

*GOVERNMENT OF
ST. VINCENT AND THE GRENADINES*

DEBT PORTFOLIO REVIEW 2020

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Information Technology

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ACRONYMS

AFD	Agence Francaise de Developpment	IBRD	International Bank for Reconstruction and Development
ALBA	Bolivarian Alliance of the Americas	IDA	International Development Association
ATM	Average Time to Maturity	IMF	International Monetary Fund
ATR	Average Time to Re-fixing	KWD	Kuwait Dinars
BoSVG	Bank of St. Vincent and the Grenadines	LIAT	Leeward Island Air Transport
CAT DDO	Catastrophic Deferred Drawdown Option	IDA	International Development Association, World Bank
CDB	Caribbean Development Bank	NIS	National Insurance Services
CDF	CARICOM Development Fund	NPL	National Properties Limited
DMU	Debt Management Unit	OPEC	Organization of Petroleum Exporting Countries
CWSA	Central Water and Sewerage Authority	PDVSA	Petroleos de Venezuela S.A
DOD	Disbursed Outstanding Debt	RGSM	Regional Government Securities Market
EC	Eastern Caribbean	TECHVOC	Technical Vocational
ECCB	Eastern Caribbean Central Bank	UWI	University of the West Indies
EIB	European Investment Bank	USD	United States Dollar
FAA	Finance Administration Act	VINLEC	St. Vincent and the Grenadines Electricity Services
GOSVG	Government of St. Vincent and the Grenadines	XCD	Eastern Caribbean Dollar
GDP	Gross Domestic Product	XDR	Special Drawing Right
IADC	International Airport Development Company		

I. EXECUTIVE SUMMARY

The Debt Portfolio Review aims to provide a detailed overview of the total public debt portfolio of St. Vincent and the Grenadines for the year 2020. The review compares the debt stock as at December 31, 2020 to that of 2019, categorizing the components into: - External¹ and Domestic debt and further disaggregated by Central Government and Public Corporations². Furthermore, the review analyses the debt by creditor category; instrument type; currency composition; and economic sector. It also provides an overview of debt activities undertaken, including new debt contracted and central government debt service during the year. All analysis in the review was done in Eastern Caribbean dollars unless stated otherwise.

The impact of the COVID-19 pandemic on the portfolio resulted in an increase in total disbursed outstanding debt as a result of greater financing requirement to facilitate spending in the health sector and to bolster social safety nets. The Government was able to tap into resources from domestic creditors through the issuance of securities; utilization of proceeds from existing loans; and some new loans were mobilized including: Coronavirus Disease Emergency Response Support Loan from CDB; Rapid Credit Facility from IMF; and a Second Fiscal Resilience Development Policy Credit from the IDA, World Bank.

As at December 31, 2020, total disbursed public debt stood at \$1.865 billion or 84.9 percent of GDP³, an increase of 11.4 percent from \$1.674 billion. Of this amount, Central Government debt accounted for \$1.707 billion, or 77.8 percent of GDP while the remaining \$157.6 million, or 7.2 percent of GDP, is attributable to debt owed by Public Corporations. The total external debt stock accounted for \$1.285 billion or 58.5 percent of GDP and total domestic debt stock amounted to \$580.1 million or 26.4 percent of GDP. Total external debt increased by 8.9 percent while total domestic debt increased by 17.7 percent. Central Government's debt increased by 13.4 percent while public corporation's debt decreased by 6.4 percent. Public Corporations' debt remains within the nominal limit of \$300.0 million specified by the Government Guarantee of Loans Act.

¹ Debt owed to creditors outside of St. Vincent and the Grenadines. That is, based on residency criterion classification.

² Debt for which the Government has given an explicit guarantee.

³ Preliminary GDP of \$2196.55 million sourced from Economic Research and Policy Unit, Ministry of Finance

The external debt portfolio recorded an amount of \$200.5 million in disbursements during the period under review mainly as a result of drawdowns associated with the Coronavirus Disease Emergency Response Support; Rapid Credit Facility; and the 2nd Fiscal Resiliene Development Policy Credit. Noteworthy as well, was an amount of \$41.1million in disbursements on the Regional Disaster Vulnerability Project loan from the World Bank (IDA). Cumulatively, these disbursements along with drawdowns from existing loans contributed to the increase in the stock of external debt.

The increase in the stock of domestic debt was primarily driven by the issuance of new short-term loans; issuance of securities with varying tenors; increases in the overdraft and short-term payables⁴; and treasury bills held by domestic investors.

During the year, the government successfully re-issued \$28.0 million in treasury bills on the RGSM on a monthly basis. The reserve (ceiling) price on treasury bills was reduced from 4.82 percent to 3.5 percent and a total of \$99.2 million in bonds and notes were issued. Correspondingly, a total of \$45 million in bullets bonds was repaid during the year.

The review of the Central Government's total debt servicing⁵ cost over the period showed that the cost of servicing the debt decreased by 25.0 percent from \$221.3 million in 2019 to \$177.0 million in 2020 driven by a reduction in external amortization. External amortization decreased primarily on account of the utilization of proceeds from the Coronavirus Disease Emergency Response Support Loan financed by the CDB to directly service the government's CDB OCR loans. This resulted in roughly \$12.7 million in central government debt service cost savings in 2020. Additionally, some World Bank loans for which debt service was due totaling USD 0.8 million were offset against credits due to the government as a result of overpayment of Capital Subscriptions held by the World Bank.

⁴ This includes accounts payables of \$39.09 million and other payables in relation to IADC totaled \$15.54

⁵ In keeping with international best practices, sinking fund contributions were subtracted from debt servicing.

II. INTRODUCTION

The annual review of the Public Debt Portfolio of the Government of St. Vincent and the Grenadines (GOSVG) is done to promote debt transparency. The publication of this review is grounded in the government's stated debt management objective enshrined in the Medium-Term Debt Management Strategy which seeks to:

“Satisfy the financing needs of the public sector at minimum cost over the medium to long-term, in a prudent and sustainable manner thereby limiting the exchange rate risk and promoting the development of an efficient functioning money and capital market in the Eastern Caribbean Currency Union (ECCU)”.

The reporting period is the year ended 31st December 2020 and is compared with end of year data for 2019. The report seeks to review all components of debt including but not limited to external and domestic debt; central government; and public corporations' debt; and debt raising and RGSM activities. The evolution of the debt by creditor category and composition, instrument type, economic sector and interest rate structure are also addressed.

The Public Sector Investment Programme Loan Act No. 2 of 2020 provided the authority for debt raising activities in the sum of \$100.0 million whereas the Resolution of the Parliament passed in the House of Assembly on January 27, 2020 established the limit for the Overdraft. All external borrowing in 2020 were authorised by existing legislation and therefore did not require additional legal authority.

The document is divided into seven (7) sections, including the Executive Summary. The remainder of the document is organized as follows: Section II provides the introduction; and Section III presents the institutional framework that governs the debt management operation. Section IV details the transparency and accountability framework. Section V provides a general overview of the public debt profile and structure. Section VI focuses on the structure of Central Government Debt and discusses the risk indicators in the context of the Medium-Term Debt Management Strategy. Section VII deals with Public Corporations Debt. The document then concludes with appendices mainly in graphical and tabular form showing selected debt indicators over the eleven-

year period 2010 - 2020. The Ministry of Finance records debt and generates reports using the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS)⁶.

3. INSTUTIONAL FRAMEWORK

The Ministry of Finance, Economic Planning, and Information Technology is headed by the Minister of Finance and comprises several departments over which the Director General, Finance and Planning has administrative control. Most debt management functions are centralized in the Cash, Debt, Investment Management Unit (CDIMU) of the Ministry of Finance and Economic Planning while others are undertaken by different departments. In addition to performing debt management activities, the CDIMU provides policy advice on the overall debt management strategy of St. Vincent and the Grenadines.

4. TRANSPARENCY AND ACCOUNTABILITY

The Government has adopted a system for strengthening the institutional framework for transparency, accountability and monitoring of fiscal matters. As a result, the fiscal position of the government is reported monthly to the Cabinet. Additionally, the fiscal and debt positions are reported annually in the Government's Estimates of Revenue and Expenditure and quarterly fiscal reports are available via the local media and the Government's website. The ECCB also conducts quarterly and annual economic and financial reviews, which are published across the region. Article IV Country Surveillance Reviews conducted by the IMF are also published and are available on the government's website and the Fund's external website as well. Further, efforts are being made to have the Audited Reports of the Government available on a timely basis. The latest Audited Reports of the Governments' Accounts for the fiscal year 2015 were laid before the Parliament on July 07, 2021 and it is anticipated that the 2016 report will be laid before the end of 2021.

⁶ The CSDRMS software records detailed information on debt instruments and other variables including exchange rates variable interest rates bases, and select economic data.

The Ministry of Finance, Economic Planning and Information Technology seeks to establish a client-oriented environment conducive to the attainment of sustainable economic development and improvement of the quality of life of all citizens of St. Vincent and the Grenadines through sound economic management and the promotion of good governance. The main objective of the Government is to maintain a stable and productive economy, with a focus on education and training, enhanced business competitiveness, further tax reductions, prudent debt management and fiscal consolidation.

5. PUBLIC DEBT PROFILE

Total disbursed outstanding public debt as at December 31, 2020 stood at \$1.865 billion or 84.9 percent of GDP⁷, an increase of 11.13 percent from \$1.674 billion. Of this amount, Central Government debt accounted for \$1.707 billion, or 77.8 percent of GDP while the remaining \$157.6 million, or 7.2 percent of GDP, is attributable to debt owed by Public Corporations.

5.1 External Public Debt

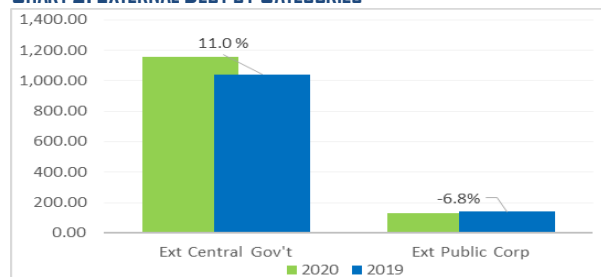
At the end of 2020, total public external debt totaled \$1.285 billion, an increase of 8.9 percent over 2019. Chart 2 shows that the central government's component of the debt increased by 11.0 percent while the public corporation's component of the debt decreased by 6.8 percent. Significant disbursements were received, mostly channeled to in addressing the COVID-19

TABLE 1: COMPOSITION OF PUBLIC DEBT

	2020	2019	change
\$ million			
Ext Central Gov't	1,154.82	1040.73	10.96%
Dom Central Gov't	553.16	464.96	18.97%
Total Central Gov't	1,707.98	1,505.69	13.43%
Ext Public Corp	130.60	140.07	-6.76%
Dom Public Corp	26.95	28.24	-4.57%
Total Public Corp	157.55	168.31	-6.40%
TOTAL DEBT	1,865.52	1,674.00	11.44%
% of GDP			
Ext Central Gov't	52.57%	47.51%	10.66%
Dom Central Gov't	25.18%	21.23%	18.64%
Total Central Gov't	77.76%	68.74%	13.12%
Ext Public Corp	5.95%	6.39%	-7.02%
Dom Public Corp	1.23%	1.29%	-4.83%
Total Public Corp	7.17%	7.68%	-6.65%
TOTAL DEBT	84.93%	76.42%	11.13%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

CHART 2: EXTERNAL DEBT BY CATEGORIES



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

⁷ Preliminary GDP of \$2196.55 million sourced from Economic Research and Policy Unit, Ministry of Finance.

pandemic. Such funds were secured from the Caribbean Development Bank, the International Monetary Fund and the International Development Association. Besides the disbursements linked to the COVID-19 pandemic, drawdowns on existing loans continued. This included: financing from the regional disaster vulnerability reduction project funded by the International Development Association singularly recorded \$41.1 million in disbursements. All 2020 disbursements were from multilaterals creditors with the exception of funding received by Kuwait for Agriculture and Feeder roads and a Supplier Credit Facility agreement for a Stan Patrol vessel to be used as a Medevac from Damien Shipyard.

5.1.1 Creditor Category

As at December 31, 2020, half of the external portfolio's debt was owed to multilateral creditors. When combined with bilateral creditors 85.7 percent of the external portfolio represented debt financed on highly concessional terms. These terms translate into low cost, low risk debt instruments contributing to a longer, smoother external debt repayment profile.

TABLE I: TOTAL EXTERNAL DEBT BY CREDITOR CATEGORY

Category	2020 (\$M)	% of total	Category	2019 (\$M)	% of total	Change
Multilateral	702.62	54.66%	Multilateral	552.26	46.77%	27.23%
Bilateral	399.95	31.11%	Bilateral	421.55	35.70%	-5.12%
Securities	182.84	14.22%	Securities	207.00	17.53%	-11.67%
Commercial	0.00	0.00%	Commercial	0.00	0.00%	0.00%
Total	1285.42	100.00%	Total	1180.81	100.00%	8.86%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.2 Creditor Composition

Caribbean Development Bank remains the largest creditor in the external portfolio. During 2020, there was a marginal decrease in the amount of funding owed to CDB. Disbursements were received on several existing projects such as the Rehabilitation and Upgrading of the South Leeward Highway; Natural Disaster Management; Energy Efficiency Measures and Solar Photovoltaic Plant; UWI Open Campus Development; and Sandy Bay Sea Defenses. Newly contracted and disbursed loan within this period was a USD\$11.3 million Coronavirus Emergency Response Support loan from the Special Funds Resources of the Bank. In

effect, this was a loan to service the government's debt obligations on its Ordinary Capital Resources loan component, as and when they became due, to the Bank. A Grant in the form of a Canada-CARICOM Climate Adaptation Fund was fully executed and became effective within this period to be used as premium coverage for the policy years of 2020 and 2021 to the Caribbean Catastrophe Risk Insurance Facility.

World Bank/IDA's ongoing XDR \$23.1 million Regional Disaster Vulnerability Reduction project disbursed XDR \$11.016 million in 2020, as implementation on this project was ramped up to utilize funds within the project's specified timeframe. The government also benefitted from a Fiscal Reform and Resilience Development Policy Financing in the amount of USD \$20.0 million, disbursed fully in a single tranche, to undertake measures that would result in greater Fiscal Resilience, Climate and Disaster Resilience and to implement support programs to assist vulnerable individuals affected by Covid-19.

The government received IDA disbursements relating to several other OECS regional projects; the most significant of which were CARCIP and the SVG Regional Health OECS projects. There were no new loans contracted from IBRD nor any disbursements.

A Rapid Credit Facility budget support loan was also disbursed from the IMF in the amount of XDR \$11.7 million under the Poverty Reduction and Growth Trust to aid in the government's response to the impact of the coronavirus on its vulnerability citizens.

TABLE 2: EXTERNAL DEBT OUTSTANDING BY CREDITOR

EXTERNAL DEBT BY CREDITORS	DOO 2020 \$M	% OF TOTAL	DOO 2019 \$M	% OF TOTAL	Change
Caribbean Development Bank	334.08	25.99%	335.76	28.43%	-0.50%
Securities Holders	182.84	14.22%	207.00	17.53%	-11.67%
World Bank	308.01	23.96%	193.96	16.43%	58.80%
ALBA Bank	135.43	10.54%	144.70	12.25%	-6.41%
Petroleos De Venezuela	109.55	8.52%	109.55	9.28%	0.00%
Republic of China	94.09	7.32%	100.08	8.48%	-5.98%
UK Export Finance	18.97	1.48%	28.45	2.41%	-33.33%
Damien Shipyard Group	9.95	0.77%	11.94	1.01%	-16.66%
International Monetary Fund	51.85	4.03%	11.05	0.94%	369.23%
Government of Trinidad & Tobago	11.10	0.86%	11.10	0.94%	0.00%
Other	29.56	2.30%	27.24	2.31%	8.53%
TOTAL	1285.42	100.00%	1180.81	100.00%	8.86%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.3 Instrument type

At the end of the period under review, loans totaled \$1102.6 million representing 85.8 percent of the total external debt portfolio, an increase of 13.2 percent when compared with \$973.8 million over the comparative period in 2019. The stock of debt under the rubric of securities during the period decreased by 11.7 percent from \$207.0 million in 2019 to \$182.8 million in 2020. At the end of 2020, there was a reduction in the value of treasury bills held by external investors by 25.4 percent.

TABLE 3: EXTERNAL DEBT BY INSTRUMENT TYPE

EXTERNAL DEBT BY INSTRUMENT TYPE	DDO 2020	% OF TOTAL	DDO 2019	% OF TOTAL	Change
	\$M		\$M		
Loans	1102.58	85.78	973.81	82.47	13.22%
Securities	182.84	14.22	207.00	17.53	-11.67%
Bonds & Notes	128.84	10.02	134.64	11.40	-4.31%
T. Bills	54.00	4.20	72.35	6.13	-25.36%
TOTAL	1285.42	100.00	1180.80	100.00	8.86

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.4 Economic Sector

Substantial disbursements on existing loans such as the Regional Disaster Vulnerability Reduction Project and new cross sectoral loans such as the Fiscal Reform and Resilience Development Policy Financing, both financed by IDA, resulted in an increase in multi-sector debt. The increase in the stock of debt under the category of Balance of Payment Support is due to the inclusion of the Rapid Credit Facility drawdown financed by the IMF.

Several projects relating to health and social welfare saw disbursements during 2020. These included the Coronavirus Emergency Response support loan; Regional Health OECS Project; and a Suppliers' Credit to Damien Shipyard Group for a Medevac Stan Patrol vessel.

TABLE 5: EXTERNAL DEBT BY ECONOMIC SECTOR

	2020	% of Total	2019	% of Total	Change
Agriculture	3.47	0.27	2.90	0.25	19.81%
Air Transport	216.63	16.85	242.20	20.51	-10.56%
Balance of Payment Support	50.27	3.91	7.90	0.67	536.32%
Budget Support	229.39	17.85	199.40	16.89	15.04%
Defense	10.23	0.80	12.00	1.02	-14.75%
Education & Training	95.87	7.46	138.90	11.76	-30.98%
Energy (Electricity)	19.97	1.55	35.80	3.03	-44.21%
Finance, Insurance, Etc.	71.27	5.54	73.20	6.20	-2.64%
Health & Social Welfare	32.91	2.56	11.60	0.98	183.67%
Multisector	420.69	32.73	332.90	28.19	26.37%
Roads and Bridges	102.14	7.95	98.70	8.36	3.48%
Telecommunication	29.90	2.33	20.90	1.77	43.05%
Other	2.69	0.21	4.41	0.37	-39.00%
TOTAL	1285.42	100.00	1180.81	100.00	8.86

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.5 CURRENCY COMPOSITION

Debt denominated in USD currency continue to comprise the largest percentage of the portfolio. Altogether, debt denominated in USD and XCD accounted for 83.9 percent of the portfolio which translated into a low currency risk exposure of the external debt and by extension, the total public debt to changes in exchange rate. Debt denominated in XDR increased substantially on account of new loans. The currency grouping under the category “other” which is comprised of the Euro and Trinidad and Tobago dollar, saw a reduction in its proportion of the portfolio as loans denominated in Euro have been repaid in full.

TABLE 6: EXTERNAL DEBT OUTSTANDING BY CURRENCY COMPOSITION

	2020 (\$M)	% of Total	2019 (\$M)	% of Total	Change
US Dollars	788.66	61.35	732.90	57.02	7.61%
Eastern Caribbean Dollars	289.82	22.55	326.32	25.39	-11.19%
Special Drawing Rights	196.95	15.32	112.66	8.76	74.82%
Kuwait	8.64	0.67	7.41	0.58	16.65%
Other	1.35	0.11	1.52	0.12	-11.18%
Total	1285.42	100.00%	1180.81	100.00%	8.86%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.6 Interest Rate Structure

The interest rate structure of the external debt portfolio showed a decline in fixed rate instruments by 5.0 percentage points at the end of 2020 compared to the previous year moving from 65.1 percent in 2019 to 56.8 percent in 2020. Concomitantly, the share of external debt with floating interest rates increased from 35.0 percent at the end of 2019 to 43.2 percent in 2020. The change in the interest rate structure was mainly due to new loans being contracted with a floating rate component.

TABLE 7: EXTERNAL DEBT OUTSTANDING BY INTEREST RATE COMPOSITION

EXTERNAL DEBT BY INTEREST RATE COMPOSITION	DOO 2020 \$M	% OF TOTAL	DOO 2019 \$M	% OF TOTAL	CHANGE
Fixed Rate	729.99	56.79%	768.21	65.06%	-4.97%
Floating Rate	555.43	43.21%	412.6	34.94%	34.62%
<i>Of Which:</i>					
<i>Caribbean Development Bank ODR</i>	242.7	18.88%	238.0	20.16%	1.99%
<i>London Interbank Offer Rate (6mth)</i>	75.5	5.87%	81.3	6.89%	-7.17%
TOTAL	1285.42	100.00%	1180.81	100.00%	8.86%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.7 External Disbursements

Total disbursements on external debt amounted to \$200.5 million in 2020. IDA's disbursements constituted 58.9 percent across many sectors. The IMF's Rapid Credit Facility constituted 21.5 percent and CDB's disbursement, like IDA's funded projects and programs across several sectors, accounted for 14.7 percent of the total disbursements. The Budget Support sector; National Disaster Management; and Multisector, represented by a Fiscal Reform and Resilience credit facility, were among the sectors with the most prominent disbursements, see table 8 and appendix II for more details.

TABLE 8: DISBURSEMENTS ON EXTERNAL DEBT BY CREDITOR AND SECTOR

CREDITOR	Budget Support	Agriculture	Tourism	Communication	Education	Road & Bridges	Energy	Health	National Disaster Management	Human Sea Defense	Service Delivery	Multi Sector	Finance	Total
Caribbean Development Bank	12,692,350				3,595,841	2,509,513	3,947,896		6,497,040	231,054				29,473,694
Damien Shipyard Group								3,709,625						3,709,625
World Bank (IDA)		931,500	1,080,000	8,660,506				6,221,880	41,091,729		1,377,000	54,000,000	4,760,875	118,123,490
International Monetary Fund	43,127,634													43,127,634
Kuwait						1,248,601								1,248,601
OPEC						4,848,309								4,848,309
Total	55,819,984	931,500	1,080,000	8,660,506	3,595,841	8,606,423	3,947,896	9,931,505	47,588,769	231,054	1,377,000	54,000,000	4,760,875	200,531,353

SOURCE: DMU MINISTRY OF FINANCE AND ECONOMIC PLANNING

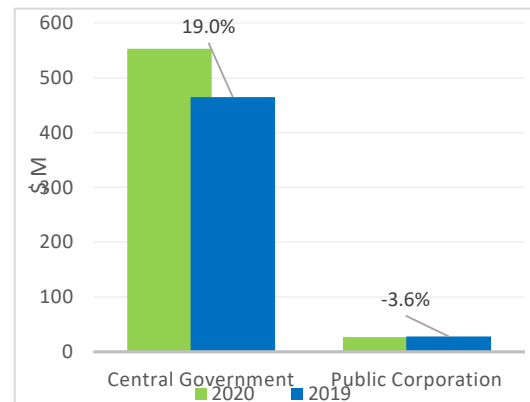
5.2 Domestic Public Debt

Total domestic debt as at December 31, 2020 stood at \$580.1 million, representing an increase of 17.7 percent over the same period ended December 31, 2019. Of the total domestic debt \$553.2 million was held by Central Government while the remaining \$26.9 million was held by the Public Corporations.

Central Government debt increased by 19.0 percent on account of increases in all instrument balances with the exception of Insurance Deposits.

The increase was primarily driven by the issuance of new loans and securities, together with increases in the Overdraft and Accounts Payables balances and by a larger proportion of treasury bills being taken up by domestic investors. There was no new debt contracted by any Public Corporations during 2020. The vast majority of the Public Corporations serviced their debt obligations on a timely basis as they became due. This led to a decrease of 3.6 percent in their collective disbursed outstanding debt.

CHART 2: DOMESTIC DEBT BY CATEGORIES



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.2.1 Instrument Type

New domestic loans contracted in 2020 were biased towards the shorter end of the maturity profile. Central government contracted three (3) new loans. Short-term loans amounted to \$47.0 million in total for which repayment is due within a year or less.

Of the total \$99.22 million in bonds and notes issued during 2020, \$64.09 million was taken up by domestic investors. The disbursements outpaced the amortisation on existing bonds in the portfolio and resulted in a net increase in the stock of bonds by 3.1 percent. In addition to the amortization of existing instruments, \$37.7 million was repaid in bullet bonds held by domestic investors during this period.

There was a 3.2 percent reduction in the insurance deposits balance on account of the repayment of mandatory statutory deposits by the government to British American Insurance Company that is under judicial management and has ceased operations. These deposits were made by British American upon commencement of business.

TABLE 9: DOMESTIC DEBT BY INSTRUMENT

Domestic	2020	% of Total	2019	% of Total	Change
Loans	142.23	24.52%	122.64	24.88%	15.98%
Overdraft	49.43	8.52%	31.74	6.44%	55.76%
Accounts Payables ⁸	54.98	9.48%	31.14	6.32%	76.59%
Insurance Deposits	21.92	3.78%	22.64	4.59%	-3.19%
Securities	311.54	53.70%	284.75	57.77%	9.41%
<i>Bonds</i>	<i>281.54</i>	<i>48.53%</i>	<i>273.10</i>	<i>55.41%</i>	<i>3.09%</i>
<i>T.Bills</i>	<i>30.00</i>	<i>5.17%</i>	<i>11.65</i>	<i>2.36%</i>	<i>157.49%</i>
TOTAL	580.11	100.00%	492.91	100.00%	17.69%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

⁸ This includes accounts payables of \$39.09 million and other payables in relation to IADC totaled \$15.54

5.2.2 Creditor Composition

Outstanding debts owed to bond-holders constituted more than half of the domestic portfolio. Apart from the category securities holders, the Bank of St. Vincent and the Grenadines continued to be the largest creditor in the domestic debt portfolio with 21.7 percent of the debt. As a result of and in response to the COVID-19 pandemic, the Bank of St. Vincent and the Grenadines offered the government a moratorium on its various loan facilities for a period of one year which began in March 2020.

In addition to the yearly advance facility utilized by the government from the ECCB, in 2020 a \$10.0 million, 10-year long-term loan in the form of a debenture bond was issued by the Bank. The facility attracted a lower interest rate of 2.0 percent in year one, with a step-up rate of 6.5 percent until maturity. This \$10.0 million debenture bond is reflected under the creditor category ECCB and not under Securities Holders.

The Central Government also contracted a USD1.5 million short term loan from the St. Vincent Electricity Services Ltd that was used an on-lending bridging facility to the Geothermal Company. This resulted in an increase in the category ‘Other Financial Institutions. As mentioned above, the decrease in insurance deposits is as a result of the repayment of statutory deposits paid-out to the British American Insurance company.

TABLE 10: DOMESTIC DEBT BY CREDITOR

DOMESTIC DEBT BY CREDITOR	DOD 2020	% of Total	DOD 2019	% of Total	Change
Securities Holders	301.54	51.98%	284.80	57.70%	5.88%
ECCB	35.00	6.03%	25.00	5.10%	40.00%
Bank of St. Vincent and the Grenadines	126.02	21.72%	90.51	18.30%	39.24%
Other Financial Institutions	4.95	0.85%	0.94	0.20%	424.79%
Insurance Companies	21.92	3.78%	22.60	4.60%	-3.01%
National Insurance Services	35.69	6.15%	37.92	7.70%	-5.89%
Accounts Payables	54.98	9.48%	31.14	6.30%	76.60%
Total	580.11	100.00%	492.91	100.00%	17.69%

Source: DMU, Ministry of Finance and Economic Planning

6.1 Securities issued during 2020

Total securities issued during the year amounted to \$99.22 million. Tenors on these instruments ranged from three (3) to ten (10) years with an average tenor of 7.5 years versus the average tenor of 7.9 years in the previous year. The average interest (coupon) rate on the notes issued by the Government was 3.62 percent with an average interest rate of 5.25 percent on longer term government bonds, this reduction in average rate represented a significantly lower cost of borrowing in 2020 when compared with the 7.0 percent in 2019.

Securities issued during this year were all done through private placement arrangements using two local brokers. The structure of the instruments reflected that 71.0 percent of the instruments offered were amortized, with the remainder being bullet bonds. In keeping with the Government’s thrust to enhance transparency, request for the listing of most private placement securities on the secondary market via the Eastern Caribbean Securities Exchange (ECSE) was done subsequently to facilitate potential liquidity needs of investors. During the year \$45.0 million in bullet bonds and notes matured and were fully repaid from a combination of re-issuances and Sinking Fund contributions.

The Government issued \$20.0 million in notes and bonds in the domestic market, dubbed “COVID-19 notes and bonds” to facilitate the raising of well needed liquidity to bolster the public finances to address the immediate needs of the citizens affected by the onset of the pandemic. The eventual amount taken up by local investors totaled \$16.65 million.

TABLE II: SECURITIES ISSUED DURING 2020

<u>Securities</u>								
Platform	Instrument	Original Amount	Tenor (years)	Rate	(%)	Issue Date	Maturity Date	Structure
		(\$ M)						
Private Placement	Bond	13.486	10	7.25		21-Feb-20	21-Feb-30	Amortized
Private Placement	Bond	6.181	5	5.75		28-Feb-20	28-Feb-25	Bullet
Private Placement	Bond	10.000	10	2.50		26-Mar-20	26-Mar-30	Amortized
Private Placement	Bond	6.900	10	3.00		26-Apr-20	26-Apr-30	Bullet
Private Placement	Bond	5.998	8	6.75		06-Jul-20	06-Jul-28	Bullet
Private Placement	Note	30.000	4	4.00		06-Jul-20	06-Jul-24	Amortized
Private Placement	Debenture Bond	10.000	10	2.0/6.5		02-Nov-20	02-Nov-30	Amortized

Private Placement	COVID Note	1.650	3	3.25	21-Apr-20	21-Apr-23	Bullet
Private Placement	COVID Bond	8.000	5	4.25	21-Apr-20	21-Apr-25	Bullet
Private Placement	COVID Bond	7.000	7	6.00	21-Apr-20	21-Apr-27	Amortized
Total		99.215					

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

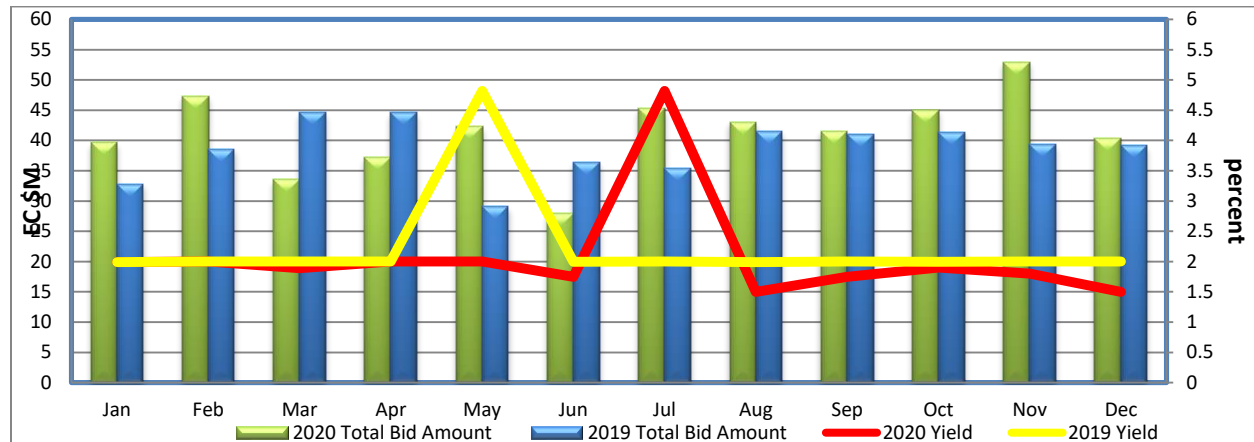
6.2 Regional Government Securities Market

In 2020 the Government of St. Vincent continued to participate and contribute to the development of the RGSM by issuing \$28.0 million in 91-day treasury bills monthly, all of which were oversubscribed, with November’s issue reaching \$52.98 million in total competitive bids received. For another consecutive year, 11 of these auctions recorded discount rates significantly below the reserve price of 4.82 percent. Appendix VII shows that there continues to be an increased appetite for shorter term investment opportunities, which the government has responded to over the years, by increasing the issue amount of each T. bill offered from \$16.0 million at the inception of the market in 2002 to the present amount of \$28.0 million. The increased demand has also resulted in reductions in average discount rates significantly below the reserve price. In the Government of St. Vincent and the Grenadines Prospectus for Treasury Bill Issues for the period December 2020 – November 2021, we took the decision to revise downwards the treasury bill rate from 4.82 percent to 3.5 percent. As at December 2020, St. Vincent and the Grenadines has successfully re-issued treasury bills (\$28 million/per month) with a cumulative nominal face value of \$336 million on the RGSM. Notwithstanding, it is noteworthy to mention that the outstanding debt on treasury bills owed by the government is \$84 million net of the discount rate.

For the period under review the weighted average discount rate decreased to 2.03 percent (average bid amount of \$41.3 million) compared with 2.22 percent (average bid amount of \$38.6 million) in 2019. The average number of bids per auction decreased slightly from 18.9 to 18.4 bids, average oversubscription per auction increased from \$10.7 million to \$13.4 million and the bid to cover ratio increased slightly from 1.38 to 1.48 percent.

The data showed that the 2020’s allotted yield received by the government on its treasury bills rates were more favorable than 2019’s as is evidenced in Chart 3. However, June’s auction closed at the reserve price with a bid to cover ratio of one (1). From August to December, treasury bill discount rates were below that of same period 2019.

Chart 3: Treasury Bills Yields 2020 & 2019



Source: www.ecseonline.com

TABLE 12: OUTSTANDING TREASURY BILLS ON THE RGSM AS AT DECEMBER 31, 2020

Date of Issue	Redemption Date	Issue Amount	Value of Bids	Amount Accepted	No. of Bids		Interest Rate %
					Total	Successful	
		\$M	\$M	\$M			
28-Oct-20	28-Jan-21	28.000	45.061	28.000	20	12	1.800
25-Nov-20	25-Feb-21	28.000	52.984	28.000	21	8	1.500
30-Dec-20	01-April-21	28.000	40.425	28.000	16	12	1.999

TABLE 13: OUTSTANDING NOTES ON THE RGSM AS AT DECEMBER 31, 2020

Trading Symbol	Issue Amount	Amount Outstanding	Original Maturity	Remaining Maturity	Issue Date	Maturity Date	Coupon Rate
	\$M	\$M	(years)	(time)	Date	Date	%
VCN080524	17.664	15.897	5	4.0 yrs	7-May-19	7-May-24	6.25

TABLE 14: OUTSTANDING BONDS LISTED ON THE RGSM AS AT DECEMBER 31, 2020

Trading Symbol	Issue Amount	Amount Outstanding	Original Maturity	Remaining Maturity	Date of Subscription	Final Redemption	Coupon Rate
	\$M	\$M	(years)	(years)	Date	Date	%
VCG100422	40.0	10.0	10	2	Apr-12	Apr-22	7.50

VCG100323	25.9	9.06	10	3	Mar-13	Mar-23	7.00
VCG070821	16.0	16.0	7	1	Aug-14	Aug-21	7.00
FVG100826	16.3	12.7	10	6	Aug-16	Aug-26	7.00
VCG100826	0.3	0.2	10	6	Aug-16	Aug-26	7.00
VCG070623	11.2	5.6	7	3	Jun-16	Jun-23	7.00
VCG080225	15.0	10.3	8	5	Feb-17	Feb-25	7.50
VCG0705AA	15.0	9.6	8	5	May-17	May-25	7.50
VCG070524	25.0	16.0	7	4	May-17	May-24	7.50
VCG070625	25.0	19.6	7	5	Jun-18	Jun-25	7.00
VCG070725	12.0	10.2	7	5	Jul-18	Jul-25	7.00
VCG0725AA	13.0	11.1	7	5	Jul-18	Jul-25	7.00
VCG081126	15.0	15.0	8	6	Nov-18	Nov-26	7.25
VCG100628	7.5	6.3	10	8	Jun-18	Jun-28	7.00
VCG101128	10.0	9.0	10	8	Nov-18	Nov-28	7.50
VCG070926	25.0	25.0	7	6	Sep-19	Sep-26	7.00
VCG071226	30.0	30.0	7	6	Dec-19	Dec-26	6.75
VCG080327	15.0	15.0	8	7	Mar-19	Mar-27	7.25

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.3. Central Government External Debt

As at December 31, 2020 Central Government disbursed outstanding external debt increased by 10.9 percent to \$1154.8 million. Of this amount, loans totaled \$972.0 million representing 84.2 percent with the remaining \$182.8 million or 15.8 percent in securities, of which bonds totaled \$128.8 million and T-Bills \$54.0 million.

TABLE 15: COMPOSITION OF EXTERNAL DEBT BY INSTRUMENTS

EXTERNAL C.G DEBT BY INSTRUMENT TYPE	DOO 2020 \$M	% OF TOTAL	DOO 2019 \$M	% OF TOTAL	Change
Loans	972.0	84.2	833.7	80.1	16.58%
Securities	182.8	15.8	207.0	19.9	-11.67%
Bonds	128.8	11.2	134.6	12.9	-4.28%
T. Bills	54.0	4.7	72.4	7.0	-25.41%
TOTAL	1154.8	100.0	1040.7	100.0	10.96%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

1.3.1 Economic Sector

In 2020, Multisector accounted for the highest proportion of external debt, increasing by 53.2 percent to account for 36.4 percent of total Central Government external debt. The Air Transport sector decreased by 10.5 percent in 2020 and accounted for 18.8 percent of the portfolio. Budget Support and Roads and Bridges are the other major sectors that accounted for central government debt in 2020.

TABLE 16: COMPOSITION OF CENTRAL GOVERNMENT EXTERNAL DEBT BY ECONOMIC SECTOR

	2020	% of Total	2019	% of Total	Change
Agriculture	3.5	0.3	2.9	0.3	19.81%
Air Transport	216.6	18.8	242.1	23.3	-10.52%
Balance of Payment Support	50.3	4.4	8.0	0.8	528.36%
Budget Support	143.4	12.4	199.4	19.2	-28.08%
Defence	10.2	0.9	12.0	1.2	-14.75%
Education & Training	56.4	4.9	80.5	7.7	-29.89%
Energy (Electricity)	15.6	1.4	12.9	1.2	21.15%
Finance, Insurance, Etc.	71.3	6.2	73.2	7.0	-2.64%
Health & Social Welfare	32.9	2.8	11.6	1.1	183.67%
Multisector	419.8	36.4	274.12	26.3	53.15%
Roads and Bridges	102.1	8.8	98.7	9.5	3.48%
Telecommunication	29.9	2.6	20.9	2.0	43.05%
Other	2.7	0.2	4.41	0.4	-39.00%
TOTAL	1154.8	100.0	1,040.7	100.0	10.96%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

1.3.2 Currency Composition

The Eastern Caribbean Dollar (XCD) and the category ‘Other’ both reduced their share of Central Government debt. The decrease in the XCD category was as a result of a reduction in treasury bill holdings by external investors. The category “other” reflected a decline in its nominal share of total debt on account of the maturity of euro denominated debt. The United States (USD) currency continued to hold the higher share of the external debt at 64.4 percent in 2020. Special Drawing Rights (XDR) and local Eastern Caribbean currency (XCD) represented 17.0 and 17.6 percent respectively. The category ‘other’⁹ accounted for the remaining 0.87 percent of the debt.

CHART 4: CENTRAL GOVERNMENT EXTERNAL DEBT BY CURRENCY COMPOSITION

	2020 (\$M)	% of Total	2019 (\$M)	% of Total	Change
US Dollars	744.02	64.43	680.42	65.38	9.35%
Eastern Caribbean Dollars	203.85	17.65	238.71	22.94	-14.60%
Special Drawing Rights	196.95	17.05	112.66	10.83	74.82%
Kuwait	8.64	0.75	7.41	0.71	16.65%
Other	1.35	0.12	1.52	0.15	-11.18%
Total	1154.82	100.00	1040.72	100.00	10.96%

Source: DMU, Ministry of Finance and Economic Planning

6.4 Central Government Domestic Debt

Central government debt constitutes 95.3 percent of total domestic debt. As at December 31, 2020 total domestic central government debt increased by 19.0 percent moving from \$465.0 million to \$553.1 million. There was an increase in all the outstanding balances for every instrument in the portfolio, with the exception of Insurance Deposits, which contributed to the overall increase in central government’s debt. Bonds and notes increased by 3.1 percent, Treasury Bills by 157.5 percent¹⁰, the Overdraft by 59.2 percent, Accounts Payables by 76.6 percent and Loans by 21.2 percent. Insurances Deposits decreased by 3.19 percent.

The interest rate on the ECCB advance for 2020 was reduce from the standard 6.5 percent to 2.0 percent. Disbursements on new contracted short-term domestic loans totaled \$49.05 million.

⁹ Other is comprised of Trinidad and Tobago Dollars and the Euro

¹⁰ This is a re-allocation of investors in t-bills from external to domestic, the stock of outstanding treasury bills remains constant.

TABLE 17: DOMESTIC DEBT RAISING ACTIVITY FOR 2020

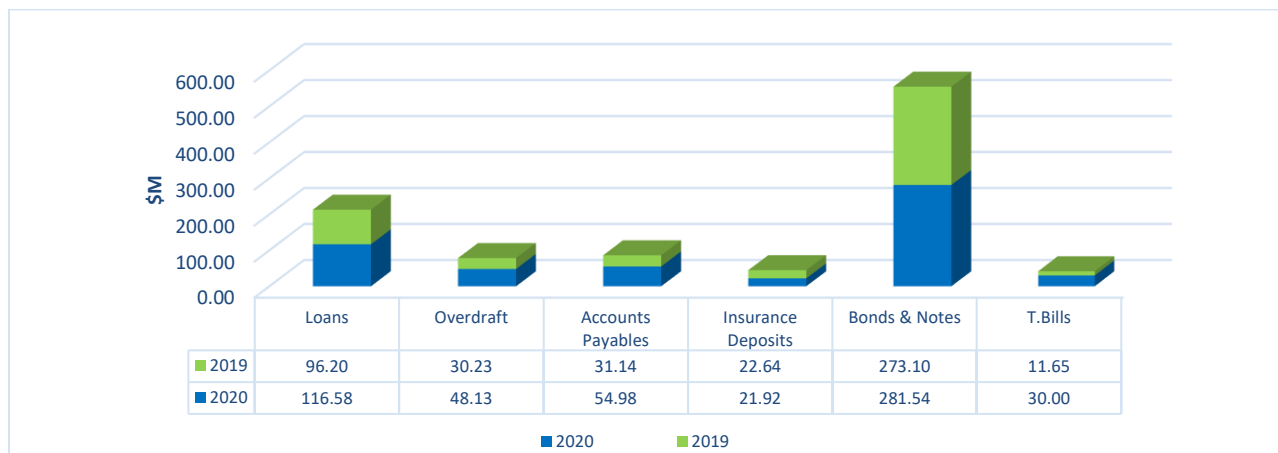
Loans					
Creditor	Loan Amount (EC \$M)	Tenor	Rate (%)	Issue Date	Maturity Date
BOSVG	20.00	6 mths	6.5	31-Jan-20	30-June-2020 ¹¹
ECCB	25.00	1 yr	2.0	2-Nov-20	2-Nov-21
VINLEC	4.05	5-yr	4.0	24-Jan-20	24-Jan-25
Total	49.05				

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.4.1 Domestic Debt Instrument Type

Chart five (5) below illustrates that the Bonds and Notes overwhelmingly dominate the domestic portfolio with an outstanding balance in 2020 of \$281.5 million. Total loans increased from \$96.2 million in 2019 to \$116.5 million in 2020. At the end of 2020, Accounts Payable and Treasury Bills increased most notably over their corresponding period end balances.

CHART 5: DOMESTIC DEBT BY INSTRUMENT



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

¹¹ Original maturity that by way of Moratorium was revised to December 31st, 2020. Subsequently this facility was converted into a 10year loan inclusive of a one-year grace period

6.4.2. Domestic Debt by Creditor

Investors who are categorized as Securities Holders remain the leading component of domestic debt. This category is comprised both of Treasury Bills and Bonds and Notes. Debt owed to The Bank of St. Vincent, another major domestic creditor, accounted for 22.5 percent of the central government debt portfolio. Insurance companies (holders of statutory deposits) and the NIS saw a 3.0 percent and 12.97 percent respective reduction in the amounts outstanding to them.

During 2020, the government contracted a new loan with VINLEC for which the purpose was to on-lend the proceeds to provide a bridging loan facility to the St. Vincent Geothermal Company Limited. The five-year repayment period on the loan was inclusive of a one year grace period.

TABLE 18: DOMESTIC CENTRAL GOVERNMENT DEBT OUTSTANDING BY CREDITOR

DOMESTIC C.G DEBT BY CREDITOR	DOO 2020	% of Total	DOO 2019	% of Total	Change
Securities Holders	301.54	54.51%	284.80	61.25%	5.88%
ECCB	35.00	6.33%	25.00	5.38%	40.00%
Bank of St. Vincent and the Grenadines	124.72	22.55%	88.85	19.11%	40.36%
VINLEC	4.05	0.73%	0.00	0.00%	100.00%
Insurance Companies	21.92	3.96%	22.60	4.86%	-3.01%
National Insurance Services	10.95	1.98%	12.58	2.71%	-12.97%
Accounts Payables	54.98	9.94%	31.14	6.70%	76.60%
Total	553.16	100.00%	464.96	100.00%	18.97%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.5. Central Government Debt Servicing

6.5.1 External Debt Servicing

Total external debt service for 2020 varied from the budgeted amount by 37.9 percent and decreased by 32.8 percent over 2019. There were reductions in both interest and amortization payments made in 2020. External amortization decreased primarily on account of the utilization of proceeds from the Coronavirus Disease Emergency Response Support Loan from the CDB to directly service the government's CDB OCR loans. This amounted to roughly \$12.7 million in central government debt service cost savings in 2020. Additionally, some World Bank loan debt servicing costs amounting to USD\$0.8 million were offset against credits due to the government as a result of overpaid capital subscriptions held by the World Bank on behalf of the government.

TABLE 19: EXTERNAL DEBT SERVICING

EXTERNAL DEBT SERVICING	Budgeted	2020	2019	Change	Variance
		\$M		%	
Interest	35.74	19.08	20.52	-6.99	46.60
Amortization	79.24	52.31	73.01	-28.35	33.99
TOTAL	114.98	71.39	106.30	-32.84	37.91

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.5.2 Domestic Debt Servicing

Total domestic debt service for 2020 varied from the budgeted amount by 0.26 percent and decreased by 8.19 percent over 2019. Decreases were recorded in both interest and amortization payments. Sinking Fund budgeted contributions¹² increased by 38.9 percent in 2020 over 2019, see table 20. During the year a total of \$45.0 million in bullet bonds matured and was repaid from the Sinking Fund.

TABLE 20: DOMESTIC DEBT SERVICING

DOMESTIC DEBT SERVICING	Budgeted	2020	2019	% Change	% Variance
Interest	32.5	32.48	35.39	-8.23	0.14
Amortization	73.3	73.08	79.58	-8.17	0.31
TOTAL	105.8	105.56	114.97	-8.19	0.26
Sinking Fund	45.0	45.00	32.40	38.89	0.00

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.0 PUBLIC CORPORATION DEBT

At as December 31, 2020, total public corporations' debt stood at \$157.5 million, a decrease of 6.4 percent when compared with \$168.3 million at the end of 2019. Of the total public corporations' debt, the domestic component amounted to \$27.0 million, representing 17.1 percent of the total

¹² Sinking Fund provisions are no longer added to total debt servicing as it is not a cost incurred but monies set aside to meet future bond obligations

public corporation's debt and a decrease of 4.6 percent from same period last year. The external component amounted to \$130.5 million or 82.9 percent of the total, a decrease of 6.9 percent over same period last year. The level of government guaranteed public corporations' debt remains within the limit specified in the Government Guarantee of Loans Act Cap 255.¹³

7.1 Public Corporation Debt by Borrower and Creditor Categories

The NIS is the largest creditor for the domestic public corporations, accounting for 91.5 percent of the total domestic public corporations' debt and 15.7 percent of the total public corporation debt. The National Student Loan Company outstanding debt with NIS remained unchanged in both years of analysis.

Debt owed to BOSVG is primarily for the operation of the overdraft facilities for the respective public corporations with the exception of Agricultural Input Warehouse which is a loan provided by the Bank. Fewer corporations accessed their overdraft facility at the end 2020 than the previous year.

The largest external creditor remained PDVSA. Debt owed by Petro Caribe Company represented 83.9 percent of the external public corporations' debt and 69.6 percent of the total public corporation debt in 2020.

VINLEC's third power project funded by CDB and CWSA's Windward Water Project funded by AFD have been repaid in full.

TABLE 21: PUBLIC CORPORATIONS DEBT BY BORROWER AND CREDITOR

PUBLIC CORPORATION	2020	2019	% Change
<u>DOMESTIC</u>			
BOSVG			
Agriculture Input Warehouse	0.01	0.1	-93.36%
Kingstown Town Board	-	0.2	-100.00%
Financial Services Authority	-	0.1	-100.00%
Int'l Airport Development Co.	0.3	0.2	26.03%
SVG Postal Corporation	1.0	1.0	4.75%

¹³ The current limit specified for all guarantees issued by Government is ECD 300.0 million.

Total	1.3	1.7	-23.17%
NIS			
National Lotteries	3.8	4.4	-13.97%
National Student Loan Company	21.0	21.0	0.00%
Total	24.7	25.3	-2.21%
St. Vincent Corporative Bank			
Housing and Land Development Corp.	0.9	1.1	-17.90%
Total	0.9	1.1	-17.90%
TOTAL DOMESTIC	<u>27.0</u>	<u>28.1</u>	-4.09%
EXTERNAL			
CDB			
BOSVG	16.7	18.7	-10.69%
VINLEC	0.5	3.9	-87.44%
Total	17.2	22.6	-23.93%
AFD			
CWSA	0.0	0.2	-100.00%
Total	0.0	0.2	-100.00%
Alba			
VINLEC	2.6	4.5	-41.88%
Total	2.6	4.5	-41.88%
EIB			
VINLEC	1.2	3.3	-62.47%
Total	1.2	3.3	-62.47%
PDVSA			
Petro Caribe Co. Ltd	109.6	109.6	0.00%
Total	109.6	109.6	0.00%
TOTAL EXTERNAL	<u>130.6</u>	<u>140.1</u>	-6.75%
TOTAL PUBLIC CORP DEBT	<u>157.55</u>	<u>168.3</u>	-6.39%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.2 Instrument Type

Domestic debt instruments for public corporation consisted of loans held with various banking institutions and the NIS as well as overdraft facilities with the BOSVG as shown in table 22 below. External public corporation's debt were loans held with Multilateral and Bilateral Creditors.

TABLE 22: PUBLIC CORPORATION'S DEBT BY INSTRUMENT TYPE AND CREDITOR

	2020	2019	% Change
	\$M	\$M	
DOMESTIC			
<i>Loans</i>	25.6	26.5	-3.36%
BOSVG	0.01	0.1	-90.00%
NIS	24.7	25.3	-2.37%
St. Vincent Corp Bank	0.9	1.1	-18.18%
<i>Overdraft</i>	1.3	1.5	-13.33%
BOSVG	1.3	1.5	-13.33%
Total Domestic	27.0	28.1	-4.09%
EXTERNAL			
<i>Loans</i>			
AFD	0.0	0.2	-100.00%
CDB	17.2	22.6	-23.93%
EIB	1.2	3.3	-62.47%
ALBA	2.6	4.5	-41.88%
Petro Caribe	109.6	109.6	0.00%
Total External	130.6	140.2	-6.75%

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

7.3 Debt Service

During the year all Public Corporations/Government Guaranteed Institutions with the exception of National Student Loan Company and Petro Caribe Company Ltd met their debt servicing obligations as scheduled.

APPENDICES

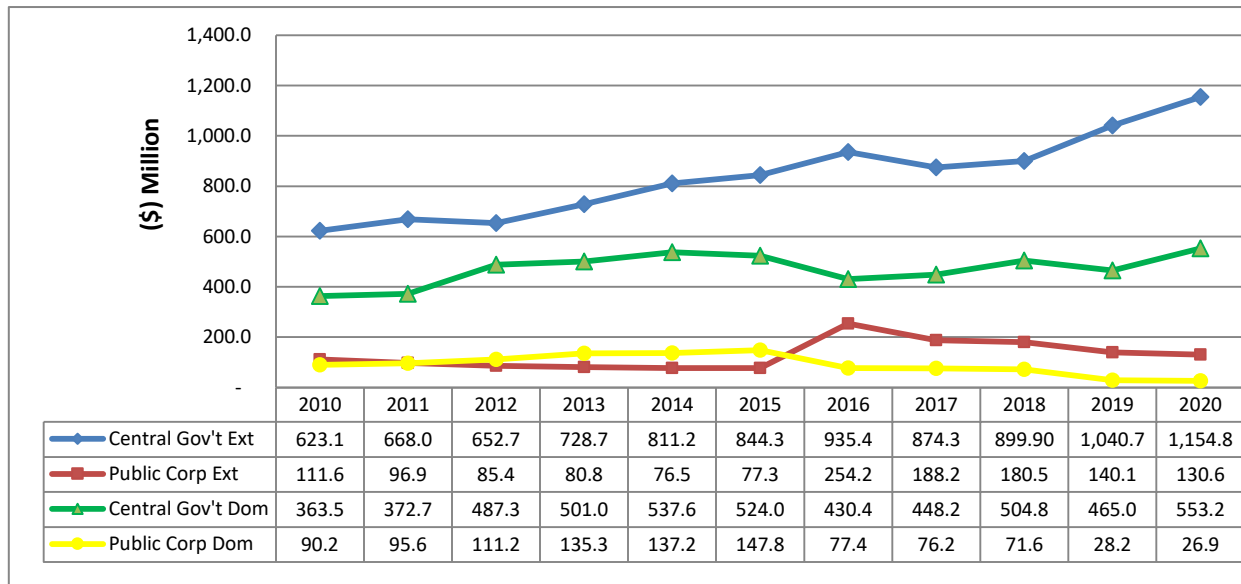
Appendix I: Selected Public Debt Indicators 2010-2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
	(\$m)										
Total Public Debt	1,188.5	1,233.2	1,336.6	1,445.8	1,562.5	1,594.4	1,746.5	1,572.0	1,657.0	1,673.97	1,863.10
Total Central Gov't	986.6	1,040.7	1,140.0	1,229.7	1,348.8	1,379.8	1,429.3	1,322.2	1,404.8	1,505.66	1,705.60
External Debt	734.8	764.9	738.1	809.5	887.7	922.5	1,201.8	1,003.6	1,080.4	1,180.77	1,285.40
Central Government	623.1	668.0	652.7	728.7	811.2	855.7	962.0	830.1	899.90	1040.70	1154.8
Public Corporations	111.6	96.9	85.4	80.8	76.5	66.8	239.7	173.5	180.55	140.1	130.6
Domestic Debt	453.7	468.3	598.5	636.3	674.8	671.8	544.7	568.41	576.51	493.20	577.70
Central Government	363.5	372.7	487.3	501.0	537.6	524.0	467.3	492.12	504.85	464.96	550.8
Public Corporations	90.2	95.6	111.2	135.3	137.2	147.8	77.4	76.30	71.66	28.24	26.9
Private Guaranteed External Debt		15.2	16.6	19.5	24.5	25.2	26.7				
Debt Servicing											
External	84.4	87.2	87.7	88.3	77.5	83.6	81.7	101.6	99.3	109.7	107.2
Central Government	71.7	74.6	72.7	72.7	60.8	62.9	65.1	83.3	76.83	90.8	92.39
Public Corporations	12.7	12.6	15.0	15.6	16.7	20.8	16.6	18.3	22.5	18.88	14.8
Domestic											
Central Government	64.8	47.2	48.7	58.1	72.0	72.8	83.3	82.7	93.8	114.59	105.57
(of which sinking fund)	12.0	6.0	4.0	5.5	7.6	7.6	12.1	14.0	22.0	32.37	45.00
GDP (at market price)	1,839.3	1,825.5	1,871.0	1,947.3	1,963.5	2,038.9	2,082.7	2,123.7	2,189.0	2,273.40	2,196.55
Current Revenue	490.0	462.5	472.6	491.3	535.2	519.1	592.6	592.2	594.1	600.53	605.26
Central Gov'T Debt/GDP	53.64	57.01	60.93	63.15	68.69	67.67	68.63	62.26	64.17	66.23	77.65
Total Debt/GDP (%)	64.6	67.6	71.4	74.2	79.6	78.2	83.9	74.0	75.7	73.6	84.8
External Debt/GDP (%)	39.9	41.9	39.4	41.6	45.2	45.2	57.7	47.3	49.4	51.9	58.5
Domestic Debt/GDP (%)	24.7	25.7	32.0	32.7	34.4	32.9	26.2	26.8	26.3	21.7	26.3
Central Government Debt Service/Current Revenue (%)	25.4	25.0	24.8	25.5	23.4	24.7	23.0	25.7	25.0	28.8	25.3
External Debt Service/ Current Revenue (%)	17.2	18.9	18.6	18.0	14.5	16.1	13.8	17.2	16.7	18.3	17.7
Domestic Debt Service/ Current Revenue (%)	10.8	8.9	9.5	10.7	12.0	12.6	12.0	11.6	12.1	13.7	10.0
Guarantee Debt % of GDP	0.11	0.11	0.11	0.12	0.12	0.12	0.17	0.12	0.12	0.07	0.07

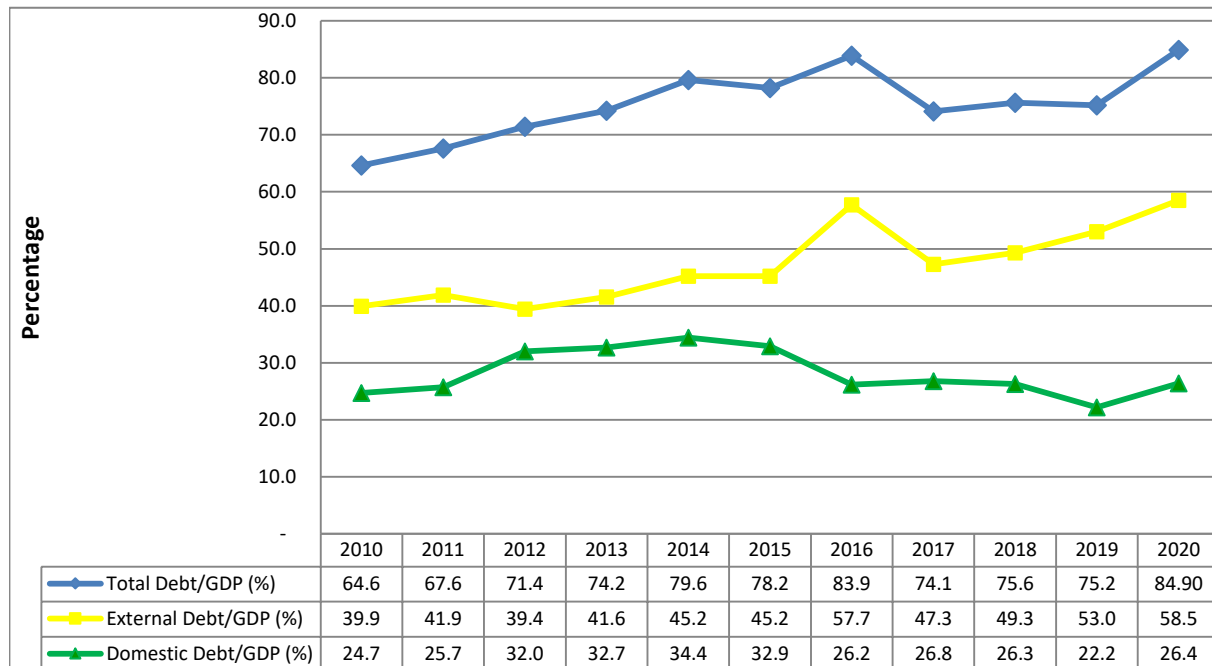
Appendix II: Disbursements on External Loans by Creditor and Project 2020

CREDITORS	PROJECT/ PROGRAMME	Disbursed Amounts XCD (\$)
Caribbean Development Bank	NDM Disaster Risk Reduction and Climate Change Adaptation	\$911,981
	TECHVOC Education and Training Development	\$480,767
	NDM - Hurricane Tomas/ North Wd. Highway	\$1,579,610
	NDM- Rehabilitation and Reconstruction	\$4,005,449
	South Leeward Highway Rehab and Upgrade Project	\$2,509,513
	UWI Open Campus Development	\$3,115,074
	Energy Efficiency Measures and Solar Photovoltaic Plant	3,947,896
	Sandy Bay Sea Defence Resilience Project	\$231,054
	Coronavirus Disease Emergency Response Support	\$12,692,350
	Subtotal for Caribbean Development Bank	\$29,473,694
International Monetary Fund	Rapid Credit Facility	\$43,127,634
	Subtotal for International Monetary Fund	\$43,127,634
World Bank (IDA & IBRD)	OECS Regional Tourism Competitive Project	\$1,080,000
	OECS Regional Agriculture Competitiveness Project	\$931,500
	Regional Disaster Vulnerability Project	\$41,091,729
	OECS Human Development Delivery Service	\$1,377,000
	Caribbean Regional Communication infrastructure Program	8660506
	OECS MSME Guarantee Facility	\$4,760,875
	Fiscal Resilience Development Policy Credit	\$54,000,000
	SVG Regional Health Project	\$6,221,880
Subtotal for World Bank	\$118,123,490	
OPEC Fund for International Development	Agriculture and Feeder Road	\$4,848,309
	Subtotal for OPEC Fund for International Development	\$4,848,309
Kuwait Fund for Arab Development	Feeder and Agriculture Road	\$1,248,601
	Subtotal for Kuwait Fund for Arab Development	\$1,248,601
Damien Shipyard Group	Financing Supplier Facility	\$3,709,625
	Subtotal for Damien Shipyard Group	\$3,709,625
	Grand Total	\$200,531,353

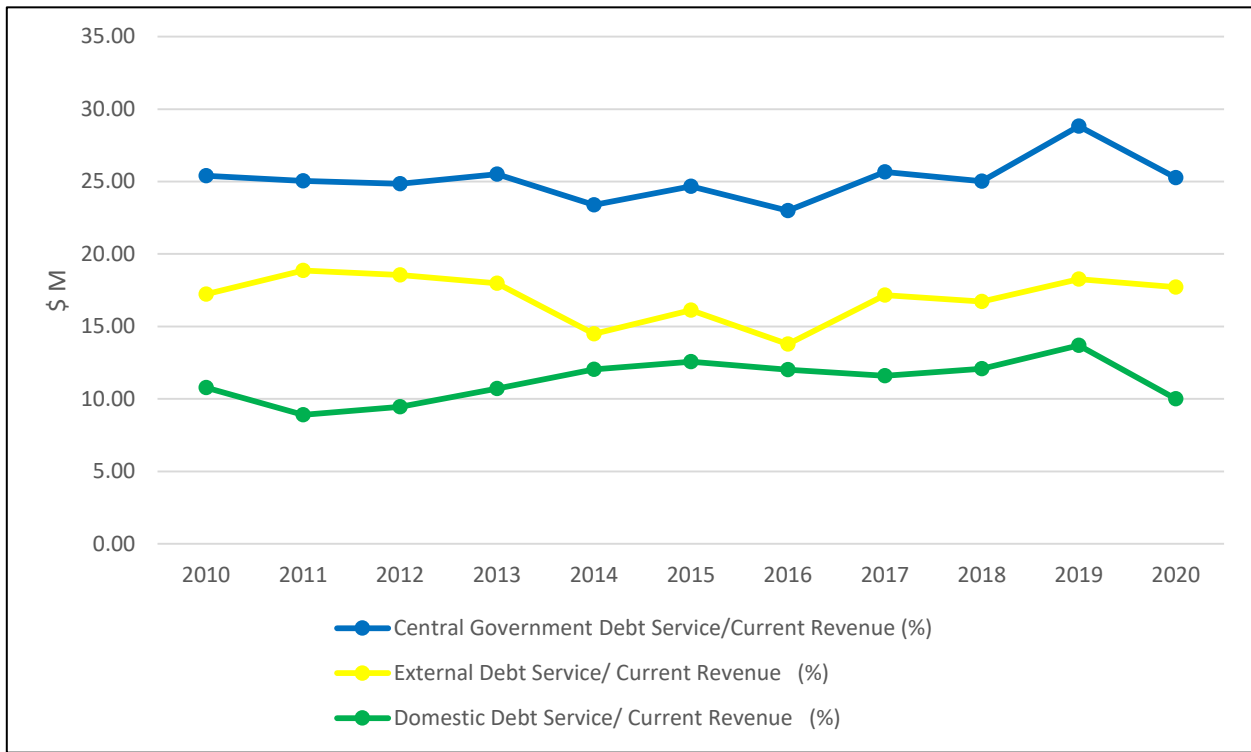
Appendix III: Composition of Total Public Debt 2010-2020



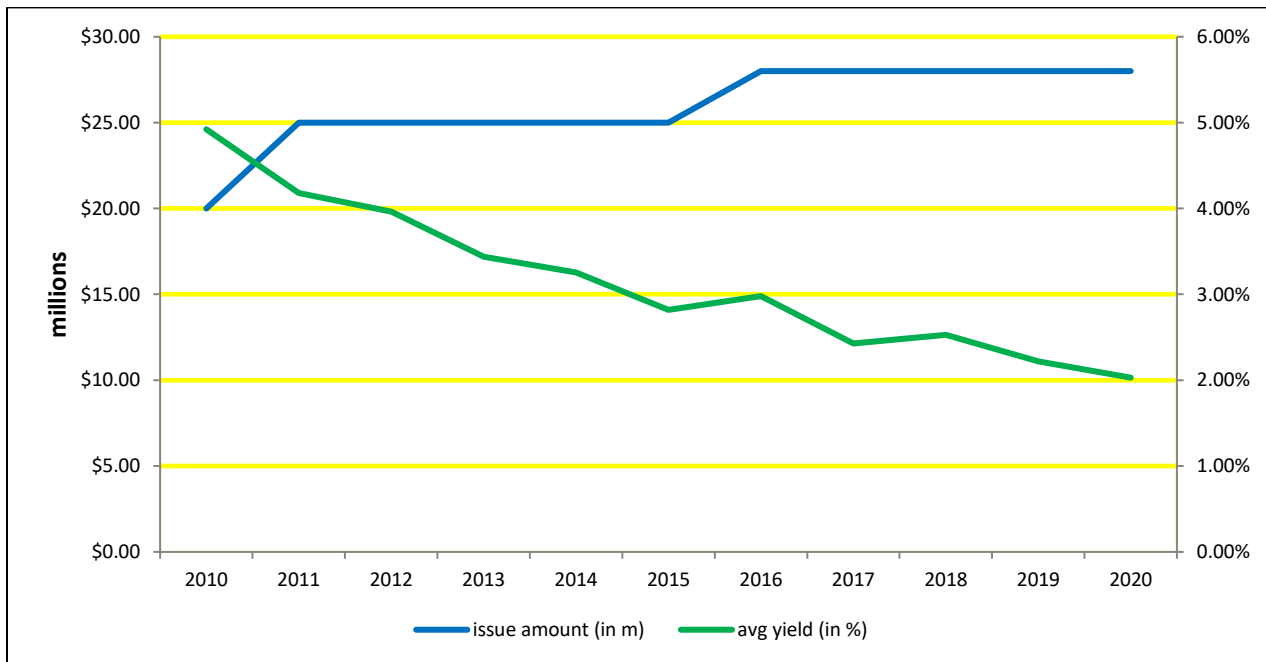
Appendix IV: Debt to GDP 2010 – 2020



Appendix V: Debt Service to Revenue 2010 – 2020



Appendix VI: Treasury Bills Average Rates 2010-2020



Appendix VII: Legal Framework

Finance Administration Act (FAA) Cap 252.	The primary legislation which governs and explicitly authorizes the Government to borrow. The Act stipulates that no money shall be raised on the credit of the Government except under its authority or another Act of Parliament or a resolution of the House of Assembly ¹⁴ . The Minister of Finance when authorized by resolution of the House of Assembly may borrow money in a financial year “To meet current requirements from a bank or other financial institution by means of advances to an amount not exceeding the aggregate the sum specified in the resolution.” The current limit ¹⁵ on the advance is \$35.0m.
The Treasury Bills Act Cap 444	Governs the issuance of the T-bill. The Act authorizes the Minister of Finance to borrow money by the issue of Treasury Bills by the Accountant General or by a financial institution outside St. Vincent and the Grenadines. Section 3 (4) of the Treasury Bills Act provides that the principal sum of T-bills outstanding at any one time, shall not exceed 15.0 percent of the estimated annual revenue of St. Vincent and the Grenadines for the current financial year.
The Public Sector Investment Loan Act No. 2 of 2020. Passed in the House of Assembly on 6 th February, 2020.	Authorized the Government to borrow a total of \$100.0 million to finance the 2020 Public Sector Investment Programme.
The Caribbean Development Bank Loans Act Cap 89	Covers all loans from the CDB.
The International Financial Organizations Act Cap 100	Authorizes the Minister of Finance to sign agreements with the World Bank and the International Monetary Fund
The Government Guarantee of Loans Act Cap 255	Gives Government the authority to guarantee loans by lending agencies to State-owned Corporations. The current limit specified for all guarantees issued by Government is EC \$300.0 million.

¹⁴ Sec 44, Finance Administration Act Cap 252

¹⁵ Resolution of Parliament 29th January, 2016