

Official Report

PROCEEDINGS AND DEBATES OF THE NATIONAL ASSEMBLY OF THE FIRST SESSION (2015-2019) OF THE ELEVENTH PARLIAMENT OF GUYANA UNDER THE CONSTITUTION OF THE CO-OPERATIVE REPUBLIC OF GUYANA HELD IN THE PARLIAMENT CHAMBER, PUBLIC BUILDINGS, BRICKDAM, GEORGETOWN

115TH Sitting

Thursday, 23RD May, 2019

Assembly convened at 2.09 p.m.

Prayers

[Mr. Speaker in the Chair]

ANNOUNCEMENT BY THE SPEAKER

Death of Mr. Michael Anthony Abraham

Mr. Speaker: Hon. Members, I was informed of the death of Mr. Michael Anthony Abraham, a former Member of Parliament who died on the 17th May, 2019. He was 70 years old, having been born on the 26th September, 1948. Mr. Abraham came from the United Force.

Elections were held on Monday, 16th July, 1973 under the system of Proportional Representation for 53 Members of the National Assembly. The Third Parliament of Guyana commenced and the National Assembly first met on the 26th July, 1973. During the latter part of the Third Parliament, Mr. Michael Anthony Abraham was appointed an ordinary Member of the National Assembly on the third day of April, 1978. He made and subscribed the oath of office on that date. Mr. Abraham served in the Third Parliament until it was dissolved on the 25th October, 1980.

On the 15th December, 1980, elections were held under the system of Proportional Representation for 65 Members of the National Assembly. The Fourth Parliament of Guyana commenced when the National Assembly first met on 30th January, 1981, Mr. Abraham was again declared to be an

ordinary Member of the National Assembly by the Elections Commission on the 28th December, 1980 and served in the Fourth Parliament until it was dissolved on the 31st October, 1985. Elections were held on Monday, 9th December, 1985.

The Fifth Parliament of Guyana commenced and the National Assembly first met on 3rd February, 1986, Mr. Abraham was again declared to be an ordinary Member of the National Assembly by the Elections Commission on the 24th December, 1985. Mr. Abraham served in the Fifth Parliament until it was dissolved on the 29th August, 1992. Mr. Abraham ceased to be a Member of the National Assembly on that date.

Hon. Members, let us stand and observe one minute of silence as a mark of respect for the late Mr. Michael Anthony Abraham.

Assembly observed one minute of silence.

PRESENTATION OF PAPERS AND REPORTS

The following Papers were laid:

- (i) The Petroleum (Exploration and Production) (Tax Laws) (Repsol Exploracion Guyana S.A. (formerly known as Repsol Exploración S.A.), Tullow Guyana B.V. and Total E&P Guyana BV) Order 2019 – No. 16 of 2019.
- (ii) The Petroleum (Exploration and Production) (Tax Laws) (Esso Exploration and Production Guyana Limited, Cataleya Energy Limited (formerly Ratio Energy Limited), Ratio Guyana Limited and Hess Guyana (Block B) Exploration Limited) Order 2019 – No. 17 of 2019. [*Minister of Finance*]

INTRODUCTION OF BILLS AND FIRST READING

GUYANA GOLD BOARD (AMENDMENT) BILL 2019 – No. 8/2019

A BILL intituled:

“AN ACT to amend the Guyana Gold Board Act.” [*Minister of Natural Resources*]

SMALL BUSINESS (AMENDMENT) BILL 2019 – Bill No. 9/2019

A BILL intituled:

“AN ACT to amend the Small Business Act.” [*Minister of Business*]

PUBLIC BUSINESS

GOVERNMENT BUSINESS

MOTION

CONSIDERATION OF FINANCIAL PAPER NO. 1/2019 – CURRENT AND CAPITAL ESTIMATES

BE IT RESOLVED:

“That this National Assembly approves of the proposal set out in Financial Paper No. 1 of 2019 – Schedule of Supplementary Estimates (Current and Capital) – totalling \$7,962,209,485 for the period 2019-01-01 to 2019-12-31.” [*Minister of Finance*]

Mr. Speaker: Hon. Members, the Assembly would now resolve itself into Committee of Supply to consider Financial Paper No. 1 of 2019.

Assembly in Committee of Supply.

Minister of Finance [Mr. Jordan]: Mr. Chairman, in accordance with article 171(2) of the Constitution, I signify that Cabinet has recommended for consideration by the Assembly the motion for the approval of the proposals set out in Financial Paper No. 1 of 2019 – Supplementary Estimates (Current and Capital) totalling \$7,962,209,485 for the period 2019-01-01 to 2019-12-31 and I now move the motion.

Motion proposed.

CURRENT ESTIMATE

Item 1 11-111 Guyana Elections Commission – 3,300,000,000 (2.18 p.m.)

Mr. Jordan: Mr. Chairman, first, you note the change in the presentation of the supplementary estimates, both for the constitutional agencies and the appropriation agencies where the current

and capital estimates are now group together, both for ease of passage through the Assembly and also, of course, in keeping with programme budgeting that we are seeking to improve upon.

The second thing is that the constitutional agencies are presented in according... As of the last time we met in the House on this, as you know, we had a long back and forth and so we have put down the requested amount and the amount recommended in the same format as in the budget.

The sums recommended for the Guyana Elections Commissions is more or less 99 point something percent of what it has requested and in line with this provision, I want to say today, it is not in anticipation of anything that the Caribbean Court of Justice (CCJ) may or may not say or decide on. It is, one, in keeping with the President's commitment, even before the matter went to the CCJ, that after the Guyana Elections Commission (GECOM)'s chairman wrote to him requesting funding for the actual holding of the election, he had committed to giving the Guyana Elections Commission the resources for the conduct of those elections.

2.24 p.m.

Irrespective of the ruling of the CCJ, these moneys will be made available to the Guyana Elections Commission for it to start the process of the elections proper. I think many people would have heard the advertisements already in relation to the house to house registration. Now, this is the meat of it. This money is being provided to do the meat of the transactions.

As you can see, these elections are very costly. In addition to the \$5.371 billion that has been voted, now there is an additional \$3.5 billion roughly being voted, bringing the total sum to \$9 billion and counting for the elections that are constitutionally due in 2020, so to speak. I just wanted to bring that to the attention to the House, that this is nothing else but in keeping with the President's commitment to the GECOM and also putting the GECOM in readiness financially, \$9 billion and counting.

Item 1 11-111 Guyana Elections Commission - \$3,300,000,000 agreed to and ordered to stand part of the Schedule.

CAPITAL ESTIMATE

Item 2 11-111 Guyana Elections Commission - \$182,344,000

Mr. Jordan: We recommend the sum requested for the capital of the constitutional agencies, that is \$182,344,000.

Item 2 11-111 Guyana Elections Commission - \$182,344,000 agreed to and ordered to stand part of the Schedule. (2.29 p.m.)

CURRENT ESTIMATE

Item 3 59-591 Ethnic Relations Commission - \$25,000,000 (2.29 p.m.)

Mr. Jordan: Mr. Chairman, for the Ethnic Relations Commission, the amount that is requested, \$83,355,678, is identical to the amount that was - I do not want to use the word - “cut”. It is the difference between what the commission had submitted at the time of the budget and what was voted by this National Assembly. This attempt to recover or to recoup or to gain this additional amount unfortunately came at a very wrong time, when the Guyana Elections Commission’s vote had to have been taken into consideration and some other appropriation expenditure. Nevertheless, we recognise the importance of the commission and its work, and after meeting with the Ministry, the full commission, and pleading with the Ministry for additional resources, we have been able to allocate an additional \$25 million to the commission for it to expand its work during 2019, bringing the total sum voted for this commission to in excess of \$200 million.

Item 3 59-591 Ethnic Relations Commission - \$25,000,000 agreed to and ordered to stand part of the Schedule. (2.30 p.m.)

CAPITAL ESTIMATE

Item 1 05-056 Ministry of the Presidency – Social Cohesion - \$4,300,000 (2.31 p.m.)

Minister of Social Cohesion with responsibilities for Culture, Youth and Sport [Dr. Norton]: We are asking for this additional because, at this point in time, the Ministry is functioning without communication, inter-offices, by telephone. We hope that we will be able to get this so that we can correct that situation.

Item 1 05-056 Ministry of the Presidency – Social Cohesion - \$4,300,000 agreed to and ordered to stand part of the Schedule. (2.33 p.m.)

CURRENT ESTIMATES

Item 2 03-031 Ministry of Finance – Policy and Administration - \$800,000,000 (2.34 p.m.)

Mr. Jordan: Mr. Chairman, in my four years plus in this Assembly, defending estimates and expenditure and supplementary, and so on, if you look at this voted provision of \$10,940,000, and then you look at the sum requested, you may think it is an error, \$800,000,000. As I started out, it is the first time in this Assembly in defending estimates or presenting them that I do not have a good feeling, essentially. I do not have a good feeling because the bulk of this money is slated for Dipcon Engineering Services Ltd., due to an award that was made by the court.

The matter, I understand, is still in court; it is on appeal. The Hon. Attorney General will know more on that. I think, after a blaring headline appeared in a daily newspaper with my picture and the word “contempt” on it, that went around the world, as usual – very often we do not know how we destroy our own country by these headlines and what they do to our image, internationally – it was decided to come to this House to vote this money - moneys that we do not have, moneys that were needed at a time when we had to find an additional \$3.3 billion for the Guyana Elections Commission. We had to come to this Assembly for moneys for debts and awards that originated prior to this regime coming into power in 2015.

This matter went to the court in 2009 and was adjudicated by April, 2015. The last Government, apparently, ignored the award of the court and this matter has been going backward and forward. Meanwhile, it has been attracting interest of 6% between 2009 and 2015 and 4% there afterwards, hence the sum you are seeing today. Of this \$800,000,000, roughly \$750,000,000, or thereabout, is for the payment of this award. Now, we are voting this sum and will hold it without prejudice, because, as I said, the matter is still in the court. I understand it is returnable for 24th June, 2019, when it will be heard again. We will just be voting this money and holding it to see what will be the outcome of the case.

I may add that for numerous judgements awarded by the court prior to 2015, we have paid several of them. This House already knows of a number of them, such as the judgement of Rudisha for the environmental tax that we flouted, as a country, that was awarded by the CCJ. We have other billion-dollar awards where this Government had to find the money so as to not flout the order of the court. The mother of all awards is still facing us. An award of that will tally somewhere around

\$6 billion, for which the awardee has been after us for the last four plus years, I think it was from 1995. We inherited this judgment, \$6 billion, eventually, that we will have to find to pay the individual who has been awarded this. The thing is that it has been taken to the CCJ and it looks as if there is nothing much we can do but to sit and negotiate with the worthiest how this could pay.

2.39 p.m.

I want this House to know because critical resources that should have gone to pay wage increases, to pay school teachers and nurses and to do roads, we have to keep diverting moneys to pay judgements, the bulk of which originated prior to 2015, and I think the House and the public must know this. Thank you very much. *[Applause]*

Item 2 03-031 – Ministry of Finance – Policy and Administration - \$800,000,000 agreed to and ordered to stand part of the Schedule. (2.40 p.m.)

Items 3 and 4 32-321 Ministry of Public Infrastructure – Policy Development and Administration - \$49,500,000 and \$97,500,000 (2.40 p.m.)

Rental of Buildings

Minister of Public Infrastructure [Mr. Patterson]: This is a simple request in connection with one, United Nations (UN) House. Mr. Chairman, if you could recall during the debate for Budget 2019 and the examination of all of the estimates that a sum was included for the rental of one singular space to house all the various UN agencies, the yard has been identified and a rental agreement has been entered with the landlord. What was included in Budget 2019 was for one year's rental and what was omitted was the deposit. We paid the deposit which was three months rental. This here is to carry us to the end of the year. I am pleased to say that the UN has commenced moving into the property and it will, in the future, augur well for all of us having all the UN agencies under one roof a more cost-efficient operation. I would like to recommend the payment of this sum.

Subsidies & Contributions to Local Organisations

Mr. Patterson: This amount being sought for the contribution to the Kwakwani Electrical Company and the Kwakwani Utilities Incorporated (KUI), as the Assembly would know, KUI is responsible for the production of electricity, the provision of water and television stations and other public utility services in Kwakwani. With the advent of the issues regarding the Russian Bauxite Company Incorporated (RUSAL) last year, or the year before the last, and the circumstances surrounding that, this company would have previously provided Kwakwani with the fuel for the power station. With the challenges it experienced a year ago, KUI had to absorb some of these services, such as fuel provision, but there was a shortfall and this provision here is to ensure that: one, we continue servicing that very important community for us in Region 10 and, two, that we could give it enhanced services.

I have absolute pleasure and strongly recommend that this Assembly would approve the sum of \$97,500,000 for the provision of utility services in the Kwakwani district in Region 10.

Items 3 and 4 32-321 – Ministry of Public Infrastructure – Policy Development and Administration - \$49,500,000 and \$97,500,000 agreed to and ordered to stand part of the Schedule. (2.45 p.m.)

CAPITAL ESTIMATES

Items 5 - 13 32-322 Ministry of Public Infrastructure – Public Works - \$23,500,000, \$67,410,000, \$400,000,000, \$40,850,000, \$150,000,000, \$500,000,000, \$489,832,992, \$50,000,000 and \$160,000,000 (2.47 p.m.)

Infrastructural Development

Mr. Patterson: This provision of \$23,500,000 is for new installation. That is why it is under capital expenditure and it is in the Joppa section of the Corentyne Highway. Previously there was none, so we will be installing new lights in that area as well as highway lights in the Kurukururu section. This is part of another programme which we started since 2015 and that is putting new highway lights in unlit areas, not only for security purposes, but for better traffic control, and I am pleased with this programme. I want to make the point known that previously what would have been the Ministry of Public Works, which is now the Ministry of Public Infrastructure, would have said that these areas, which are now being lit, are not economical like along the Corentyne Highway and Number 19 Village. I do not know what criteria they would have used but under the

stewardship of His Excellency, everywhere in Guyana, where there are residents, irrespective of who they would have perceived to vote for or not, is economical as far we are concerned. This, Sir, continues that trend which is to bring the “good life” to persons all around the country.

East Bank – East Coast Demerara Road Linkage

Mr. Patterson: For item 6, the sum being sought under this supplementary is to facilitate payments to a consultancy service. Sir, as you would know there was a loan from the Government of India for this bypass road which is from Diamond, particularly, on the East Bank to Ogle on the East Coast. The draft final design has been submitted and is currently being reviewed by the Ministry. Of course, the project, as highlighted by the Minister the Finance in his budget speech, is of a bigger scale than previously envisaged. What was previously envisaged, initially when the loan was taken, was a single road linking house lots at the back of housing developments.

What is now being designed, and what has been designed, and is being reviewed, at the moment, and that is a dual carriageway which is not just for linking house lots, but is actually is an addition new entry point into the city. It is a bypass road... Therefore it is obviously vastly improved that what was initially perceived.

The scope of the works is enormous and the second part of the sum that is being allocated is to clear the swampy section. There is a swampy section along the route. The surveyors would have walked the entire length from the East Coast highway all the way passed Diamond and Grove and they encountered, and what we have encountered, 30 acres of swampy land. What we want to do as we have the time before we actually start is to drain it, so by the time we start construction, hopefully very shortly, that area would be drained and ready to have the road.

This money is to pay the consultants for the final draft design as well as start preparatory work on the swampy area and the more we can do now upfront makes the project far easier when we do come to full implementation. I commend and approve this amount for passage.

2.54 p.m.

Dredging

Mr. Patterson: Mr. Chairman, this is, as the Legend states, for the acquisition of spares. With the advent of oil and gas, the importance of keeping our maritime sector one ahead and buoyant has increased and tripled. I assume that, from next year, we will probably be even more challenged to ensure that we are adequately provisioned to support that industry. We are getting ahead of the curve here with the acquisition of spares for these four vessels.

For the M.V. Setter, the sum of \$83.78 million – this is just a breakdown I am providing you with, Sir; the M.T. Aruka is \$126.3 million; M.L. Allan Young is \$108 million; and M.L. Thompson is \$82 million; that brings it back to the \$400 million which is being sought here.

It is for various parts, from propellers shaft to crank shaft, impellers, pumps, couplings, turbo chargers, *et cetera*. The purpose, obviously, of this is to have our fleet able and ready, up and running to support, not only our local commercial shipping, but also the advent of oil and gas from next year. I commend this amount to this House.

Bridges

Mr. Patterson: Mr. Chairman, this is self-explanatory. I do think under the 2019 Budget, I would have informed this Committee of Supply that I had allocated sums for four major bridges in 2019, which were basically in Rivertown - a section on the East Coast; Diamond; Area J Industry and Better Hope - that is on the East Bank. Obviously, nothing is static. Since our inspections last year, the budget is prepared, as you know, in June, July/August. The latest time we can include anything is in, maybe, August. Since then, we have these two bridges which need urgent repairs and we felt it necessary that we would actually come to the House to excise these funds to undertake these two bridges. Obviously, if something goes wrong, thousands of our citizens would be unable to traverse this road and get to their homes. I am very pleased that the Ministry of Finance was able to accommodate this request to ensure that we could be ahead of the curve. The days of bridges collapsing, wharfs disappearing and those things like that are long gone and we are doing a lot of things. We have been far more proactive now than before, and so, I would like to thank the Ministry of Finance and I commend this amount to the House.

Miscellaneous Roads/Drainage

Mr. Patterson: Mr. Chairman, quite the opposite to the Minister of Finance, when he stated that he presented a provision to this House with reservation. This is quite the opposite. For the next two-line items, without any reservation, I would like to commend this sum. The sum here is for “Miscellaneous Roads and Drainage”. Miscellaneous Roads and Drainage, if you permit me, are main access roads and then, of course, there are other main arterial roads in the entire country. This is a provision for some additional funding.

Before I even ask, because I know that if my Hon. Colleagues over on the other side were here, the first question they would have asked would have been, “What would you have done with the voted provisions and why are you coming here now?” Sir, you looked up. I know that I was not going to read all, but I would like to tell this House that, so far, under the Miscellaneous Roads Programme, we have tendered out, they are either awarded... They have all been tendered - 60 roads throughout the country. The miscellaneous section from all regions, those have either been awarded or they are with the National Tender Board to be assessed.

Notwithstanding the 60 roads and counting, there are some that are still being tendered, one of the things that cannot be disputed, and I think successfully disputed in this House and in this country, is that, since this Administration came to office we have made tremendous amount of time in upgrading our road infrastructure. That cannot be disputed. This is a continuation of that.

In 2015, there was a provision and we did a lot of work - in 2016 – 2017. As I said in my budget speech, and I want to reiterate it now, this 2019 Budget that we have will allow the Minister of Finance some fiscal space which he says is to allocate more moneys toward Miscellaneous Roads.

The Government has embarked on a countrywide outreach. In embarking on a countrywide outreach, we have been able to touch our citizens all over. Resulting from that and resulting from feedback, we have been able to garner additional information. We have been able to walk first hand - each one of my Colleague Ministers – in several areas and certain other streets have come and areas and needs have come to our attention. I am very pleased, without any reservation, to say that these voted provisions will address some of those additional items which I have. It is all over the country. As I said before, we as a Government go where the need is, not where our vote is. We go where the need is and we address the needs of everyone. The road building programme cannot be disputed in this, I successfully dispute [*Inaudible*]

I would like to say that we will be going to Essequibo, we would be there next week. We said that we are going to Region 3, Region 4 and to some areas where they thought that they would never have lights and they have lights. Obviously, if you give them lights, you give them water, the next most sought-after thing are roads. So, we are going to be doing that.

Region 5, I must say, and Member of Parliament (MP) Ms. Wade would know that she carried us in that region. At our Ministerial outreaches, she brought the communities to meet us and to plead their cases. This addresses that and Region 6. So, I have no reservations whatsoever in recommending this sum to this House for passage.

Urban Roads/Drainage

Mr. Patterson: Mr. Chairman, like the previous line item, I once again have no reservation in recommending to this Committee the passage of this sum being sought here. The difference between this and the previous line item “Miscellaneous Roads”, obviously would be the roads outside of our urban spaces. Urban spaces are defined as the roads in our 10 towns. There are 10 towns now, and so these sums are for roads in those areas.

As I said before, my Colleagues over there would have asked what was done with the previous allocation; 46 roads have already been tendered out or awarded. Work have either started for all or they are at the National Procurement and Tender Administrative Board (NPTAB) to be awarded. We are well ahead of the game Sir. In particular, I want to say that we have done some areas, as you would know for Angoy’s Avenue, those tenders have been out and I do see my two Colleagues here. Agricola - we are doing four roads in Agricola; Linden - we are doing several roads there and several roads in New Amsterdam, in all 10 of our Administrative Regions. We are not stopping there. This provision will allow us to do additional work.

3.09 p.m.

There are certain things like *night follows day* that I know will arise. Someone will write about this being an election year. They can call it what they want; people will call them what they want, but it is the Government for the people. They have asked, there is a need and there will be no need for us to be doing this if the previous holders of this job had done their jobs, conscientiously every year, meticulously. I am proud to say, I can say it out loud, successful contradiction in this House,

the roads that we did in 2015 are still there. They are still standing. I can remember that there used to be something called 'election roads'. Sir, I just want you to know for sure that this is not money for elections road. The roads that we did, when I came in, they are still standing - Dennis Street is still there, Sophia is still there, Duncan Street, Lombard Street. The roads that we would have done in 2015 are still standing, we do not need to go back. Maybe other than to paint the lines and brighten the strips and those things like that. These are all new roads and, if the need was not so dire, Sir, I could not have been here saying these things.

We cannot do all, but we are fulling a huge gap and I would like to thank the Minister of Finance and my Colleagues for the support in doing that. We are going to get to you, one way or the other, either this year or next year, that is our commitment. Thank you, very much.

Highway Improvement East Coast Demerara

Mr. Patterson: Mr. Chairman, this amount is for the continued work on the East Coast upgrade. It is from Good Hope all the way to Belle Field. It goes a bit further than Belle Field. The works, currently, are 75% completed and the completion date for the project is September, 2019 and that still holds true. At the end of 2018, and in the last quarter 2018, in the Legend it states that the pace of work have slowed down somewhat. Previously, during the months preceding that, they were going at five to six per cent per month. In the latter part of 2018 and in the first two months of the first month of 2019, the progress had slowed to about two or three per cent per month. I am pleased to announce that this is back up again and, hence, they are pushing to ensure that they are going to reach their deadlines - their committed deadlines. They are at a pace of 78% of their contract work that is being executed per month.

This amount being sought carries us up to September, 2019, obviously, there are going to be retentions and those things like that. Those are not catered for in this. Of the major bridges for the dual carriageway, the one by the Massy Stores is the only major structure that remains to be completed. That is the only bottleneck from there.

Sir, as you know, there is a public advisory out this weekend. They are going to do some work on that particular bridge this weekend to ease the traffic jams, but after this weekend, that will be the last structure to be done. Unfortunately, that bridge had to be widened and it had to be redesigned.

That bridge would not be completed until July, so that last encumbrance, as you know, for those on the East Coast, will be there until July.

For this money, the bulk of the money, will be for street lights. The additional street lights will be placed mid next month, for the other areas, in June. New traffic lights signals will be at the seven intersections with this money. In June and by the beginning of July, two or three of those traffic lights will be in place and the street lights and we will continue moving on from Annandale to Belle Field. The plan is to widen the road, not into two lanes, but to widen it with sidewalks. We will be putting on seven inches of crush-and-run. We are raising it to two and a half inches of asphaltic concrete on top of that. That is from Annandale all the way to Belle Field. That is the second phase.

This money addresses that and we do hope that, by the end of July, the bulk of the inconveniences will be completed, and we are on target, barring weather and those things for a completion in September and there about. I commend this amount to this honourable House.

Hinterland Roads

Mr. Patterson: Mr. Chairman, this is quite self-explanatory, the amount is small, as it is, compared to what was budgeted for in 2019, is to undertake some urgent capital works along this corridor in Region 9, the Lethem – Hiawa - Nappi, this North Rupununi corridor. The need is there and our indigenous brothers and sisters are dear to this Administration. Vice-President Allicock and his team would have traversed the entire Regions 8 and 9 corridors and would have said to us that these were urgently needed.

What I am pleased to say with this is that, we embrace the spirit of community cooperation. In every one of these bridges that will be done, the timbers will be sourced indigenously from the communities, and, in as much as possible, all of the labour will come from the community. So, basically, we will just be providing the capital cost to these communities in this area to assist themselves. This is part of our commitment to ensure that 20% of our procurement is done either by community persons or small contractors. These projects will be executed on those basis, I have no objections with commending it to this House.

Sea and River Defence Works

Mr. Patterson: Mr. Chairman, this is self-explanatory, but with your leave, I could probably best explain the need for this with a letter sent to me by the Regional Chairman of Region 5, Mr. Ramphal Vickchand, which was dated 15th May and was addressed to the Hon. David Patterson.

“Dear Minister Patterson, I wish to bring the following to your attention. Currently the sea defence dam between Mahaica-Mahaicony River boundaries have been experiencing rapid erosion in a few sections. This is due to deterioration of the mangrove vegetation.

Recently overtopping was experienced in the vicinity of Profit, Mahaica and some remedial work was done. However, there is need for a comprehensive plan to expeditiously address the situation and prevent further deterioration of the embankment. Should a breach in the sea defence occur, it will be catastrophic since there is a vast amount of rice cultivation, cattle rearing and other economic activities that are being carried out in the said area.”

Sir, this is from the Regional Chairman, Region 5. I am pleased to say that, in the light of us recognising this and, as Government, we cooperate very closely with the regional administrations, the Regional Chairman highlighted an issue here and this \$160 million is to address the same issue highlighted here. If the Regional Chairman was here and the Members were here, they would have gotten up and supported this wholeheartedly, without reservation. They probably would have congratulated us for acting so swiftly, from 15th May there is an action, we do have a provision here. So, on their behalf, I have no hesitation in recommending this amount.

Items 5 - 13 32-322 Ministry of Public Infrastructure – Public Works - \$23,500,000, \$67,410,000, \$400,000,000, \$40,850,000, \$150,000,000, \$500,000,000, \$489,832,992, \$50,000,000 and \$160,000,000 agreed to and ordered to stand part of the Schedule.

3.24 p.m.

Items 14 - 19 42-422 Ministry of Communities – Sustainable Communities Development – \$700,000,000, \$200,000,000, \$214,000,000, \$80,000,000, \$200,000,000 and \$100,000,000

Central Housing and Planning Authority

Minister within the Ministry of Communities [Ms. Ferguson]: Thank you very much, Mr. Chairman.

The provisions currently sought, \$700,000,000, as the Legend's remarks column so reflects, will cater for the following:

In Region 1, we intend to have 275 house lots developed – this will be in Mabaruma; Region 3, in Met-en-Meerzorg, 11,000 house lots; Region 4, Vigilance, 1,650 house lots; Annandale, East Coast Demerara, 385 house lots; Mon Repos, Region 4, 220 house lots; Foulis, East Coast Demerara, 83 house lots; Hope/Experiment – this is in Region 5 –, we intend to develop 825 house lots; Ordnance Fort Lands – this is in Region 6 – a total of 138 house lots to be developed; Lethem, Region 9, 550 house lots, Kwakwani, Region 10, 110 house lots; Amelias Ward – Linden, Region 10, 1,100 house lots; Bur-Jag – this is in Region 10 – 138 house lots; Rect-door-Zee, Region 3, 275 house lots; Prospect Phase 2, 182 house lots; Providence Phase 5 in Region 4, 190 house lots; Cummings Lodge in Region 4, we intend to develop 370 house lots. This will give us a total of some 4,000 house lots to be developed.

Mr. Chairman, once this sum is passed successfully, we will commence work immediately in the areas of Rect-door-Zee, Prospect Phase 2, Providence Phase 5 and Cummings Lodge, bringing housing solution to our people here in Guyana. Thank you.

Hinterland Water Supply

Minister of Communities [Mr. Bulkan]: Thank you, Mr. Chairman.

This Committee is being asked to consider supplementary allocations in the sum of \$200,000,000 to fund capital works for the Guyana Water Inc. (GWI) under the programme “Hinterland Water Supply”.

As you have just articulated under the remarks in the Legend, this allocation, if approved, has four major components. These being: One, the procurement of a drilling rig, and I will come back with a little explanation. In the first component, the provision or allocation is \$75,000,000.

Secondly, the procurement of photovoltaic systems, pipes, well masters, pumps, motors and filters for the communities or villages: Aranaputa, Annai, Aishalton, Kaicumbay, Yupukari, Hiawa and Saint Ignatius. The provision for this is in the sum of \$40,000,000.

Thirdly, for the expansion of the water distribution system in Aishalton, this is in the Upper Takatu/Upper Essequibo Region, provision in the sum of \$35,000,000.

Fourthly, for the drilling of new wells, and water supply improvement in the Barima/Waini Region, and the specific locations of Mabaruma and Port Kaituma and in the Potaro/Siparuni Region at Mahdia, the provision is in the sum of \$40,000,000. And that should bring us to \$190,000,000 and the remaining \$10,000,000 is for "Project Administration.

Mr. Chairman, the procurement of the well that is being contemplated under this sum being considered here, will allow for the Guyana Water Inc. to once again have the capacity to drill wells on their own, as opposed to engaging contractors for the drilling of wells, which is a lot more expensive. So, with the acquisition of this capital equipment and restoration of this capacity that the Corporation once had, and is now seeking to reintroduce, will allow for the construction or drilling of a much greater number of wells for the same sum of money. It will allow for greater efficiencies and the provision of portable water supply for more communities and more households for the same investment on the part of the State.

The GWI has recently drilled a number of wells in the Upper Takatu/Upper Essequibo Region. These being at Lethem, Annai, Aishalton, Saint Ignatius, Karasabai, Aranaputa, Hiawa and Kaicumbay. Nonetheless, as a result of surveys that were done earlier this year, and with the prolonged dry spell that is being experienced in this part of our country, it is recognised that new wells are urgently required to be drilled in several additional communities. These being at Kumu, Mocomoco, Quarrie, Parikwarinau, Katunarib, Awaruwaunau, Maruranau, Parabara, Potarinau, Massara, and Fly Hill. This provision will allow for water security in those villages that I have just named in the Upper Takatu/Upper Essequibo Region.

Secondly, the wells that I have listed earlier, which were drilled in the past few months, require ancillary equipment to be able to complete the activity, namely with the transmission and distribution. The sum of \$40,000,000 is budgeted for the acquisition of the ancillary equipment namely the PV systems (photovoltaic), pipes, pumps, motors, and filters. Well, I have already

named those communities. These being: Aranaputa, Annai, Aishalton, Kaicumbay, Yupukari, Hiawa and Saint Ignatius. It will allow for the greater provision of portable water to residents in those villages.

Thirdly, Mr. Chairman, the sum of \$35,000,000 is budgeted for the completion of the works in Aishalton. Hon. Members would be aware that, during late last year, in collaboration with the Brazilian army, a number of wells were drilled in the South Rupununi – the village of Aishalton being one of those. For the full interconnection, transmission and distribution, additional resources are needed. This sum will allow for the completion of that programme to benefit in excess of 1,200 persons in Aishalton.

Fourthly, Mr. Chairman, the drilling of new wells in Barima/Waini and in the Potaro/Siparuni Region, first at Mabaruma. Residents there, and again as a result of the extended dry period, are experiencing intermittent water supply and it is necessary for an additional well to be drilled to provide for a more reliable supply of adequate potable water to the residents there. This provision is to cater for that well. It also caters for the improvement in the water supply at Port Kaituma, Matthew's Ridge, Sebai and Kariako. These are other communities in that region. Again, the provision under that programme is for the sum of \$40,000,000.

Finally, the provision will cater, also, for the drilling of a new well at our newest township – Guyana's 10th town – Mahdia, which currently receives potable water from the Salbora Creek, which is a few miles away. Again, the extended dry period reduces the volume of water that is available, and it affects the community, and in that case, the township. So, this provision is to cater for the drilling of a new well in Mahdia.

3.39 p.m.

Late last year, the Guyana Water Incorporated (GWI) successfully drilled a well in the adjacent community of Campbelltown - a well that was drilled to a deeper depth than the shallower wells which were hitherto dug in the hinterland community. It established that ample or adequate ground water is available in that area. This provision is to allow for all of those activities that I have referred to, Mr. Chairman. I have no hesitation in asking Members of this Committee and of this House to support this request on behalf of the GWI. Thank you.

Coastal Water Supply

Mr. Bulkan: Thank you, Mr. Chairman. This Committee is being asked to consider supplementary funding in the sum of \$214 million to fund the capital works under the Coastal Water Supply programme of the Guyana Water Incorporated. This proposed allocation has two main components, as you articulated a moment ago. These being (1) the upgrade of the Bartica Water Treatment Plant to allow for the delivery of 24-hour service to this community. The provision for that, Sir, is the sum of \$154 million. Secondly, this is to allow for the drilling of a well at Uitvlugt. The allocation for that being the sum of \$60 million.

In the case of the first component - that is the upgrade of the Bartica Water Treatment Plant – currently, that plant is the only source of potable water for customers in the township of Bartica. Again, as was referred to a moment ago, as the communities of Four Miles and Five Miles continue to expand, the demand for water has increased proportionately, and it has resulted in the inability of this plant to supply these communities and residents in the township on a continuous basis. This provision will allow for the expansion of that plant and facility and it will result in an increase in the distribution hours from what they currently are - namely every other day – to, as I said, a continuous supply. This will be for the benefit of the residents in that mining township.

Secondly, the drilling of a well at Uitvlugt is to allow for the supply of water to the new water treatment plant that is being constructed. In that region, it is one of the three water treatment plants under the Water Supply and Sanitation Infrastructure Improvement Program (WSSIIP). It is being funded by the Government of Guyana with a loan from the Inter - American Development Bank (IDB) and matching grant funding from the European Union (EU). This well, to be drilled at Uitvlugt, will allow for, as I said, adequate supply of water to that treatment plant. It is to benefit the communities between Cornelia Ida and De Kinderen, including, of course, Uitvlugt and Leonora. It is to meet the design capacity of that plant which will be completed towards the end of this year. The completion date is around November. This well is needed to complete that programme. Those are the two main activities that are under this programme – Coastal Water Supply. Again, I have no hesitation in asking Hon. Members of this Committee to approve the funding being requested in the sum of \$214 million to allow for making these activities a reality. Thank you.

Linden Water Supply

Mr. Bulkan: This Committee is being asked to consider the sum of \$80 million, by way of supplementary funding, for the capital programme for the GWI under the Linden Water Supply. As you have said, Sir, this proposed sum of \$80 million is to allow for the drilling of a new well at Amelia's Ward to expand that facility to serve the new Phase 3 and South Amelia's Ward housing developments and to provide adequate water supply for the residents in that community. I have no hesitation in asking Members of this Committee to approve this sum being requested to allow for this activity to be completed. Thank you.

Urban Sewerage and Water

Mr. Bulkan: This Committee is being asked to consider and support the request for additional funding in the sum of \$200 million for the Guyana Water Incorporated under the Urban Sewerage and Water programme. This sum being proposed has three main components. These being (1) the drilling of bison well at the Central Ruimveldt Water Treatment Plant to allow for the expansion of services, uninterrupted, in the budgeted sum of \$60 million. Secondly, it is to allow for the installation of new mains in the Albouystown parts of our capital city in the proposed sum of \$40 million. Thirdly, it is to allow for the upgrade of what is called the trunk main along Church Street in the proposed sum of \$100 million.

Currently, under the first activity, the Central Ruimveldt Water Treatment Plant does not have the capacity to serve the communities of West Ruimveldt and Alexander Village with 24-hour supply. This new well will provide for the increase in that capacity and enable the provision of 24-hour services.

Secondly, in the case of the need for the replacement of the mains on Church Street, it is the case that the Guyana Water Incorporated is faced with a situation where there are a lot of aged infrastructure, namely cast iron and asbestos mains. There are numerous cases of leakages and breakages. These, of course, result in lengthy disruptions in several parts of the city. When there are such breakages, it requires the entire plant to be shut down to allow for remedial works or repairs. This sum is to allow for the replacement of those mains. Of course, Hon. Members and citizens would have seen the situation at that junction in front of the Bank of Guyana, which is

subjected to frequent breakages, and the attendant disruption and inconvenience that was caused. As I said, the Guyana Water Incorporated is dealing with aged infrastructure.

Thirdly, a similar activity is required for the mains in Albouystown, namely the replacement of the distribution and transmission mains as a result of the asbestos mains which are currently very porous. Again, the most visible one is at the junction of Mandela Avenue, which results in considerable inconvenience to commuters and residents. Sir, I have no hesitation in asking Members of this Committee to support this request in the sum of \$200 million to allow for the construction and completion of these activities. Thank you.

3.54 p.m.

Solid Waste Disposal Programme

Mr. Bulkan: Thank you, Mr. Chairman. This Committee is being asked to consider supplementary funding in the sum of \$100 million under the Ministry's Solid Waste Disposal Programme and this sum is to fund two main activities. The first being the rehabilitation of the access roads and bridge at the Belle Vue Sanitary Landfill site, would a proposed allocation of \$60 million, and the second being the rehabilitation of parts of the access roads to the Haags Bosch Sanitary Landfill site in the proposed sum of \$40 million.

Briefly, in the case of the first activity, this is to allow for the decommissioning of the esplanade, in this case I would have to say dumpsite, which services the township of New Amsterdam. It is to allow for the eventual construction of a new sanitary landfill at the Belle Vue location. This funding is for the access road and bridge to be able to access that site.

Secondly, in the case of the Haags Bosch access road, that particular road services not only that sanitary landfill, which is used for the capital and 15 other Neighbourhood Democratic Councils (NDCs), but also several housing developments in that area, including the Eccles Industrial Site. As a result of the heavy volume of vehicles accessing that landfill site, the road suffered severe settlement and it is necessary to do remedial works to several sections that have been so affected. The proposal is funding in the sum of \$40 million to allow for the rehabilitation of that road and I am pleased to endorse this request for consideration by Members of this Committee. Thank you.

Items 14 - 19 42-422 Ministry of Communities - Sustainable Communities Development - \$700,000,000, \$200,000,000, \$214,000,000, \$80,000,000, \$200,000,000 and \$100,000,000 agreed to and ordered to stand part of the Schedule.

CURRENT ESTIMATES

Items 20 - 21 49-492 Ministry of Social Protection – Social Services - \$\$9,321,272 and \$25,000,000

Security Services

Minister of Social Protection [Ms. Ally]: Mr. Chairman, I wish to indicate that this is an inherited indebtedness from 2013. In 2014, that particular security service was sent off the job without being paid. On 16th April, 2019, at the Government outreach at the Square of the Revolution, the particular security service came out and laid its case to the Government. This Government, being a caring Government, believes that Brans Security must be paid for services rendered, hence this request. I wish to commend this request to the House.

Mr. Chairman: Hon. Members, I see we are at the 4'0 clock hour. I would crave your indulgence for us to complete consideration of Financial Paper No.1 and then we will take a suspension. I believe that all Members are in agreement with that suggestion. So, we will proceed. Thank you.

Other Goods and Services Purchased

Ms. Ally: Mr Chairman, in order to provide the ‘Good Life’ for the Guyanese nation, the Ministry strives to help many people who can ill afford some basic amenities, for example fixing their spectacles, providing toilet facilities, burying our loved ones and helping with small projects to gain economic power *et cetera*. Hence, we are asking for this increase in the sum of \$25 million and I wish to commend this request to the House.

Items 20 - 21 49-492 Ministry of Social Protection – Social Services - \$\$9,321,272 and \$25,000,000 agreed to and ordered to stand part of the Schedule.

Item 22 49-493 Ministry of Social Protection - Labour Administration - \$6,518,562

Ms. Ally: Mr. Chairman, this is also an inherited indebtedness from 2013. This expense was incurred to cover security payments for two programmes, labour as well as child care. We believe, as a Government, that people must not suffer unwantedly and so we are asking that the House approves this sum. It has to be paid to the RK's Security Service. Thank you.

Item 22 49-493 Ministry of Social Protection - Labour Administration - \$6,518,562 agreed to and ordered to stand part of the Schedule.

Item 23 49-494 Ministry of Social Protection - Child Care and Protection - \$\$8,734,659

Ms. Ally: Mr. Chairman, this, again, is an inherited indebtedness and we are seeking to pay this sum of money to the security service. I wish to say that this may not be the complete payment as we are still in the process of reconciling with the security agency to make sure that all payments are adequately covered. I wish to commend this amount to this House to be approved.

Item 23 49-494 Ministry of Social Protection - Child Care and Protection - \$\$8,734,659 agreed to and ordered to stand part of the Schedule.

CAPITAL ESTIMATE

Item 24 49-494 Ministry of Social Protection - Child Care and Protection - \$30,000,000

Ms. Ally: Mr. Chairman, it must be noted that, in 2016, the original Drop-In Centre burnt down. We have now constructed a new Drop-In and Family Centre in Sophia. The buildings are completed. However, the fire escape at this centre was not done. We want to ensure the safety of our nation's children; hence, we are ensuring that we take every possible safety measure with this new building and complex. In addition to that, we wish to provide, also, a transformer so that adequate electricity can be had at that centre. Sir, therefore, I commend this request to this honourable House. Thank you.

Item 24 49-494 Ministry of Social Protection - Child Care and Protection - \$30,000,000 agreed to and ordered to stand part of the Schedule.

4.09 p.m.

CURRENT ESTIMATE

Item 25 54-542 Ministry of Public Security – Guyana Police Force - \$48,398,000,000

Vice President and Minister of Public Security [Mr. Ramjattan]: The Guyana Police Force (GPF) experienced an increase in the number of handling and transporting of dead bodies over the years. In addition, there was an inherited indebtedness, also. It is necessary for this allocation under this line item for the purpose of paying those funeral homes which would normally handle the dead bodies, namely Lyken Newburg Funeral Home and Dr. Niamatalli Crematorium – Memorial Gardens. It is, of course, hard to forecast the number of dead bodies that would be handled in a given period. This has now been upped recently and, of course, it is also for previous years, going back to 2012. That is why we need to pay off for those and this amount has come up to more than the \$64 million that we had been allocated. This additional sum is now \$48,398,000,000.

Item 25 54-542 Ministry of Public Security – Guyana Police Force - \$48,398,000,000 agreed to and ordered to stand part of the Schedule.

Question:

“That this Committee of Supply approves of the proposals set out in Financial Paper No. 1 of 2019 – Supplementary Estimates (Current and Capital) totalling \$7,962,209,485 for the period 1st January, 2019 to 31st December, 2019.”

put, and agreed to.

Assembly resumed.

Mr. Jordan: I wish to report that the Committee of Supply has approved of the proposal set out in Financial Paper No. 1/2019 and I now move that the Assembly doth agree with the Committee in the said Resolution.

Question put, and agreed to.

Motion carried.

Mr. Speaker: This completes consideration of Financial Paper No. 1/2019. We will now treat with consideration of the Supplementary Appropriation Bill.

SUSPENSION OF STANDING ORDERS NOS. 13(N) AND 54

First Vice-President and Prime Minister [Mr. Nagamootoo]: Mr. Speaker, with your leave, I move that Standing Orders Nos. 13(N) and 54 be suspended to enable the Supplementary Appropriation Bill 2019, Bill No. 7/2019, to be introduced at this stage.

Question put, and agreed to.

Standing Orders suspended.

Mr. Jordan: Mr. Speaker, in accordance with paragraph (2) of Article 171 of the Constitution, I signify that Cabinet has recommended the Supplementary Appropriation Bill 2019, Bill No. 7/2019, for consideration by the National Assembly and I now present the Bill to the Assembly and move that it be read for the first time.

INTRODUCTION OF BILLS AND FIRST READING

The following Bill was introduced and read for the first time:

SUPPLEMENTARY APPROPRIATION BILL 2019 – BILL NO. 7/2019

A Bill Intituled:

“AN ACT to provide for the issue from the Consolidated Fund of the sums necessary to meet the expenditure (not otherwise lawfully charged on Consolidated Fund) of the Cooperative Republic of Guyana for the Fiscal year ending 31st December, 2019, estimates whereof have been approved by the National Assembly, and for the appropriation of those sums for the specified purposes, in conformity with the Constitution.” [*Minister of Finance*]

Question put, and agreed to.

Bill read for the first time.

PUBLIC BUSINESS

GOVERNMENT BUSINESS

BILLS – SECOND AND THIRD READINGS

SUPPLEMENTARY APPROPRIATION BILL 2019 – BILL NO. 7/2019

A Bill Intituled:

“AN ACT to provide for the issue from the Consolidated fund pf the sums necessary to meet the expenditure (not otherwise lawfully charged on Consolidated Fund) of the Cooperative Republic of Guyana for the Fiscal year ending 31st December, 2019, estimates whereof have been approved by the National Assembly, and for the appropriation of those sums for the specified purposes, in conformity with the Constitution.” [*Minister of Finance*]

Question put, and agreed to.

Bill read a second time.

Mr. Jordan: Mr. Speaker, I move that the Supplementary Appropriation Bill 2019, Bill No. 7/2019 be read a third time and passed as printed.

Bill read the third time and passed as printed.

Mr. Speaker: Hon. Members, with your support and assistance, we have concluded consideration of Financial Paper No. 1/2019. We will now take the suspension, which is for one hour, but if Members are so inclined we could just keep on going.

Ms. Ally: Yes.

Mr. Speaker: We will continue, Hon. Members. I thank you.

MOTIONS

AFFIRMATION OF THE PETROLEUM (EXPLORATION AND PRODUCTION) (TAX LAWS) (REPSOL EXPLORACION GUYANA S.A. (FORMERLY KNOWN AS REPSOL EXPLORACION S.A.), TULLOW GUYANA B.V. AND TOTAL E&P GUYANA B.V.) ORDER 2019 – NO. 16 OF 2019

BE IT RESOLVED:

That this National Assembly, in accordance with Section 51 of the Petroleum (Exploration and Production) Act 1986, Chapter 65:04, affirms the Petroleum (Exploration and Production) (Tax Laws) (Repsol Exploracion Guyana S.A. (formerly known as Repsol Exploracion S.A.), Tullow Guyana B.V. and Total E&P Guyana B.V.) Order 2019 – No. 16 of 2019 which was made on 2nd May, 2019, under Section 51 of the Petroleum (Exploration and Production) Act 1986, Chapter 65:01 and published in an Extra Ordinary copy of the Official Gazette dated 16th May, 2019. [Minister of Finance]

Motion proposed

Mr. Speaker: Hon. Minister, do you wish to speak further on the motion?

Mr. Jordan: Just to quickly state that last week we did Tullow Oil, which had to do with the Orinduik Block. The one today is Repsol, that has to do with Kanuku Block. The one to follow will have to do with the Kaieteur Block.

By way of some background, Repsol Exploracion Guyana S.A. is a fully owned subsidiary of Repsol S.A., which is a leading international exploration and production company, based in Madrid, Spain. Repsol S.A. first became involved in offshore exploration activities in 1987 through Maxus Guyana Limited and then YPF, S.A. which had the major equity in the Georgetown Block, prior to becoming the operator of the Block. Together with partners Tullow Guyana B.V. and CGX Resources, Inc, the Consortium spudded the high temperature, high-pressure Jaguar 1 Well in February, 2012.

However, by June 2012, the Jaguar 1 was abandoned because of safety concerns. The final depth reached was well below the targeted final proposed well depth. In May, 2013, Repsol S.A. successfully negotiated the Kanuku Petroleum Prospecting Licence (P.P.L) with Tullow Guyana B.V.

Under this P.P.L. Corporation, Repsol S.A. came in as the operator with 70% interest and Tullow Guyana B.V. obtained a 30% interest in the Block. During November, 2018, Total E&P Guyana B.V. farmed in with both Repsol Exploracion Guyana S.A. and Tullow Guyana B.V. Presently, Repsol S.A. has a 37.5% interest and remains the operator. Tullow Guyana B.V. has a 37.5% interest and Total E&P Guyana B.V. has a 25% interest in the Kanuku Block, respectively.

This House would like to know that they, having acquired the Petroleum Prospecting Licence from the Government of Guyana in May, 2013, with Tullow Guyana B.V. immediately farming in, the consortium was created. Subsequently, between September and December, 2013, Repsol Exploracion Guyana S.A. completed a 2D-3D seismic exploration survey in the Kanuku Block with the seismic data processed and interpreted.

The company is presently in the Phase 2 of the first renewal period of its petroleum agreement. By November, 2018, Total E&P Guyana B.V. farmed in with Repsol Exploracion Guyana S.A-Tullow Guyana B.V. partnership. The partners are working towards the drilling of Carapa I Exploration Well, which was scheduled for the third quarter of 2019. This exploration well is expected to use a jack-up rig and will soon be presenting their intent to drill workshop.

Mr. Speaker, that is by way of background and I ask that the Order be affirmed, in keeping with the contract signed with the consortium. Thank you very much. [*Applause*]

Question put, and agreed to.

Motion carried.

4.24 p.m.

AFFIRMATION OF THE PETROLEUM (EXPLORATION AND PRODUCTION) (TAX LAWS) (ESSO EXPLORATION AND PRODUCTION GUYANA LIMITED, CATALEYA ENERGY LIMITED (FORMERLY RATIO ENERGY LIMITED), RATIO GUYANA LIMITED AND HESS GUYANA (BLOCK B) EXPLORATION LIMITED) ORDER 2019 – NO. 17 OF 2019

BE IT RESOLVED:

That this National Assembly, in accordance with Section 51 of the Petroleum (Exploration and Production) Act 1986, Chapter 65:04, affirms the Petroleum (Exploration and Production) (Tax Laws) (Esso Exploration and Production Guyana Limited, Cataleya Energy Limited (formerly Ratio Energy Limited), Ratio Guyana Limited and Hess Guyana (Block B) Order 2019 – No. 17 of 2019 which was made on 2nd May, 2019, under Section 51 of the Petroleum (Exploration and

Production) Act 1986, Chapter 65:01 and published in an Extra Ordinary copy of the Official Gazette dated 16th May, 2019. [*Minister of Finance*]

Mr. Jordan:

“BE IT RESOLVED:

That this National Assembly, in accordance with Section 51 of the Petroleum (Exploration and Production) Act 1986, Chapter 65:04, affirms the Petroleum (Exploration and Production) (Tax Laws) (Esso Exploration and Production Guyana Limited, Cataleya Energy Limited (formerly Ratio Energy Limited), Ratio Guyana Limited and Hess Guyana (Block B) Order 2019 – No. 17 of 2019 which was made on 2nd May, 2019, under Section 51 of the Petroleum (Exploration and Production) Act 1986, Chapter 65:01 and published in an Extra Ordinary copy of the Official Gazette dated 16th May, 2019.”

Again, just by way of background, because this is now the Kaieteur Block with Ratio (LLG) Limited and Ratio Guyana Limited, which has a register principle office in Guyana, in Prashad Nagar. The ratios partners are subsidiaries of Ratio Oil Exploration Limited of Israel. Ratio Energy Limited and Ratio Guyana Limited commence negotiations under the former administration for its petroleum prospecting licence within the ultra-deep water of the Guyana basin area in mid-2012. At the time, that area was known as Annex B. Negotiations were nearly completed when the October 2013 Anadarko incident occurred. It took until the first quarter of 2015 before negotiations resumed.

On the 28th April, 2015, the Production Sharing Agreement was signed by both the Government and Ratio principals. The concessionary then renamed the Annex B as the Kaieteur Block with this area totalling approximately 13,535 square kilometres. Almost immediately after the signing of the petroleum prospecting licence approximately half of the block was included in the Venezuela presidential decreed area which is not recognised by Guyana.

The signing of the petroleum agreement occurred in May, 2015 just before the national and regional elections. I think this is important for me to say, again, that the signing of the petroleum agreement occurred in May, 2015 just before the national and regional elections and shortly before

Esso Exploration and Production Guyana Limited officially announced its first petroleum discovery at the Liza-1 well.

During 2016, no formal work commitments were undertaken by Ratio, mainly because of issues regarding Venezuela previous show of aggression within Guyana's waters. By the second quarter of 2016, Ratio Guyana Limited applied for the transfer of some of its share interest to Ratio Energy Inc and Esso Exploration and Production Guyana Limited (EEPGL) respectively. This was approved. The share interest to be transferred to EEPGL was 50% which made it the new operator.

Additionally, during 2016, Ratio Energy Inc applied to the Environmental Protection Agency (EPA) for an environmental permit to conduct 3D seismic operations in its block.

In early 2017 Ratio Energy Limited applied for the transfer of shares to Ratio Guyana Limited to the extent of 15% interest. The EEPGL requested a new work programme with regard to 3D seismic operations that was much more aggregative than the one originally signed as per the Production Sharing Agreement of 28th April, 2018. The new work programme now encompassed the southern part of the Kaieteur Block rather than the northern block as was originally approved. Operations in the northern part of the block remain suspended.

During the second quarter of 2017, the Ratio group received permission to transfer share interest to Esso Exploration and Production Guyana Limited and Ratio Guyana Limited respectively. The EPA then approved EEPGL Ratio environmental permit for the Kaieteur 3D seismic operation within the block.

In January 2018, EEPGL requested a transfer of share interest to Hess Guyana Exploration Limited (HGEL) to the extent of 15% out of its total interest of 50% within the Kaieteur Block. Putting all of that together, the current share interest in the Kaieteur Block is as of follows: EEPGL – 35%, Ratio Guyana Limited – 25%, Ratio Energy Limited, renamed Cataleya Energy Limited – 25% and Hess Guyana Exploration Limited – 15%.

I, therefore, ask that the section 51 Order be affirmed in keeping with the contact notwithstanding the insinuation of the contact being signed just before the elections. Thank you Sir.

Motion carried.

ADJOURNMENT

Mr. Speaker: This brings us to the end of our labours for today. I would ask the Hon. First-Vice President and Prime Minister to move the adjournment.

Mr. Nagamootoo: I move that the House be adjourned *sine die*, to a date to be fixed.

Before you ask us to rise, I would like to take the opportunity of wishing Your Honour, the Clerk and members of your staff, Member of this honourable House, the media and the people of Guyana generally a happy 53rd Independence Anniversary. We would not be meeting again, but we will observe this event this year on Sunday, Monday being a national holiday, so I take this opportunity, on behalf of this Government and people of Guyana, to wish this House all the best, and by extension all the people of our country.

Mr. Speaker: I thank the Hon. Prime Minister. Hon. Members, the House stands adjourned *sine die*.

Adjourned accordingly at 4.33 p.m.