provide the required redundancy to this critical link.

This expansion is scheduled to commence within the first quarter of 2017 for a period of 24 months at an investment of US$31M.

It is important to note that these critical capital projects are being self-funded, whilst the company continues its prudent financial management in order to maintain current tariffs. The company’s ability to self-finance is subject to fuel prices remaining stable. These capital projects and current tariffs would be negatively affected if fuel prices become unstable with signs of upward trending.

**Plans for 2017** – Mr. Speaker,

- Works have already commenced on the installation of lights, for the very first time, in Yarrowkabra. Installation will be completed before the end of 2016. This project is notable since it has seen GPL funding the entire capital works. We will be expanding into new areas in 2017. About 50 areas have been identified. These areas include, the
Friendship Squatting Area; Rosignol Cultivation Area; Mainstay Housing Scheme; No. 30 Village; and Goodland Canal #1.

Invite and establish Power Purchase Agreements (PPAs) with Independent Power Producers (IPPs) for generation from renewable resources at Anna Regina and Bartica.

Continue the Infrastructure development Programme II with the realization of a second transmission line between Kingston and Sophia as a priority.

Commence an aggressive meter upgrade programme using Advanced Metering Infrastructure compatible meters. The 2017 target is 16,000 meters.

Conduct a comprehensive Protection Coordination Study on the Transmission and Medium Voltage network.

Work closely with the management consultants from Manitoba Hydro International as part of the company’s management capacity building initiative.

Reduce total losses by 2% subject to the execution of the low voltage rehabilitation programme (under PUUP) and GPL’s work programs.

Intensify customer friendly awareness programs.

ACHIEVEMENTS DURING THE YEAR 2016

• Signed contract with Manitoba Hydro International Ltd in September, 2016 for implementation of a Management Strengthening Program which is aimed at strengthening GPL’s managerial capabilities to support its senior management in the operational areas of the company over three years valued at G$1.5B.

• Significantly advanced the tender processes for the remaining two critical procurement activities of the Program as follows:

1) Validation firm to supervise all rehabilitation works was approved by the Inter-American Development Bank (IDB) and Cabinet/National Procurement & Tender Administration Board (NPTAB). Contract signing is in progress valued at G$455M.
2) Lot A- Rehabilitation of (328km) of the low & medium voltage distribution network has been approved by both NPTAB and Cabinet and the contract signings are to commence shortly.

**Conclusion**

In conclusion, Mr. Speaker, it is almost 19 months since the APNU/AFC has taken over the reins of Government in the Cooperative Republic of Guyana and already there have been significant developments, both physical and otherwise, in this short space of time. With such an early Budget, there will be ample time to facilitate the timely completion of our projects as set out in this $250 Billion Dollar Budget.

Since our accession to office, Mr. Speaker, I have always tried to keep the Hon. Shadow Minister of Public Infrastructure informed of the Ministry’s development and I will continue to do so in 2017 in keeping with our objective of transparency, accountability, and good governance.

Mr. Speaker, Nation Building is the responsibility of everyone and, in this regard, I would urge the Hon. Members on the opposite side of this Hon. House to join us, as elected representatives of the Guyanese people, and to give their support to this Budget in order that we can together continue to improve the quality of life of all Guyanese since “In Unity there is Strength”.

The People of Guyana deserve no less.

I thank you, Mr. Speaker.