



MINISTERIAL STATEMENT

By:

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Premier of Bermuda

Steps Taken to Launch the PMO to Support Implementation Bermuda's Economic Recovery Plan

Friday, November 12, 2021

Good Morning **Mr Speaker**,

I rise today to inform this Honourable House of the progress made towards the implementation of Bermuda's Economic Recovery Plan (ERP).

Mr Speaker, Members of this Honourable House will recall the tabling of Bermuda's Economic Recovery Plan by the Minister of Finance in March of this year and the subsequent debate on its contents. As a reminder, the Government undertook a three-phased approach to the development of the ERP.

Preparatory work in Phase 1 involved identifying the objectives, the guiding principles and a preliminary list of initiatives; and was undertaken in July through September 2020. Phase 2 involved the development of economic models, prioritisation of initiatives and an implementation plan and took place from October 2020 to February 2021. Phase 3 involved the development of a 'blueprint' ERP with a detailed plan for effective and efficient implementation with appropriate Cabinet oversight.

When the plan was tabled in this Honourable House in March, implementation was already underway across the Government. Despite the pandemic, Ministries and government agencies continued to refine and implement initiatives to support economic recovery under their areas of responsibility.

Mr Speaker, as Her Excellency the Governor shared in the Speech from the Throne last Friday, *“Bermuda’s Economic Recovery Plan has 31 priority projects in 7 broad categories: Economic Diversification; Financial Markets; Infrastructure Investment; Expanding the Residential Population; Labour Market & Social Development; Healthcare Reform; and Regulatory Reform.”*

Honourable Members and the public can remain informed about the progress of Bermuda’s Economic Recovery Plan by visiting gov.bm/economicrecovery on the Government portal. At noon today, this webpage will be updated to provide the current status of all 31 priority initiatives. During phase 2, these 31 initiatives were independently confirmed as the projects that will best create economic growth in the short to medium term while meeting the objective of increasing jobs, diversifying our economy, and enhancing Bermuda’s infrastructure for the future.

Mr Speaker, please allow me to share some updates with Honourable Members in advance of the new web page previously mentioned. Out of the 31 priority projects contained in the ERP, 9 of the 31 projects are already substantially complete.

Other projects such as upgrading Bermuda’s water and waste treatment infrastructure, which incorporates the replacing plant and equipment at Tynes Bay, have progressed. This is a high priority infrastructure project for the Government, given that the existing plant has now exceeded its useful life. As a result, a cross-Ministry team is already on an accelerated path to replace key assets and components within the plant in the short term with the ultimate goal of a fully refurbished and repurposed facility within the next three to four years.

Mr Speaker, another project that has progressed is: *“Complete the Shoreside Facility to process fish caught in Bermuda”*. A business plan for a Fisheries Development Centre is being completed under a steering committee led by the Bermuda Economic Development Corporation, Department of Environment and Natural Resources, and the Fishermen’s Association of Bermuda. The plan will consider how such a facility will benefit the public; create opportunities to show a return on Government’s investment, and offer additional options and cooperative business benefits to participating Fishers. The plan will meet the current and future needs of the fishing industry, put fishers at the centre to best control their industry, take into consideration current economic conditions, as well as consider short to long term fisheries development factors. The consultation thus far has moved the facility’s planning from Marginal Wharf to a location in the west end of the island.

Mr Speaker, Bermuda's Economic Recovery Plan states: *"Complete work to establish the Uptown Development Authority in North East Hamilton, whose mission will be to implement the North-East Hamilton Development Plan and drive residential development projects in the area."* Work on residential developments in Bermuda's Economic Empowerment Zones to increase the supply of quality, affordable residential accommodation, driving down rental costs has also progressed. Guidelines for submitting applications for approved residential schemes within the economic empowerment zones have been developed by the BEDC, with information for EEZ stakeholders, potential investors, and the general public to be published later this month. Importantly every approved scheme will create new jobs for Bermudians.

Mr Speaker, one of the 31 priority projects reads as follows: *"Use BEDC resources to create an online SME marketplace that will allow entrepreneurs easy access to sell their goods and services online without having to deal with costly individual setups, large monthly fees and merchant account complexities."* This initiative is substantially complete, and on November 29th for eMonday the online marketplace at www.bybermuda.bm will launch. The platform, aptly named byBermuda, is a local online marketplace where people come together to sell and buy unique Bermudian products and experiences.

Mr Speaker, as the world grapples with the impact of climate change, renewable energy will become an increasingly important part of the global economy. An initiative in Bermuda's Economic Recovery Plan states: *"Develop an energy regulatory sandbox that will encourage developers of new renewable energy technology to test their products in Bermuda, giving Bermudians access to new technology"*. Mr Speaker, a policy for creating an energy regulatory sandbox has already been produced. During this session, the Honourable House will consider a Bill to facilitate renewable energy technology developers testing their products in Bermuda. Additionally, the Government is currently in discussions with a company that will likely be the first applicant for a sandbox license.

Mr Speaker, legislation allowing Bermuda to become a hub for submarine communication cables is now in effect, with a plan for implementation developed by the Regulatory Authority in consultation with the Ministry of Home Affairs and the Bermuda Business Development Agency. This progress fulfils the objective stated in the plan to: *"Introduce and establish sub-sea communications sector in Bermuda, supporting plans to develop a sub-sea telecommunications protection zone."* The Regulatory Authority of Bermuda is currently fielding enquiries for companies wishing to enter this space.

And **Mr Speaker**, in the area of healthcare, Bermuda's Economic Recovery Plan states: *"Work with pharmacists, hospitals and physicians to reduce the costs of medications."* Legislation to pave the way for the establishment of a National Drug Formulary was passed by the Legislature in the last Session to achieve this objective. The Bermuda Health Council, using recommendations from the Pharmacy and Therapeutics Committee, will regulate the prices at which common, essential medications along with associated products and devices used in medical treatments are sold to the public, thereby reducing the largest out of pocket health expenditure for a large segment of the community.

Mr Speaker, coordination of implementation across the 31 diverse initiatives contained in Bermuda's Economic Recovery Plan is being led by a team within the Cabinet Office reporting to the Cabinet Committee on Economic Development. The successful execution of these initiatives will ensure the island is appropriately prepared to recover economically and socially as we move beyond the COVID-19 pandemic. Strong quality assurance, governance, and monitoring processes are essential to this effort. The plan always intended that these functions would be undertaken by resources operating separately from those engaged in the day-to-day running of government.

Mr Speaker, against this backdrop, and with the assistance of Bermuda First, the Government engaged with the Big Four consulting firms to determine the best way forward. Based on these collaborative discussions, KPMG was identified as the resource to launch the PMO. The initial contract valued at One Hundred and Forty-four Thousand Dollars (\$144,000) plus expenses was finalised in September and provides a lead consultant with extensive experience in economic recovery.

At the conclusion of the KPMG engagement, the consultants will deliver a Project Management Plan complete with resource requirements, key milestones and timelines, actions and enablers required to progress the 31 initiatives, and a risk management regime to identify, prioritise, monitor and where possible mitigate risks. Upon delivery of the project management plan, further resource decisions concerning the PMO will be determined.

Mr Speaker, as I stated in this Honourable House when we debated the plan in the last Session, the PMO will be staffed by government and external resources with specific expertise. This may include a variety of consulting resources from a number of firms on an as-needed basis. The degree of support and expertise will inevitably vary based on the project, with all initiatives subject to milestones and

deliverables. As evidenced by the progress made to date, which the public can view at gov.bm/economicrecovery, ownership of each of the 31 initiatives has been assumed by the respective ministry or government agency. Public officers are focused on finalising policies and implementing action plans. These steps are central to the project's success, and a mechanism has been put in place to track progress, and the PMO will update the new webpage every month.

Mr Speaker, while the future remains deeply uncertain given public health conditions and the state of the global economy, Bermuda's Economic Recovery Plan provides a blueprint for a successful recovery. Effective implementation is necessary to ensure Bermuda forges a new path to growth, employment and greater equity.

Thank you, **Mr Speaker**.