



MINISTRY OF
FINANCE

REPORT ON CONTINGENCY FUND

REPORT ON CONTINGENCY FUND FOR
THE PERIOD ENDING **DECEMBER 31ST 2024**



Table of Contents

Introduction	3
Purpose of the Fund	3
Amount of Fund	4
Utilization of the Fund	5
Impact of the Fund	5
Conclusion	5

Introduction

This Report provides a status update on the Contingency Fund, established pursuant to SRO 42 of 2015 – National Transformation Fund Regulations, as amended. As per the Regulations, a Contingency Fund Bank Account was opened at the Eastern Caribbean Central Bank at its headquarters in Basseterre, St. Kitts and Nevis.

The National Transformation Fund Regulation (Amendment) of 2023 stipulates that 10% of CBI inflows to the National Transformation Fund shall be directed to the Contingency Fund.

The first deposit was made in July 2023. Subsequently, deposits based on the monthly receipts of the NTF have been made to the Contingency Fund.

As this is the first of this Report, it covers the financial period from July 2023 (initial payment into the Fund) to December 2024 and highlights all activities related to the Fund.

Purpose of the Fund

The Contingency Fund was established to provide financial resources to;

- Reduce budget expenditure arrears
- Restructure, repay or repurchase debt
- Provide financial resources for relief, recovery and reconstruction after a natural disaster.

The Fund operates under the legal framework established by SRO 42 of 2015 – National Transformation Fund Regulations as amended, ensuring transparency, accountability, and proper oversight of resources.

Amount of Fund

As of December 31st, 2024, the total deposits into the Fund stood at **FORTY-FOUR MILLION, NINE HUNDRED AND ELEVEN THOUSAND, NINE HUNDRED AND FIFTY DOLLARS AND TWELVE CENTS** (\$44,911,950.12).

This amount represents the following:

Deposits	\$44,085,924.00
Interest Earned	\$826,026.12

The table below provides additional details of the deposits, interest earned and fund balance of the Contingency Fund Account balance, broken down by year.

Table 1 - Contingency Fund Account Activity 2023 - 2024

	2023	2024
Interest	\$ 46,006.37	\$ 780,019.75
Deposit	\$ 19,110,357.00	\$ 24,975,567.00
	\$ 19,156,363.37	\$ 25,755,586.75
Ending Bank Balance	\$ 19,156,363.37	\$ 44,911,950.12

Utilization of the Fund

There has been no utilization of the Contingency Fund to date. The passage of Hurricane Beryl, one of the strongest tropical cyclones to have made landfall in modern history in July, impacted the State of Grenada, particularly the sister isles of Carriacou, and Petite Martinique, and the northern parishes of the mainland, namely, St. Patrick, St. Andrew and St. Mark. As part of its response, the Government utilized several tools in its disaster risk financing toolkit. As stated earlier, no amounts were drawn from the Contingency Fund. Accordingly, the total balance of the Contingency Fund remains available for the Government to provide financial resources for recovery and reconstruction efforts for Hurricane Beryl or any future disasters.

Impact of the Fund

While the impact of the Contingency Fund cannot be measured at this stage based on its utilization, the Fund remains a critical arsenal in Grenada's disaster risk financing strategy toolkit, thereby reinforcing the growing resilience of the Grenadian economy to external shocks, including extreme weather events.

Conclusion

The establishment of the Contingency Fund and the set aside of funds for specific purposes, in particular, to provide financial resources for relief, recovery, and reconstruction after a natural disaster is key to building financial resilience over time. Financial resilience is a key pillar of Grenada's Disaster Resilience Strategy, which focuses on structural resilience and post disaster resilience as the two other critical pillars.

