



Update on ISWMS to Members of Parliament
By Hon. G. Wayne Panton, JP, MP
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House of Parliament

Thank you Mister Speaker.

Mister Speaker, I would like to take this opportunity to update Members of this Honourable House regarding the progress that is being made on the new Integrated Solid Waste Management System, or “ReGen” project.

In addition to steady progress towards financial close of this important national project, progress continues on capping and remediating the main mound at the George Town Landfill.

If any Members of Parliament have driven past the landfill recently, you will have noted the enhanced vegetative screening along the Esterley Tibbetts Highway, and the layer of topsoil currently being added to the cap.

Capping began under the previous administration in March 2020 when an initial layer of fill was placed over the waste mound. In November 2021, this administration commenced construction of the engineered cap, including the geo-synthetic liner and gas management system.

Capping the waste mound has always been an important component of the Integrated Solid Waste Management System Project. Once completed, this proper, engineered cap will prevent pests, reduce the risk of landfill fires, eliminate odours, and reduce methane emissions – a potent greenhouse gas that is a global driver of climate change.

I am pleased to be able to confirm to my colleagues and the country that Phase 1 of the landfill remediation is nearly complete. The final layer of soil will support the growth of grasses and shrubs that will provide an attractive, green surface that is also resistant to erosion.

Along with the visible, continued progress of the landfill capping project, work continues between the Cayman Islands Government and Dart to finalise project agreement negotiations and reach financial close on the public-private partnership for the delivery of our new integrated solid waste management system.

Mister Speaker, I think we can all agree that no single administration is responsible for “Mount Trashmore”. It has taken our country over fifty years

to reach this stage and I will say that I do believe credit is due to the previous administration for their efforts to reach commercial close on the project negotiations with Dart with the signing of a project agreement on March 26th, 2021.

Having said that, I also believe that the Opposition has not painted an accurate picture when it comes to the level of work that remained to be done after their administration signed that agreement, amid much fanfare and self-congratulation, less than three weeks before the General Election in 2021.

While there have been suggestions from the Opposition that our PACT Government inherited a project where the negotiations were essentially completed and we just needed to get on with construction of the project, I want to make it absolutely clear that this simply was not the case. In fact, Mister Speaker, I think it would be fair to say that nothing could be further from the truth.

You see, contrary to what the Opposition members have suggested, we were not handed a fully negotiated contract to simply carry forward and execute. While I cannot go into details due to commercial sensitivities and the fact that negotiations are still very active (another fact that I firmly believe the Opposition is likely very much aware of, yet has neglected to

mention in their recent utterances) suffice to say that while there were a number of areas that had been agreed, there were still a number of significant conditions precedent remaining to be negotiated when the previous administration signed that project agreement at the end of March 2021. Mister Speaker, I believe Members have previously heard me describe that project agreement as “an agreement to make an agreement” as there was still a great deal of work to be completed in order to finalise contract negotiations and reach financial close.

The March 26th 2021 Project Agreement, which the opposition approved just before the General Election and celebrated as a crowning achievement of their administration, envisioned a financial close target date of September 30th 2021. As the PACT Government worked to familiarize ourselves with this important project, I was surprised to discover just how many conditions precedent there were in the signed project agreement and the sheer number of issues, many of which were very significant and complex, that had been left to be negotiated and agreed to achieve financial close. In fact, in August 2021 our legal advisors share a report that gave an overview of the outstanding items to financial close, the vast majority of which were showing as “not yet agreed” and were significant issues to be addressed – that report ran for nearly forty pages (39 pages to

be exact) and it had page, after page, after page of outstanding items that still needed to be negotiated and agreed.

It is my opinion, Mister Speaker, that there is quite simply no way that the Project Agreement that was signed could reach financial close in the timeframe that was being promoted. Not unless one, or both, parties were prepared to make significant concessions on some key points in the negotiations. Concessions that would run the life of the contract and, quite possibly, concessions that the people of the Cayman Islands would quite literally be paying for over twenty-five years of the system being in operation. Yes, Mister Speaker, a project agreement was signed and progress had most definitely been made. But to paint that project agreement as putting the project at a point of “pressing the button” to execute suggests to me that perhaps the Opposition did not fully appreciate what they had approved, which I suppose is possible as it is a highly complex project and they were all quite busy campaigning for re-election at the time they approved it and signed it.

Given the timing of the approval and signing of the project agreement, right in the middle of the campaign period for the snap election that the former Premier asked the Governor to call, I suppose they might not have noticed that the project plans did not have any space allocated for the DEH to

continue their solid waste collection operations, and that the project agreement required for the DEH to be relocated on a timeframe that, much like their projected financial close date, would be nigh on impossible to achieve. I suppose there is the possibility that they were aware of this but felt these issues would have to be further negotiated and resolved in the run up to financial close – that is certainly what we are having to do now.

This was not a project that was ready to move to construction, and frankly I think it is unfortunate that it was presented to the public that way. But, Mister Speaker, the election campaign was in full swing and election day was less than three weeks away, so I suppose some hyperbole is to be expected. However we are well past the heady days of the campaign (though there are times I'm not sure all involved have come to terms with that), and the opposition has held fast to their narrative on this. At least, Mister Speaker, I can say that they are consistent in that regard.

Members may recall that the project – now named 'ReGen, Cayman's Energy & Recycling Centre' – was transitioned to the newly established Ministry of Sustainability and Climate Resiliency under my responsibility in October 2021.

Since that time, we have had to do a great deal of work to better understand how the project has changed since the deal was first

announced five years ago and ensure that the project continues to meet the country's needs.

As part of our work to understand the project, the PACT Government and the Governor's Office asked the Office of the Auditor General to review the project and provide initial insights and advice. Reviewing the project in that moment, as it stood when the project agreement was signed, the Auditor General found that it did not represent value for money and identified opportunities to address and try to mitigate this as the negotiations are being finalized. I would like to reassure my colleagues in this Honourable House, and the people of the Cayman Islands, that we are committed to taking every step that we can to address this concern and ensure that this incredibly important, and much needed, national project is a value for money proposition for the country, and meets our needs now and into the future.

To that end, in April this year, the Cayman Islands Cabinet approved an extension to the financial close deadline and long-stop date for project agreement negotiations. At the time, the deadline to obtain financial close was no later than 31 October 2022 and the long-stop date was no later than three months after the proposed financial close date or January 2023.

As we have continued our negotiations, that projected timeline to financial close has shifted slightly, with financial close now anticipated at the end of November 2022. This date is still well ahead of the project long stop date of 31 January 2023.

Mister Speaker, given the scale of this project, its national significance, the level of capital investment required, and the proposed lifespan of the new system, I believe one extra month to reach financial close is hardly excessive.

Let us not forget that it took more than three years for the previous administration to reach commercial close with Dart, after announcing them as preferred bidder in 2017.

While we are on the matter of capital investment, I would like to clear up some recent misinformation about the cost of the project facilities. A few weeks ago, the Honourable Leader of the Opposition, and Member for George Town East, said on the radio that the “last estimated cost” for the facilities was \$105 million. Mister Speaker, this is simply not accurate, and unfortunately this is often the case with statements made by the Opposition on this project.

When the previous administration signed the commercial contract with Dart in March 2021, the facilities were projected to cost at least C\$205 million.

This was an increase over initial cost forecasts that was tied to a decision to increase the capacity of the facilities in response to improved data regarding the amount of waste that would need to be treated.

For clarity, Mister Speaker, I believe the previous administration's decision to increase the capacity of the facilities prior to signing the project agreement with Dart was a sensible one to take given the data they had before them.

I'm sure Members will agree that this projected capital cost is a significant sum and it is worth noting that it is only one component of the overall project costs.

Please know that my administration is working wherever possible to keep costs down in spite of global supply chain issues and procurement challenges. Our goal is to ensure ReGen represents a financially viable, long-term solution for sustainable solid waste management for all three of our islands.

Members may recall that this project is being delivered as a "Triple P", or public-private partnership, where the Dart-led consortium will design, build, finance, operate, and maintain the project for the life of the project contract, which will run for the construction period and subsequent 25 years of operations.

Once the project becomes operational, the Cayman Islands Government will pay a per ton unitary charge for the consortium to process the waste. We expect the operational costs will also be partially offset by the sale of electricity generated by the waste to energy plant.

I would like to reiterate that the discussions are proceeding at pace, and every effort is being made to ensure that the Government is achieving value for money whenever possible.

As contract negotiations are still ongoing, I am somewhat limited in the detail I can share at this time but I am pleased to be able to announce some important updates today.

First, the Environmental Impact Assessment – or EIA – for the project, which had been paused, has been restarted.

Currently, Dart is working with a number of environmental consultants to undertake the baseline technical studies set by the Terms of Reference that Members may recall were finalised in October 2021 after the required public consultation process.

The Terms of Reference guides the environmental studies that form the final outcome of the EIA for the project. As the work on the EIA proceeds in the coming months, the environmental consultants appointed by the project

team, in consultation with the Environmental Assessment Board – the EAB, will undertake technical studies and baseline monitoring of noise and vibration, marine and terrestrial ecology, hydrology and hydrogeology and air quality, among others.

The environmental studies conducted as part of the EIA will form the basis of an Environmental Statement. The Environmental Statement is the final outcome of the EIA and sets the precedent for the project's environmental performance, informing final design and construction, along with permitting and operational requirements of the facilities once commissioned. The Environmental Statement will also be subject to a public consultation period before it is finalised.

I want to encourage the community to participate in the public consultation for the Environmental Statement once those dates and locations are announced.

We expect the EIA process will be completed by October 2023.

My Second update is that, as part of the approval of the project agreement in March 2021, the previous administration also agreed to waive the requirement for the Dart Consortium to obtain planning permission.

Members may be aware that such a waiver is allowed for under section 53 of the Development and Planning Act (2021 Revision), where Cabinet feels it is in the public interest to do so.

Mister Speaker, while I cannot speak to the motivations behind this particular aspect of the project agreement, as this was part of the previous Cabinet's approval, the current administration is obligated to fulfil that commitment and we will be publishing a Gazette Notice of that waiver in the coming months.

I would like to assure my colleagues in this Honourable House, as well as the Cayman Islands public, that this planning waiver does not exempt the facility designs and plans from review by the relevant Departments and Statutory Authorities which normally review and comment on planning applications in the Cayman Islands, nor does it impact in any way the EIA for the project.

The plans and designs will still be subject to review and comment by the Department of Planning, the Department of Environment, the Department of Environmental Health, the Water Authority of the Cayman Islands, and other commenting agencies, as required.

What the waiver does mean is that Central Planning Authority will not be final approver for the facilities, and the publication of the Gazette notice of

the Cabinet waiver will be done instead of the usual notification of planning applications that are normally sent to surrounding landowners.

Once again, I want to emphasise, and reassure the public, that this waiver of the requirement to seek planning approval **does not** exempt the facility designs and plans from being reviewed by the relevant agencies, **nor does it impact the EIA process** which will influence the final design. These requirements will be clearly outlined in one of the schedules to the agreement that will be signed at financial close.

Thirdly, Mister Speaker, Dart has been working to prepare and refine a national public awareness campaign to encourage responsible production and consumption in our community.

While I share the concerns with the members of the public who drive past the George Town Landfill and see the waste appearing to edge closer and closer to the by-pass, I have been assured by the team at the Department of Environmental Health – DEH – that they are confident in our ability to manage the existing landfill footprint to its fullest until the ReGen facilities are commissioned and operational, which is expected in 2026.

However, each and every one of us has a role to play in ensuring we can successfully do this.

As a matter of embracing sustainability and best practice, we should all be rethinking what we consume, reducing what we throw away, reusing items wherever possible and recycling our glass, aluminum, and 1 and 2 plastics at the depots provided and serviced by the team at DEH.

As small islands, land is one of our most finite resources. Using more land for traditional landfilling is not, by any stretch of the imagination, the highest and best use of our limited land resources.

Reducing the waste we generate in the first instance, followed by reusing and recycling, are some of the most important tools we have to manage waste more sustainably now and going forward.

We have to facilitate a paradigm shift in these islands that takes us back to the mindset previous generations embodied without necessarily realising it.

For our predecessors, everything that could be reused was. Material possessions were few and far between and they were not taken for granted. Throwing something away was a last resort because, as they knew, there is no 'away'.

Even while we work to reach financial close, finalise once and for all the contract negotiations, and build these new facilities, each and every one of us has the opportunity every day to be part of the solution, not the problem.

Fill up a reusable water bottle instead of buying a plastic one. Take recyclables to the public depots rather than simply tossing them in the bin. Make sure waste goes in the bin rather than littering our roadsides.

I would like to charge everyone here today and those listening in to take up this challenge and rethink your waste.

I would also like to thank the hardworking leadership and staff of DEH for their continued management of the active tipping area at the George Town Landfill and their tireless work to ensure garbage collection schedules are maintained.

On the same radio show I mentioned previously, the Deputy Leader of the Opposition and Member for George Town North, claimed that tipping is not being done properly, and that the risk of fire is high due to improper practices. I am not sure why the Deputy Leader of the Opposition would lash out at the hardworking members of the DEH team in that way and I would like to offer those dedicated solid waste management professionals my personal gratitude for the essential services they provide.

Working in solid waste management is not an easy job, and yet it is one of the most essential professions in our community to ensuring both human health and environmental health.

The DEH team continues to manage the active tipping at the landfill. The aim is to move over time to the Florida Code landfilling standards of operations which includes the placement of daily cover. DEH will manage the methods by which cover can be produced, moved and stored for use in the daily operations of the landfill.

These are not easy jobs, and I'm sure Members will join me in thanking the team at DEH for the work they do around the clock, and the valuable public health services they provide on a daily basis.

In closing, Mister Speaker, we are still working through a number of outstanding issues that we will need to agree to reach financial close, but I am confident that substantive progress is being made in the negotiations and the project financial close is in sight.

I look forward to providing additional updates to the members of this Honourable House, and our wider community, after that time.

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