



Public Finance Management Bill, 2021
Public Debt Management Bill, 2021
Public Procurement Bill, 2020
Statistics Bill, 2021

Parliamentary Communication
(SECOND READING)

By

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Prime Minister and
Minister of Finance

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Mr. Speaker,

With your leave, I rise to move that the Public Finance Management Bill, 2021 (to be referred to as the PFM Bill), the Public Debt Management Bill, 2021, (or the PDM Bill), the Public Procurement Bill, 2020 and the Statistics Bill, 2021 be read a second time.

Today is a turning point—a defining moment—for public financial management in The Bahamas.

From the outset, my administration has been intentional about our commitment to good governance.

In many ways, we have sought to do this by implementing comprehensive and sound legal frameworks that deliver enhanced accountability and transparency in the management of the public resources entrusted to the government by the Bahamian people.

In the spirit of the landmark Fiscal Responsibility legislation enacted in 2018, the PFM Bill, the PDM Bill and the Public Procurement Bills are poised to usher in far-reaching reforms to how we manage our public finances.

These, together with the Statistics Bill, are necessary and one could even say long overdue reforms, that will take us further along the continuum of improving and modernizing our governance regime.

Mr. Speaker, while the Opposition always like to talk about accountability and transparency, whenever they were in office they never ever seemed to do anything to enhance accountability and transparency.

But we are different from them.

We are not about idle talk, we are about effective action.

Transparency and accountability are not just political buzzwords for us. And

passage of these historic pieces of legislation will once again demonstrate that we are prepared to do the things that are necessary to improve governance and to discourage corruption.

PFM BILL, 2021

Mr. Speaker,

I will begin with an overview of PFM Bill, which is designed to address significant weaknesses observed in the Financial

Administration and Audit Act, 2010 or the “FAA Act”.

The Bill is weighty in content and lengthy—having ten (10) parts and twelve (12) schedules; therefore, I will only summarize key provisions.

When drafting the landmark Fiscal Responsibility Act, 2018, it became apparent that the FAA Act required extensive revisions if we are to conform

with acceptable best practices for public financial management.

Given these realities, it was agreed that the administrative provisions of the existing FAA Act should be repealed and replaced by a new law that aligns with the **entity coverage, accountability, and the reporting frameworks of modern public financial management principles.**

However, provisions relative to the Auditor-General would remain, until the completion of the proposed Auditor-General's legislation, which is in the preliminary drafting stage.

Mr. Speaker,

As the name of the Bill aptly conveys, the PFM Bill will shift the government's approach to the public finances from the present day emphasis on administrative requirements to one which underscores

accountability and responsible management for results or outputs.

Under this modernized legislative framework, public sector managers will be required to focus on strategic priorities, and will be held accountable for their performance.

Like any progressive enterprise, public sector agencies will have to set goals and objectives, and the key performance

indicators (or KPIs) to measure the success of their operations and programmes.

And they will have to publish these for all to see.

Mr. Speaker,

I cannot overemphasize that the major focus of the PFM Bill is to improve transparency and accountability around the management of public finances and in the governance arrangements for public entities.

In keeping with this overarching remit, and consistent with modern PFM legislation, the applicability of the Bill (**Part I**) extends coverage, for the first time, to activities of all public bodies.

These have been clustered into three (3) broad, although not mutually exclusive, groupings namely,

- **Public entities**—which cover ministries; departments and government Agencies, but exclude Government Business Enterprises.

- **Agencies**—which comprise the non-commercial State-Owned Enterprises (SOEs), which traditionally perform a more public policy mandate and are not offering competitive services in the market; and

- **Government Business Enterprises (GBEs)**—defined as those SOEs that undertake commercial activities and are expected to be profit oriented—although also having a public policy orientation.

As part of this legislative exercise, the government is also changing the title of the Treasurer to that of Accountant-General—in line with the nomenclature used within Commonwealth nations for the administrative head of the Treasury.

Mr. Speaker,

Provisions in the Bill also seek to address the current lack of clarity and power for delegations observed in the FAA (**Part II**) to facilitate more efficient day-to-

day operations of the public finance machinery.

Importantly, roles and responsibilities are clearly set out for all key positions in these activities for the central government and roles to cover persons at the chief executive officers' positions in the Agencies and GBEs.

In many cases, the financial management processes governing the

annual Budget and Authorization (**Part III**) have been rationalized, enhanced and assembled into a more comprehensive and coherent presentation.

Expenditure authorization provisions of the Bill seek to articulate responsible and efficient frameworks for dealing with unforeseen budgetary needs—that have either not been or inadequately provided for in the Appropriation Act.

As contemplated, these will be addressed through a Budgetary Reserve Appropriation (which allows for up to 3 percent of recurrent expenditure to be set aside under the budget of the Ministry of Finance); the constitutionally established Contingencies Fund; or through the standard Supplementary Appropriations Bill process.

In another key provision, the Bill also provides for the Minister of Finance to

approve expenditures for natural emergencies using the specific options I have just mentioned, or through more extraordinary means—including the suspension of existing procedures to accelerate allocation, or directing public entities regarding the allocation of their budgets.

However, in keeping with the overarching transparency and accountability principles of the PFM Bill,

any changes to the annual budget are to be made through the supplementary estimates and a supplementary Appropriation Bill so that the Parliament is fully apprised of these developments.

Mr. Speaker,

The Financial Management provisions (**Part IV**) set out the frameworks for authorizing expenditures, including the existing option for moving expenditures within heads, known as virements, and

prescribed arrangements for reallocating expenditures between expenditure heads.

Other key financial management elements include provisions that enhance the ability of government to:

- govern cash planning and management activities;
- allow for the establishment and management of special funds;
- afford protection for trust assets that are segregated from public assets;

- introduce more transparent and flexible arrangements for dealing with remissions, write-offs and settlements **which are intended to** secure greater efficiency in government administrative processes, without sacrificing the accountability objective.

Also notable is the insertion of new clauses on public investment management of public infrastructure projects (PIPs), which recognize The Bahamas' vulnerability

to climate and disaster risk and the need to build resilience into the government's physical assets, public infrastructure and services.

Aside from the central government, it is intended that applicability will extend to those Agencies and GBEs that ordinarily receive 50 percent or more of these operating budgets from the government.

Mr. Speaker,

Honourable Members will note that asset and liability management provisions have been enhanced (**Part IV**), and there is now the requirement for the government to present, for debate in Parliament and subsequent publication, a medium-term financial asset management strategy.

Restrictions are also placed on how excess moneys may be invested, and there are explicit and comprehensive provisions

guiding the Government's investments in Agencies or GBEs.

Further, enhanced provisions for the independence of the internal audit function, and for the establishment of the Internal Audit Committee provide for the continuation of these important activities in the Bill.

Mr. Speaker,

Part V, which deals with Accounts and Reports, of the central Government, is a

cornerstone of the Bill in my government's stated objective to establish greater financial accountability and transparency—to both the Parliament and the Bahamian people.

In a major change, ex-post periodic reporting, and contents and publication requirements of the central government, now extend beyond the Mid-Year Report to the production and publication of current quarterly reports on fiscal performance that

my government had established as a matter of policy.

There will be new requirements for the Financial Secretary to prepare, for Cabinet and publication, monthly summary reports on the fiscal performance.

In addition, there is the new requirement for the annual financial statements to be accompanied by *an annual report on the non-financial performance of the government*—so that there is a clear

evaluation of whether strategic goals and objectives have been achieved.

Consistent with Parliamentary Rules, the Bill articulates the role of the Public Accounts Committee (the PAC) in reviewing the annual audited financial statements and the annual report on non-financial performance, and the various annual reports and audited financial statements of the public entities and GBEs; and in reporting to the HoA on these reviews (inclusive of recommendations).

Mr. Speaker,

The government's commitment to drive outcomes and performance is reinforced in detailed Entity Accountability provisions **(Part VI)**, which assigns to the covered entities a coherent framework of reporting, publication, and other governance requirements, such as performance reviews.

For example:

- Ministries, Agencies and Local Government are to produce an Annual

Plan—outlining strategic priorities and significant domestic capital projects and a statement of fiscal risks. There is also a requirement for the preparation of mid-year and annual reports to cover progress made in meeting strategic goals.

- GBEs are required to produce a Statement of Corporate Intent, a business plan and an annual report—with a carve out for those where the Government is a minority shareholder or

holds more than 50% but less than 100% of the shares in a publicly listed company.

Members will note that the Bill anticipates the preparation of a code of corporate governance to ensure that covered entities operate efficiently, transparently and in an accountable manner; the bill requires every public entity and GBE to have the same financial year as the government; and the bill now

converges the timeline for production of audited financials for all public entities to within 4 months of the end of the financial year—except for the National Insurance Board which will remain at 6 months.

Let me signal that, as featured in modern PFM legislation, the oversight model presented for Agencies and GBEs provides for joint reporting to the Responsible Minister—as far as functions, purposes and policy objectives are

concerned—and to the Minister of Finance, for their financial performance.

This arrangement also recognizes the umbrella responsibility of the Minister of Finance for managing fiscal risks across the public sector—which is essential for achieving macroeconomic stability.

Mr. Speaker,

The Bill also seeks to consolidate the collection of revenue provisions (**Part VII**) from the various amendments to the FAA,

2010—which cover the requirements for tax compliance certificate and their administration, and the engagement and appointment of revenue collectors.

Mr. Speaker,

The transparency and accountability requirements of the Bill are supported by an enhanced sanctions regime (**Part VIII**) to ensure effectiveness and compliance.

While replicating current provisions under sections 27 - 31 of the FAA Act, new

provisions have been introduced to cover financial misconduct, financial offences, and institutional sanctions—which are consistent with emerging international practices.

Unlike before, we will now have defined operational sanctions for unsound management and we will have criminal penalties for deliberate malfeasance in respect of the public funds.

This is a new day Mr. Speaker.

We cannot have accountability if there are not consequences for abuse of the public purse.

This failure to articulate specific sanctions has been a glaring weakness of our existing framework.

We are now fixing it.

Once again, it demonstrates that this side is not about pretty talk, but about effective action.

Mr. Speaker,

As should be appreciated, this is a massive and consequential Bill for the management of the public finances.

To allow for a manageable transition, the Bill, therefore, proposes that implementation be carried out in stages, as outlined in Part IX.

PDM BILL, 2021

Mr. Speaker,

With your permission, I will now move on to the Public Debt Management Bill or

the PDM Bill, which seeks to provide a sound, modern and comprehensive legal framework for promoting greater clarity, discipline, transparency and accountability in public debt management operations in The Bahamas.

I do not believe there would be any opposition to the statement that the arrangements we have today are too fragmented and outdated, and that they lack conformance with generally accepted

practices for public debt management in respect of transparency and accountability frameworks, institutional arrangements, and debt management strategy.

Therefore, the overriding objectives of the PDM Bill are to consolidate and modernize the existing debt management provisions.

Presently, these are spread across the Financial Administration and Audit Act, 2010

(which addresses short-and long-term borrowings); the Bahamas Registered Stock Act and the Bahamas Registered Stock Regulations (which provide for the creation and issuance of government domestic bonds), and the Developments Loans Act, 1990 (which authorizes the government to borrow money by way of bonds for the general development of The Bahamas).

Importantly, the PDM Bill would also establish linkages with the Fiscal Responsibility Act, which sets a ceiling on the government's medium-term debt of 50% of nominal gross domestic product (GDP).

Mr. Speaker,

I will now briefly touch on the salient segments of the PDM Bill.

A key part of public debt management is being able to set objectives, and then

assess performance against these objectives.

In a first for the government, the Bill clearly defines the objectives of debt management(**Part II**) —framed in terms of the best practice goals of ensuring that the government’s financing needs and payment obligations are met on a timely basis and at the lowest possible cost, and consistent with an acceptable level of risk.

Other complementary objectives are to support development of the government's domestic securities market and to ensure consistency with fiscal sustainability goals.

Institutional arrangements are important to ensure the conduct of effective debt management operations.

In keeping with best practices, the Bill proposes the creation and outlines the responsibilities of the centralized Debt

Management Office (or “DMO”) and the high-level advisory Debt Management Committee (or “DMC), and elaborates the debt management functions and responsibilities of the Financial Secretary and the Minister of Finance.

Mr. Speaker,

There is no shortage of global examples on the destabilizing effects of high debt levels on macroeconomic stability; and of course, maintaining macroeconomic

stability is a key policy objective of any government.

Therefore, it is important that our debt management framework ensures that the borrowing activities across the public sector spectrum conform with sound debt management principles and that there is an orderly access to debt markets by covered entities.

As currently reflected in the establishing legislation of most state-owned enterprises,

the PDM contemplates that the Minister of Finance will be responsible for approving, in consultation with the Responsible Minister, all borrowings (whether guaranteed or non-guaranteed) of the covered public entities and GBEs.

Furthermore, all covered entities will be required to undertake appropriate risk assessments of prospective debt transactions.

Mr. Speaker,

In keeping with widely accepted principles for public debt management, the PDM Bill will mandate that the government develop and make public a more detailed debt management strategy (or “DMS”)—to demonstrate that we as the government are taking seriously our obligation to ensure the prudent conduct of debt management activities.

The DMS will basically explain the government’s risk preferences by

identifying the preferred composition of the debt—

whether domestic or external, fixed or variable interest rates.

The second key accountability and transparency mechanism is the obligation for the DMO to prepare an annual borrowing plan, which is to be consistent with the debt limit approved under the FRA, 2018.

Mr. Speaker,

The Bill goes on to establish the Minister as the sole borrowing agent for the government; enumerates the purposes for which the Minister may borrow and the ability of the Minister, with the consent of lenders, to conduct various debt management activities.

I should highlight, that the distinction provided for in the FAA Act between long and short-term borrowing sources, and the

limits for the latter linked to revenue outcomes, are not carried over to the PDM Bill.

Going forward, the government will have more flexibility in deciding on its sources of budgetary financing, within the overriding constraint of the long-term debt to GDP limit of 50%--as stipulated in the FRA and the convergence limits established in the Fiscal Strategy reports, and then as set out in the debt management strategy report and annual borrowing plan.

Mr. Speaker,

An entire segment of the Bill (**Part VI**) is devoted to the issuance of government securities, which basically captures the existing provisions in the soon to be repealed Bahamas Government Registered Stock Act, 1973.

It also incorporates more modernized administrative processes and issuance

procedures, including the recent amendment to allow for the elimination of paper-based certificates.

In keeping with model debt management legislation, the Bill (**Parts VIII & IX**) outlines the proposed framework for Government lending and the provision of guarantees to organizations, public bodies, persons, international organizations or foreign Government.

Where these transactions may arise, the requirement is for the Minister to discuss

requests with the DMC, to be satisfied that any lending/guarantee would be in the public interest and to require collateral and enforce rights in the event the collateral is invoked.

These activities must also be carried out within the context of a Cabinet-approved policy framework; be within limits approved by the Parliament, and be consistent with prudent fiscal policy and the debt management strategy.

Mr. Speaker,

The government's accountability and transparency objectives for the public finances are deeply embedded in the reporting provisions of the PDM Bill.

Provisions provide for the audit of government debt, the activities of the DMO, and reporting by the Auditor-General; for

the Internal Audit Department to undertake audits and report findings to the Minister; and for the Minister to direct an audit of public debt management activities by external auditors, with publication of the final report.

The capstone is the requirement for the Minister to table, in Parliament, alongside the financial statements and annual report, a report on all debt management activities.

Complementary provisions also provide for enhanced visibility of debt operations across the public sector, with the requirement for all public entities to submit to the DMO monthly debt data, which are to be published by the government in a comprehensive quarterly statistical bulletin.

Mr. Speaker,

To facilitate a more efficient operating model for government domestic debt operations, the Bill includes provisions for

the Central Bank to establish or facilitate the establishment of a Central Securities Depository (CSD).

A CSD, like The Bahamas Government Securities Depository (BGSD) established by the Central Bank in November 2019, will facilitate the transfer of ownership through a book entry rather than physical certificates.

PROCUREMENT BILL, 2020

Mr. Speaker,

Having covered the key provisions of the PDM, with your permission, I will now move on to the Procurement Bill, 2020 .

Procurement systems clearly have a significant impact on the efficiency of the use of public funds and, more generally, on public confidence in government and on good governance.

In the local context, the sheer importance of these activities is evidenced by the central Government's \$1.4 billion in

public procurement spending, which approximates nearly 13% of the country's GDP.

My government is all about establishing an efficient procurement system—attaining the best value for money spent on behalf of Bahamians; ensuring public access to information on government contracts, and providing fair opportunities for suppliers to compete for government contracts.

Mr. Speaker,

Over the years, international financial institutions (like the IDB in 2014; and the World Bank in 2017) have cited many shortcomings in our existing public procurement framework. Key among these were:

- the lack of transparency and efficient market competition;
- the absence of a legal framework that promotes high standards in line with international best practices;

- the absence of a designated entity responsible for the development and oversight of the procurement system;
- the lack of a career path for public procurement officials;
- the lack of reconciliation between budget amounts committed and procurement requisitions; and
- the prevalence of manual procurement processes.

While successive governments have indicated the desirability of establishing a modern transparent regime for the procurement of goods, services and works, this has been somewhat of an elusive goal.

In March 2013, the previous administration sought to amend the Financial Administration and Audit Act and provided for a new Public Procurement regime, however, while the amendment

was passed by Parliament the new provisions were never brought into force.

One is only left to wonder why the then PLP government never saw fit to bring into force legislation that they brought to Parliament to improve the public procurement framework of the country.

Perhaps, during their contribution, they can explain this yet another example of their failure to put their talk into action.

Mr. Speaker, we are not like them.

Once this bill is approved by Parliament, it will come into force in the coming months.

And sooner rather than later.

Unlike them, we are not about pretty talk, we are about effective action.

Mr. Speaker,

In any event, the charge to right this situation now lies with my administration; and unlike our predecessors in office, we

pride ourselves on doing what we say we would do.

We are moving forward to modernize and transform the current arrangements.

The Public Procurement Bill we have before us today is designed to promote economy and efficiency in the use of public funds, to conduct procurement in a fair and transparent manner and to support an increase in the number of small Bahamian-owned businesses involved in the public procurement space.

By design, the Bill also seeks to ensure that The Bahamas complies with current and prospective external trade obligations.

Mr. Speaker,

Importantly, the Bill is aligned with best practices for transparency.

It contains measures that will ensure full openness in the solicitation and award of government contracts—measures that will make the new regime defensible both inside and outside the country.

The proposed legislative regime is also comprehensive in its coverage, as it will impact public procurement spending by all public entities—including government ministries, departments, statutory agencies and local government entities.

Mr. Speaker,

At the heart of the Bill is the establishment of a **Public Procurement**

Department (PPD) to be headed by a Chief Procurement Officer (or CPO).

The essential functions of the PPD will be to provide all of the requisite procurement policies and standards to achieve effective implementation and administrative oversight of the full public procurement process and related operations.

This would also include the ongoing development and management of the existing e-Supplier Registry and e-

procurement system. Currently in its pilot phase, the government's e-procurement system already today has just over 2,000 vendors registered in the system and it is being used by 38 government agencies.

The Bill will institutionalize the requirements to utilize this digital platform or any other platform as may be mandated by the PPD.

Another key institutional construct is the establishment of a **Public Procurement**

Board (PPB), with the Chairperson being appointed by the Prime Minister and membership comprising the Financial Secretary (or his representative), ex officio; the Permanent Secretary of a Government Ministry in rotation for a period of three years.

An important difference between this new PPB and the existing Tenders Board is the provision for Prime Minister to appoint two representatives from civil society, and

two members of the public after consultation with the heads of professional bodies within the country.

These provisions bring the perspective and oversight of civil society into the day to day procurement activities of government for the very first time.

To help organize and streamline the procurement process, every procuring entity will be required to establish a procurement unit, which will open and

evaluate bids and award procurement contracts.

Importantly, the Bill established financial thresholds for the award of contracts by the PPB or the procurement units. Specifically,

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- Where the value of the contract does not exceed two hundred and fifty thousand dollars, the award may be made by the procurement unit.

- Contracts valued more than fifty thousand dollars but below two hundred and fifty thousand dollars, will be awarded by an internal tender committee, subject to the approval of the Minister responsible for the procuring entity.
- For contracts valued above of two hundred and fifty thousand dollars, the tender committee will make recommendations to the Tenders Board with respect to the award.

- For contracts valued above two hundred and fifty thousand dollars but below one million two hundred thousand dollars, the procurement contract may be awarded by the Board; and
- Finally, where the value of the contract is more than one million two hundred thousand dollars, the Board, with the approval of the responsible Minister, is required to make a recommendation to Cabinet for the award of the contract. Where the recommendation is not

approved by Cabinet, the Cabinet may refer the matter back to the Board for further advice or direct that a new procurement exercise is conducted.

Mr. Speaker,

The Public Procurement Bill also includes many other provisions related to the bid preparation, publication,

methodology, submissions and final selection activities.

- It seeks to establish efficient arrangements to enhance transparency in procurement activities for prospective suppliers or contractors by requiring procuring entities to prepare annual procurement plans for eventual publication on the Department's website and on the electronic procurement system.

- The Bill provides for the procurement of goods, works or services to be conducted using competitive bidding procedures, based on the application of objective and non-discriminatory technical specifications, selection and award criteria.
- It provides for different methods of procurement, considering the estimated value of the procurement, the potential sources of the procurement and the

nature of the good works and services required.

- It sets out the bidding process and documentation requirements; outlines what information should be specified in the bidding documents; and requires that all procurement notices be published in the *Gazette* or in one or more national newspapers and on the electronic procurement system launched by the Government in June 2020.

- It provides for the procuring entity to require bidders to show that they meet the qualification criteria to participate in the bidding process.
- The Bill also provides for domestic preferences and requires every procuring entity to allocate a margin for domestic preference to promote the participation of small and medium size businesses in procurement opportunities.

- The Bill provides the procedure for the submission of bids, the opening of bids, the examination and evaluation of bids and for the debriefing of unsuccessful bidders.
- It requires that notices of the award of a procurement contract be published in the *Gazette*, or in one or more national newspaper and on the electronic procurement system.

A few things I wish to highlight here Mr. Speaker because they are particularly important.

This Bill will allow the Minister to set aside certain jobs exclusively for Bahamian small businesses.

This is in keeping with my government's pledge to provide opportunities for Bahamians small businesses and entrepreneurs.

Not only has my government set the standard by providing unprecedented financial support to Bahamian entrepreneurs and small businesses, we are once again showing our support by putting into the Bill, the means for us to set aside specific jobs, JUST for them – where they do not have to compete with the larger, more established businesses.

It is this kind of access to government jobs by small businesses that will provide them to gain a strong foothold in their

respective sectors and eventually become big businesses.

This is what this administration is all about: Using the levers of the state in an open, transparent way to empower Bahamians.

I also want to draw attention to the requirement that the award of all these contracts will be published online and in the newspaper.

It will state what the contract is for, who it was awarded to and the dollar value of the contract.

The PPD will publish a report at the end of the fiscal year that will compile all this information into a single document and they will publish it.

This will help to address all the whispering, the rumours, and the political mischief, that has gone on for decades in our country.

The citizens of the Bahamas will be able to see who is getting government contracts, for what purpose, and in what amounts.

It is after all the people's money Mr. Speaker.

And indeed, it is the people's time.

Mr. Speaker,

An important safeguard for proper adherence to procurement rules is that suppliers and contractors be afforded the

right to seek review of actions by the procuring entity where those rules have been violated.

In this vein, and for the first time, the Bill provides for the establishment of a **Procurement Review Tribunal**, which will adjudicate disputes and complaints relating to government contracts, in accordance with the process established in the Bill.

Thus, if a bidder believes that he or she was wronged during the bid process, they now, for the first time, have a formal recourse.

In other arrangements, the Bill sets out the grounds and the procedure for the suspension and debarment of a bidder; provides for the proper keeping of records of the procurement and the management of the procurement contract; and provides for the Procurement Act to be reviewed every five years by a Committee of both Houses

of Parliament appointed by the Prime Minister, in consultation with the Leader of the Opposition.

Mr. Speaker,

To protect the integrity of the procurement process, the Bill also include provisions for dealing with offences under the Act, with the Financial Secretary being able to surcharge employees of a procuring entity or any person who acted as an agent of a procuring entity public officer for

actions materially in contravention to the Bill.

Implementation of the Public Procurement Bill will be supported by the powers of the Minister to make regulations to enhance the daily operations of procuring entities and procurement units.

These have already been drafted and are ready to be promulgated when the

Public Procurement Act is brought into force.

The Statistics Bill 2021

Mr. Speaker,

At this juncture, I will now round out my presentation with an overview of the Statistics, Bill, 2021.

Let me begin my saying that the government has long recognized the need to modernize and strengthen the existing statistical system to meet the increasing

demand for data to support informed decision-making and to meet the 2030 Agenda and the Sustainable Development Goals and other international and regional requirements.

In an assessment of the existing Statistics Act, 1973, which established the Department of Statistics (DOS), many weaknesses were revealed that needed to be addressed.

- The Act was outdated and lacked important requirements of modern statistical systems—namely, independence, transparency and accountability;
- It did not provide for a lead agency or a well-defined strategy to coordinate the information production;
- It lacked evidence of a ‘Common Vision’ within the statistical system, with the production of statistics fragmented and no coordination mechanism, no

common strategy and programme and
no institutional leadership; and

- Statistics are disseminated by other agencies, including the Ministry of Health, the Department of Tourism, the Ministry of Education and the Central Bank of The Bahamas, which are governed by other legal frameworks.

Mr. Speaker,

The Statistics Bill 2021, which was modelled after the CARICOM Model

Statistics Bill, seeks to address these shortcomings and align with international best practices for oversight and governance in developing, producing and disseminating official statistics.

Through the Statistics Bill, the government is seeking to establish a credible institution, with an advisory oversight mechanism, whose mission and functions will guide the strategy for improving the quality, timeliness and

coverage of national statistics, which is vital input to policy decision making.

Among the salient features of the Bill is the establishment of The Bahamas National Statistical Institute (BNSI), as an autonomous body corporate, to replace the existing Department of Statistics and to be the lead agency within the National Statistical System.

This new institutional framework is in keeping with the direction taken by many

statistical agencies, as a means of promoting professional independence which is critical for ensuring transparency, trust and integrity, in the production of official statistics.

Funding of the Institute will be through monies appropriated by Parliament, fees and charges collected by the Institute and monies derived from fines compounded by the Managing Director.

Mr. Speaker,

Another key governance arrangement is the Board of the Institute which is to consist of eleven members—selected from a cross section of agencies which are involved in the statistical system, and civil society.

The key is that the Board would promote and protect the credibility, integrity and impartiality of the official statistics; promote and preserve the professional independence of the Institute and develop

policies and give general directions on the carrying out of the functions of the Institute.

Importantly, the Board, with the concurrence of the Minister, would also appoint the Managing Director, who is charged with the day-to-day operation of the Institute.

Mr. Speaker,

The Statistics Bill also provides for the appointment of a National Statistical

Committee (NSC), which is basically an advisory board—to be chaired by the Managing Director, and with broad membership.

Their key function is to collaborate with the Institute to develop the National Statistical Strategy which is to guide the work of the Institute over the medium term; and to advise on the priorities of the Institute and the National Statistical System.

I must emphasize that this is an independent Committee—a factor which is important for securing public confidence in the national statistics.

The intent is to ensure a participatory, consultative, all-inclusive approach to the development, implementation and publication of the National Statistical Strategy.

Mr. Speaker,

In keeping with the statistical activities of the current Act, the Statistics Bill provides for the Institute to conduct a national census of population and housing, a census of business, a survey on household expenditure, a survey on labour force, and any other census or surveys deemed necessary.

The Statistics Bill also provides for the Institute to collect, analyze and disseminate

official statistics, to conduct censuses and surveys in relation to matters set out in the First Schedule—and then to have these published.

The Statistics Bill also outlines the way the information is to be collected, whether by a personal interview, or telephone, or electronic transmission, or by completing a form and returning the form; and enables the dissemination of anonymized micro

data and in the manner as the Managing Director may determine.

Mr. Speaker,

The Bill enables the Institute to be granted access to all records, documents, returns and certificates in the control of public bodies from which information is sought for the purposes of the Act.

Where any census is being conducted or any other statistics are being collected in

accordance with the Act, the Managing Director may by notice (in the Gazette, one of more daily newspapers and on the Institute's website) require any person to provide any periodical or other information, estimates of returns in such form and manner as may be specified and information with respect to any of the matters specified in the First Schedule.

Provisions also provide for any person who is aggrieved by a request of the Institute, the means to appeal to the Supreme Court to adjudicate the matter.

Mr. Speaker,

The Statistics Bill provides for the orderly continuation of employment arrangements, the establishment of pension fund; and for the Institute to engage persons on a temporary basis.

Mr. Speaker,

The Bill also incorporates mechanisms for dealing with offenses under the Act.

The Managing Director may compound an offence, if satisfied that a person has committed an offence under the Act in respect of which a fine is provided and the person admits in writing that he has committed the offence and requests the Managing Director to deal with the offence.

The Bill also creates many offences under the Act, and prescribes penalties

ranging from ten thousand dollars or a term of imprisonment not exceeding one year to twenty thousand dollars.

Mr. Speaker,

In wrapping up my presentation, I would like to emphasize that developing legislative initiatives is a very time intensive exercise.

These bills are the culmination of more than two years of extensive drafting, review and, in all cases, we have adhered to best

practice requirements by releasing the Bills for public consultation and stakeholder engagements.

Indeed, all four of these bills were sent to the leader of the Opposition directly during the respective public consultation exercise.

I am advised that the Ministry of Finance did not receive any recommendations for adjustments to any of the draft bills.

I take that to mean that the Opposition is perfectly content with the content of the draft bills and welcome their swift passage.

I cannot imagine that if they had any suggestions – that they would not have sent them on to be considered during the consultative phase as others have done.

We are nonetheless very grateful to the persons and organizations who did provide extremely valuable feedback and

recommended edits during the consultative exercise.

Where the government considered appropriate, comments accepted from this process have been incorporated into the latest draft we have before us today.

I would add that work continues to ensure that the government would be able to fully operationalize these important pieces of legislation.

While the regulations have already been drafted for the Public Procurement Bill, work has commenced to prepare accompanying regulations for both the PFM and the PDM Bills, and other guidance documents necessary to achieve comprehensive implementation of the legislation.

Mr. Speaker,

We could not have arrived at this stage without the assistance of the Caribbean Regional Technical Assistance Centre in drafting the PFM Bill, which places The Bahamas at the frontier of best practices in public financial management; and for the Commonwealth Secretariat, which assisted in drafting the PDM Bill in line with the International Monetary Fund's guidelines for public debt management.

Both the Statistics Bill and the Procurement Bill were developed under the IDB-funded \$33 million loan to improve the management of the public finances and procurement and to enhance the government's capacity to monitor progress and implementation of key government priorities.

The government expresses its gratitude to these external agencies for their respective contributions and guidance.

The government also recognizes and thanks the staff of the Ministry of Finance, the Treasury Department, the Office of the Auditor-General, the Department of Internal Audit, the Law Reform and Revision Commission and the Public Financial Management and Performance Monitoring Report Project Office, the Directorate of the Department of Statistics, for their tireless work that has allowed us to reach this point.

Likewise, our gratitude is also extended to all stakeholders who participated in the public consultation process for the various Bills.

Mr. Speaker,

These Bills are designed to shape a sound and credible framework for improved management of The Bahamas' public finances and statistical system now and into the future—and will therefore

encourage confident and informed participation of Bahamians in fiscal management matters.

I, therefore, commend the PFM Bill 2021, the PDM Bill, 2021, the Public Procurement Bill, 2020 and the Statistics Bill, 2021 to this honourable house.

Thank you Mr. Speaker.
