

*GOVERNMENT OF  
ST. VINCENT AND THE GRENADINES*



# **DEBT PORTFOLIO REVIEW 2021**

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## ACRONYMS

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

## **I. EXECUTIVE SUMMARY**

The Debt Portfolio Review aims to provide a detailed overview of the total public debt position of St. Vincent and the Grenadines for the year 2021. The review compares the debt stock as at December 31, 2021 to that of 2020, categorizing the components into: - External<sup>1</sup> and Domestic debt and further disaggregated by Central Government and Public Corporations<sup>2</sup>. Furthermore, the review also analyses the debt stock by creditor categories; instrument types; currency composition; and economic sectors. It also provides an overview of debt activities undertaken which includes new borrowings by central government along with debt service payments during the year. All analysis in the review was done in Eastern Caribbean dollars unless stated otherwise.

This overview of the Debt Portfolio for St. Vincent and the Grenadines during the period 2021 is presented within the context of our continued response to the fall-out from the on-going COVID-19 pandemic on the Vincentian population lives and livelihoods and our quest to rebuild and rehabilitate from the devastated impact of explosive eruption of the La Soufriere Volcano on April 9, 2021. To this end, estimates<sup>3</sup> suggested that the total effects on all sectors as a result of the eruption was \$634.7 million, comprised of damage of \$416.1 million and loss of \$218.6 million, or cumulatively 26.9 percent of GDP in 2020..

Given the foregoing, the level of new borrowings undertaken by the government in 2021 from external creditors, in response to these twin-crises was geared principally to finance spending related to restore lives and livelihoods in response to aftermath of the eruption and to provide continued support to the citizenry affected by the pandemic. This amounted to \$220.3 million or 14.0 percent of total external debt in 2021, thus resulting in an increase in total debt by 13.7 percent to \$2.121 billion.

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

<sup>2</sup> Debt for which the Government has given an explicit guarantee.

<sup>3</sup> [http://finance.gov.vc/finance/images/PDF/Executive\\_Summary\\_SVG\\_PDNA\\_Volcanic\\_Eruption.pdf](http://finance.gov.vc/finance/images/PDF/Executive_Summary_SVG_PDNA_Volcanic_Eruption.pdf), page. 34

The nominal debt to GDP<sup>4</sup> ratio also increased by 8.9 percentage points to 88.4 percent at the end of 2021. Notwithstanding the sharp rise in the overall stock of outstanding debt, the Government was able to service its debt obligation on a timely basis during the period.

Total loan disbursements received from external creditors amounted to \$325.7 million during the period under review. The major categories included: World Bank (IDA) 75.2 percent, CDB 13.1 percent, and IMF 9.6 percent and the remaining 2.1 percent was from OPEC and Kuwait Fund for Arab Development.

Loan receipts recorded under the domestic debt portfolio was in the form of a short-term ECCB advance in the amount of \$20.0 million. Additionally, total bonds and notes issued during the period amounted to \$86.3 million and there was an amount of \$19.54 million in bullets bonds repaid.

Central Government's total debt service (external plus domestic)<sup>5</sup> increased by 7.6 percent, attributed mainly to an increase in amortization payments by 12.5 percent, while interest expense decreased by 4.3 percent. Notwithstanding this, the Government benefitted from external debt service forbearance (totaling USD 3.7 million) as a result of participation in the G20 Group and Paris Club Debt Service Suspension Initiative (DSSI) for IDA eligible and all Least Developed Countries which was launched in 2020 and was extended to December 31, 2021.

There were no new loans contracted or disbursed to any Public Corporation during the period. However, a few of these entities did not honor their debt obligations as they became due during 2021.

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<sup>4</sup> GDP has been rebased from 2006 prices to 2018 prices in December 2021

<sup>5</sup> 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 and accountability. 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 31<sup>st</sup> December 2021 and is compared with end of year data for 2020. 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. 19 of 2020 provided the authority for debt raising activities in the sum of \$125.0 million whereas the Resolution of the Parliament passed in the House of Assembly on January 27, 2021 established the limit for the Overdraft. All external borrowing in 2021 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 operations. 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 Guaranteed Debt of Public Corporations. The document then concludes and provides appendices mainly in graphical and tabular form showing selected debt indicators over the eleven-year period 2011 - 2021. The Ministry of Finance records debt and

generates reports using the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS)<sup>6</sup>.

### 3. INSTITUTIONAL 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. All debt management functions are centralized in the Cash, Debt, Investment Management Unit (CDIMU) of the Ministry of Finance and Economic Planning. 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 and debt reports are available via the local media and the Government's website. Furthermore, efforts have been recently adopted to strengthen our fiscal oversight with the establishment of the *"FISCAL RESPONSIBILITY FRAMEWORK" - A rules-based fiscal framework for St. Vincent and the Grenadine* published in the Government Gazette on the 7<sup>th</sup> day of January 2020 and update approved by Cabinet on May 13, 2020. 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 report of the Governments' Accounts for the fiscal year 2016 was laid before the Parliament on July 07, 2021.

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<sup>6</sup> 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, 2021 stood at \$2.121 billion. Central government debt represented 92.8 percent with the remaining 7.2 percent attributable to debt owed by Public Corporations. Total domestic debt amounted to 25.6 percent of the total debt with total external debt representing 74.4 percent.

Total debt to GDP<sup>7</sup> increased by 9.2 percentage points from 79.2 percent to 88.4 percent, driven by an 11.5 percentage points change in external Central Government debt (See Chart 1).

TABLE 1: COMPOSITION OF TOTAL PUBLIC DEBT

	2021	2020	change
		\$ million	
Ext Central Gov't	1452.123	1,154.82	25.74%
Dom Central Gov't	517.197	553.16	-6.50%
<b>Total Central Gov't</b>	<b>1969.32</b>	<b>1,707.98</b>	<b>15.30%</b>
Ext Public Corp	126.398	130.6	-3.22%
Dom Public Corp	25.933	26.95	-3.77%
<b>Total Public Corp</b>	<b>152.331</b>	<b>157.55</b>	<b>-3.31%</b>
<b>TOTAL DEBT</b>	<b>2,121.651</b>	<b>1,865.52</b>	<b>13.73%</b>
		% of GDP	Percentage points
Ext Central Gov't	60.52%	49.04%	11.48 %
Dom Central Gov't	21.56%	23.49%	-1.93%
<b>Total Central Gov't</b>	<b>82.08%</b>	<b>72.53%</b>	<b>9.55%</b>
Ext Public Corp	5.27%	5.55%	-0.28%
Dom Public Corp	1.08%	1.14%	-0.06%
<b>Total Public Corp</b>	<b>6.35%</b>	<b>6.69%</b>	<b>-0.34%</b>
<b>TOTAL DEBT</b>	<b>88.43%</b>	<b>79.22%</b>	<b>9.21%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

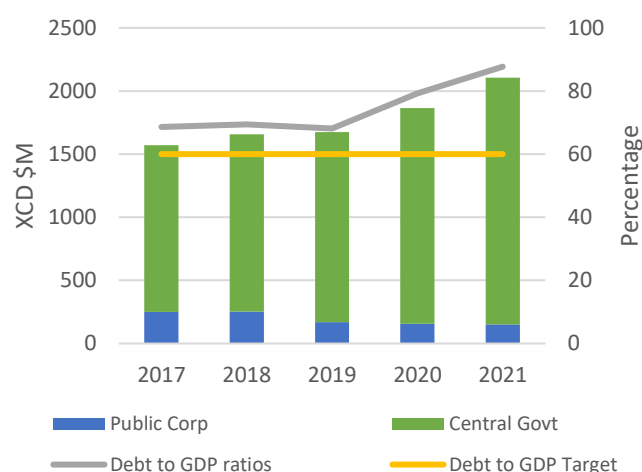
<sup>7</sup> GDP has been rebased from 2006 prices to 2018 prices in December 2021. Resulting in lower historic debt to GDP ratios

Chart 2 depicts that the major currencies in the portfolio: - USD 64.7 percent; XCD 19.4 percent, and XDR representing 14.6 percent. The other 1.3 percent comprised Euro and Kuwait dinars.

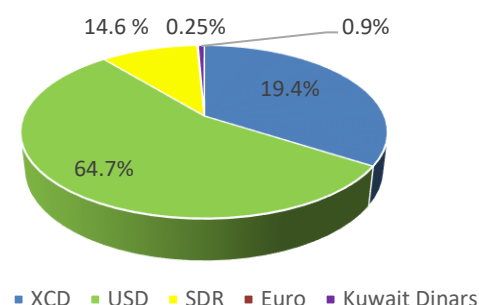
The instruments in the portfolio consist of treasury bills, with a weighted average cost of funds <sup>8</sup> of 2.46 percent; bonds with a weighted average of 6.26 percent. Fixed rate loans weighted average interest rate was 1.55 percent with floating rate loans having an average weighted average interest rate of 3.46 percent. Moreover, 75.3 percent of total debt is denominated in fixed interest rate, while the remaining 24.7 is floating rate.

In Summary, total disbursements of funds in 2021, comprised of: (domestic, \$106.30 and external \$328.20) amounted to \$434.5 million, excluding treasury bill re-issuance. Debt service totaled \$190.4 million; comprised of principal repayments of \$141.0 million and interest repayments of \$49.3 million. Sinking Fund provisions utilized for the retirement of bullet bonds and notes totaled \$19.542 million.

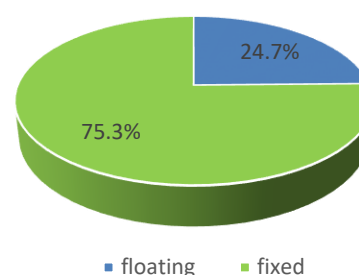
**CHART 1: THE EVOLUTION OF DEBT & GDP 2017-2021**



**CHART 2: TOTAL DEBT BY CURRENCY**



**CHART 3: TOTAL DEBT BY INTEREST RATE TYPE**



<sup>8</sup> Weighted averages taken from CSDRMS report. This report has some limitations to its scope

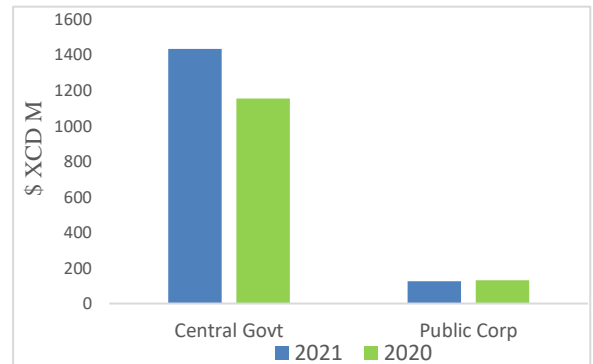
## 5.1 External Public Debt

At the end of 2021, total external debt amounted to \$1.578 billion from \$1.285 billion, an increase of 22.8 percent. The central government component increased by 25.7 percent whereas public corporation outstanding debt fell by 3.2 percent.

Disbursements on loans during the year amounted to \$328.2 million; 75.4 percent of which was received from the International Development Association. During 2021, the Country was affected by several exogenous shocks, namely:- Hurricane Elsa; The Coronavirus pandemic continued, and the explosive eruption of the La Soufriere volcano on April 9, 2021. The latter event was the trigger for disbursements on a Fiscal Resilience Development Policy Credit with a Catastrophe Deferred Drawdown Option financing (CAT-DDO) contracted in 2020 in the amount of \$54.0 million. Additionally, \$135.0 million was contracted and disbursed in 2021 for budget support under the Supplemental Finance 2<sup>nd</sup> Fiscal Resiliency Development Policy Program. A Rapid Credit Facility was also disbursed from the International Monetary Fund for \$31.3 million targeted to disaster relief. Disbursements from multilateral creditors accounted for 98.0 percent of total disbursements with the remainder being disbursed from Kuwait and OPEC: - bilateral creditors.

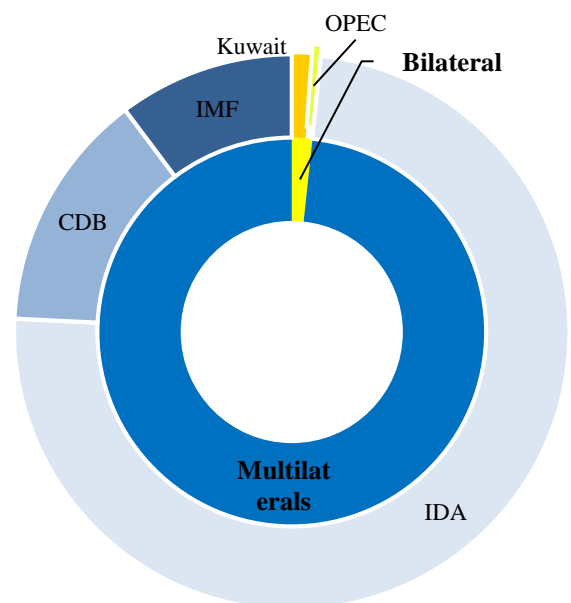
There was no new debt contracted by any Public Corporation during 2021. The vast majority of the Public Corporations serviced their debt obligations on a timely basis as they became due. This led to a decrease of 3.2 percent in their collective disbursed outstanding debt.

CHART 4: EXTERNAL DEBT BY CATEGORIES



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

CHART 5: EXTERNAL DISBURSEMENTS BY CREDITOR CATEGORY & CREDITOR



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

### 5.1.1 Creditor Category

As at December 31, 2021, 62.9 percent of the external portfolio is indebted to multilateral creditors. When combined with bilateral creditors, 87.7 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 and smoother external debt repayment profile. Almost ninety (90.0) percent of all new debt contracted was originated from multilateral sources. The remaining 10.0 percent was contracted from the Export-Import Bank of China (bilateral financing). Of the new loans contracted, disbursements were triggered on 40.0 percent of these with full disbursements received on 20.0 percent.

**TABLE 2: TOTAL EXTERNAL DEBT BY CREDITOR CATEGORY**

Category	2021 (\$M)	% of total	2020 (\$M)	% of total	Change
Multilateral	992.67	62.89%	702.62	54.66%	41.28%
Bilateral	392.00	24.83%	399.95	31.11%	-1.99%
Securities	193.85	12.28%	182.84	14.22%	6.02%
Commercial	0.00	0.00%	0.00	0.00%	0.00%
<b>Total</b>	<b>1578.52</b>	<b>100.00%</b>	<b>1285.42</b>	<b>100.00%</b>	<b>22.80%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

### 5.1.2 Creditor Composition

At the end of 2021, The World Bank replaced the Caribbean Development Bank as the single largest creditor of the Government, accounting for 35.4 percent of the total debt due on the external portfolio as a result of the significant disbursements from IDA as mentioned above. In addition to the Fiscal Resilience Development Policy Financing, on-going disbursements were received on the Regional Disaster Vulnerability Reduction Project (RDVRP); Caribbean Communication Infrastructure program (CARCIP); Digital Transformation Project; and Regional Health Project etc. These projects contributed to an additional \$58.5 million in disbursements; excluding RDVRP grant amount of \$2.6 million. There were no new loans contracted from IBRD nor any disbursements triggered.

Outstanding indebtedness to The CDB constituted 22.1 percent of the external portfolio, which increased by 4.3 percent. Accordingly, disbursements amounted to \$2.9 million from new loans contracted and drawdowns from existing loans amounted to \$40.6 million. The most significant disbursements were received from the Coronavirus Disease Emergency Response Support loan \$17.8 million; TECHVOC

Education and Training Development \$8.5 million; and various National Disaster Management Projects \$12.5 million. Disbursements on the Port Modernization Project amounted to \$0.3 million. Total disbursements from Grants amounted to \$1.1 million.

A Rapid Credit Facility loan was disbursed from the IMF in the amount of \$31.3 million to aid in the government's response to the volcanic eruption. This disbursement increased the outstanding debt to the IMF by 52.6 percent from \$51.9 million to \$79.1 million.

**TABLE 3: EXTERNAL DEBT OUTSTANDING BY CREDITOR**

EXTERNAL DEBT BY CREDITORS	DOO 2021 \$M	% OF TOTAL	DOO 2020 \$M	% OF TOTAL	Change
Caribbean Development Bank	348.41	22.07%	334.08	25.99%	4.29%
World Bank	558.84	35.40%	308.01	23.96%	81.44%
Securities Holders	193.85	12.28%	182.84	14.22%	6.02%
ALBA Bank	129.20	8.18%	135.43	10.54%	-4.60%
Petroleos De Venezuela <sup>9</sup>	109.55	6.94%	109.55	8.52%	0.00%
Republic of China	87.31	5.53%	94.09	7.32%	-7.21%
International Monetary Fund	79.12	5.01%	51.85	4.03%	52.59%
UK Export Finance	18.97	1.20%	18.97	1.48%	-0.01%
Damien Shipyard Group	11.14	0.71%	9.95	0.77%	11.96%
Kuwait	14.63	0.93%	13.70	1.07%	6.81%
Government of Trinidad & Tobago	11.10	0.70%	11.10	0.86%	0.00%
Other	16.40	1.04%	15.85	2.30%	3.46%
<b>TOTAL</b>	<b>1578.51</b>	<b>100.00%</b>	<b>1285.42</b>	<b>100.00%</b>	<b>22.80%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

### 5.1.3 Instrument type

At the end of the period under review, loans totaled \$1.384 billion representing 87.7 percent of the total external debt portfolio, an increase of 25.6 percent when compared with \$1.102 billion over the comparative period in 2020. Securities during the period increased by 6.0 percent from \$182.8 million in 2020 to \$193.8 million in 2021. Total outstanding treasury bills held by external investors at the end of the period increased by 18.1 percent. Of the outstanding treasury bills, 40.0

<sup>9</sup> At the time of publication of the DPR 2021, the Government of St. Vincent and the Grenadines has received 100 percent debt relief for its Petro Caribe debt from the Bolivarian Republic of Venezuela. This relief will be reflected in DPR 2022.

percent is due to Commercial Banks, 31.3 percent to Financial Institutions, investments by other Government's Sinking Funds totaled 14.3 percent, Non-Financial institutions totaled 10.7 percent with private individuals, small businesses and staff pension funds investment totaled 3.6 percent.

**TABLE 4: EXTERNAL DEBT BY INSTRUMENT TYPE**

EXTERNAL DEBT BY INSTRUMENT TYPE	DDO 2021 \$M	% OF TOTAL	DDO 2020 \$M	% OF TOTAL	Change
Loans	1384.669	87.72	1102.58	85.78	25.58%
Securities	193.85	12.28	182.84	14.22	6.02%
Bonds & Notes	130.102	8.24	128.84	10.02	0.98%
T. Bills	63.75	4.04	54.00	4.20	18.06%
<b>TOTAL</b>	<b>1578.51</b>	<b>100.00</b>	<b>1285.42</b>	<b>100.00</b>	<b>22.80%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

### 5.1.4 Economic Sector

A breakdown of outstanding debt by economic sector indicates that the categories Budget Support, Balance of Payment Support and Health and Social Welfare recorded significant increases in the aftermath of the eruption of the La Soufriere volcano. Disbursements from IDA for budget support contributed to a significant increase in the category Budget Support by 106.7 percent. Whilst drawdowns from the IMF Rapid Credit Facility drove the 57.4 percent increase in the Balance of Payment Support category.

Disbursements on projects related to health and social welfare included the Coronavirus Emergency Response support loan from CDB and the Regional Health OECS Project resulted in an increase in this category by 63.4 percent.

**TABLE 5: EXTERNAL DEBT BY ECONOMIC SECTOR**

	2021	% of Total	2020	% of Total	Change
Agriculture	3.05	0.19	3.47	0.27	-12.19%
Air Transport	208.29	13.20	216.63	16.85	-3.85%
Balance of Payment Support	79.12	5.01	50.27	3.91	57.38%
Budget Support	474.16	30.04	229.39	17.85	106.71%
Defense	9.32	0.59	10.23	0.80	-8.91%

Education & Training	105.58	6.69	95.87	7.46	10.13%
Energy (Electricity)	16.90	1.07	19.97	1.55	-15.37%
Finance, Insurance, Etc.	64.57	4.09	71.27	5.54	-9.41%
Health & Social Welfare	53.78	3.41	32.91	2.56	63.41%
Multisector	414.87	26.28	420.69	32.73	-1.38%
Roads and Bridges	107.11	6.79	102.14	7.95	4.87%
Telecommunication	37.72	2.39	29.90	2.33	26.14%
Other	4.05	0.26	2.69	0.21	50.56%
<b>TOTAL</b>	<b>1578.51</b>	<b>100.00</b>	<b>1285.42</b>	<b>100.00</b>	<b>22.80%</b>

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. The share of USD denominated debt in the portfolio increased by 3.4 percentage points, whereas the nominal value of debt denominated in this currency increased by \$232.7 million. Debt denominated in Kuwait Dinar increased by 69.3 percent as disbursements were received on the Agriculture and Feeder road Project. The category ‘other’ increased mainly due to CDB disbursements during the year in Euro for the port modernization project and the OCR portion of the loan related to the school improvement project.

TABLE 6: EXTERNAL DEBT OUTSTANDING BY CURRENCY COMPOSITION

	2021 (\$M)	% of Total	2020 (\$M)	% of Total	Change
US Dollars	1021.42	64.71	788.66	61.35	29.51%
Eastern Caribbean Dollars	307.01	19.45	289.82	22.55	5.93%
Special Drawing Rights	230.77	14.62	196.95	15.32	17.17%
Kuwait	14.63	0.93	8.64	0.67	69.33%
Other	4.69	0.30	1.35	0.11	247.33%
<b>Total</b>	<b>1578.52</b>	<b>100.00</b>	<b>1285</b>	<b>100</b>	<b>22.84%</b>

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 significant increase in fixed rate debt and a reduction in floating rate debt. In reference to the latter, there was also reductions in

the two main interest base in the portfolio; Caribbean Development Bank OCR (CDBOR) and the 6 months London Interbank Offer Rate (Libor)<sup>10</sup>.

TABLE 7: EXTERNAL DEBT OUTSTANDING BY INTEREST RATE COMPOSITION

EXTERNAL DEBT BY INTEREST RATE COMPOSITION	DOO 2021 \$M	% OF TOTAL	DOO 2020 \$M	% OF TOTAL	CHANGE
Fixed Rate	1085.10	63.76%	729.99	56.79%	48.65%
Floating Rate	493.42	36.24%	555.43	43.21%	-11.16%
<i>Of Which:</i>					
<i>Caribbean Development Bank OCR</i>	227.1	14.55%	242.70	18.88%	-6.43%
<i>London Interbank Offer Rate (6mth)</i>	69.564	4.57%	75.50	5.87%	-7.86%
<b>TOTAL</b>	<b>1578.52</b>	<b>100.00%</b>	<b>1285.00</b>	<b>100.00%</b>	<b>22.84%</b>

Source: DMU, Ministry of Finance and Economic Planning

### 5.1.7 External Disbursements

Total disbursements from grants and loans within the external portfolio amounted to \$329.4 million. Total loan disbursements represented 98.9 percent with total grant disbursement representing the remaining 1.1 percent. A total of 57.4 percent of disbursements went to the Budget Support Sector, 13.3 percent to the National Disaster Management and 17.9 percent to Multisector. The remaining disbursements went to other sectors, see table 8.

<sup>10</sup> These variable based interest rate spread will be replaced in 2023 by a new reference rate called Secure Overnight Funding Rate (SOFR).

**TABLE 8: DISBURSEMENTS ON EXTERNAL DEBT BY CREDITOR AND SECTOR**

CREDITOR	Budget Support	Agriculture	Tourism	Communication	Education	Roads and Bridges	Energy	Health	Transport	National Disaster Management	Sea Defense	Human Service Delivery	Multi Sector	Total
<b>Loans</b>														
Caribbean Development Bank					11,237,386.55		606,679.79		514,225.97	12,519,325.47	84,027.02		17,817,650.16	42,779,294.96
World Bank (IDA)	189,000,000.00		567,000.00	7,961,737.05				5,738,286.00				459,129.00	41,151,399.00	244,877,551.05
International Monetary Fund										31,353,223.00				31,353,223.00
Kuwait						4,480,236.00								4,480,236.00
OPEC						2,257,007.00								2,257,007.00
<b>Total</b>	<b>189,000,000.00</b>	<b>.</b>	<b>567,000.00</b>	<b>7,961,737.05</b>	<b>11,237,386.55</b>	<b>6,737,243.00</b>	<b>606,679.79</b>	<b>5,738,286.00</b>	<b>514,225.97</b>	<b>43,872,548.47</b>	<b>84,027.02</b>	<b>459,129.00</b>	<b>58,969,049.16</b>	<b>325,747,312.01</b>
<b>Grants</b>														
Caribbean Development Bank									264,613.50	810,000.00				1,074,613.50
World Bank (IDA)													2,610,203.00	2,610,203.00
<b>Total</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>.</b>	<b>264,613.50</b>	<b>810,000.00</b>	<b>.</b>	<b>.</b>	<b>2,610,203.00</b>	<b>3,684,816.50</b>

SOURCE: DMU MINISTRY OF FINANCE AND ECONOMIC PLANNING

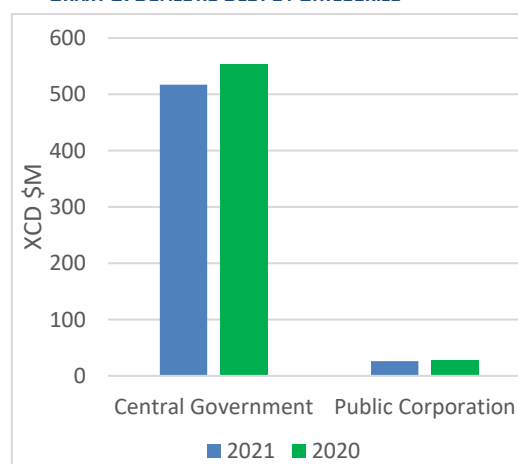
## 5.2 Domestic Public Debt

Total domestic debt as at December 31, 2021 stood at \$543.1 million, a decrease of 6.5 percent over the same period ended December 31, 2020. Of the total domestic debt, \$517.2 million was held by Central Government while the remaining \$25.9 million was held by the Public Corporations.

Central Government debt decreased by 6.3 percent on account of decreases in all instrument balances with the exception of total bonds and notes outstanding (see table 9).

During 2021, total domestic disbursements was \$86.3 million; of which 76.8 percent was from the issuance of securities and 23.2 percent was from new loans contracted. There was no new debt contracted by any Public Corporations during 2021. 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 disbursed outstanding debt attributed to public corporations.

**CHART 6: DOMESTIC DEBT BY CATEGORIES**



SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

### 5.2.1 Instrument Type

The domestic portfolio is heavily concentrated in securities. Bonds and notes comprised 52.5 percent of the total domestic portfolio, loans accounted for 23.3 percent and short-term instruments constituted the remaining 24.2 percent.

In 2021, the only new loan contracted was a short-term ECCB advance in the amount of \$20.0 million. This represented a 20.0 percent reduction over the previous ECCB advance contracted in 2020.

Central government overdraft made up 97.6 percent of the total overdraft figure, it however decreased by 20.3 percent over same period which drove the reduction in the total overdraft amount.

The reduction in accounts payable was two-fold there was a 21.7 percent reduction in IADC<sup>11</sup> payables to land owners whose lands were acquired for the construction of the Argyle International Airport. Land owners received a combination of a total cash payout of \$0.5 million and total private bonds issued in the amount of \$0.9 million. The other reduction in payables was attributed to a 7.3 percent reduction in amounts outstanding to the business community.

**TABLE 9: DOMESTIC DEBT BY INSTRUMENT**

	2021	% of Total	2020	% of Total	Change
Loans	126.43	23.28%	142.23	24.52%	-11.11%
Overdraft	39.31	7.24%	49.43	8.52%	-20.48%
Account Payables	48.69	8.96%	54.98	9.48%	-11.44%
Insurance Deposits	21.92	4.04%	21.92	3.78%	0.00%
Securities	306.77	56.48%	311.54	53.70%	-1.53%
<i>Bonds &amp; Notes</i>	<i>285.25</i>	<i>52.52%</i>	<i>281.5</i>	<i>48.53%</i>	<i>1.32%</i>
<i>T.Bills</i>	<i>21.52</i>	<i>3.96%</i>	<i>30.00</i>	<i>5.17%</i>	<i>-28.27%</i>
<b>TOTAL</b>	<b>543.1</b>	<b>100.00%</b>	<b>580.1</b>	<b>100.00%</b>	<b>-6.37%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

<sup>11</sup> The International Airport Development Company formed for the construction of the Argyle International Airport and which has now ceased to operate and its debt subsumed by Central Government

## 5.2.2 Creditor Composition

Securities holders is the only category of creditors that increased its outstanding debt level. It also represented the largest domestic creditor category. Although an ECCB advance was contracted during the period, the previous advance was already repaid in full, hence indebtedness to this creditor also decreased. No other new debt instrument was contracted, thus all other categories of debt also decreased.

TABLE 10: DOMESTIC DEBT BY CREDITOR

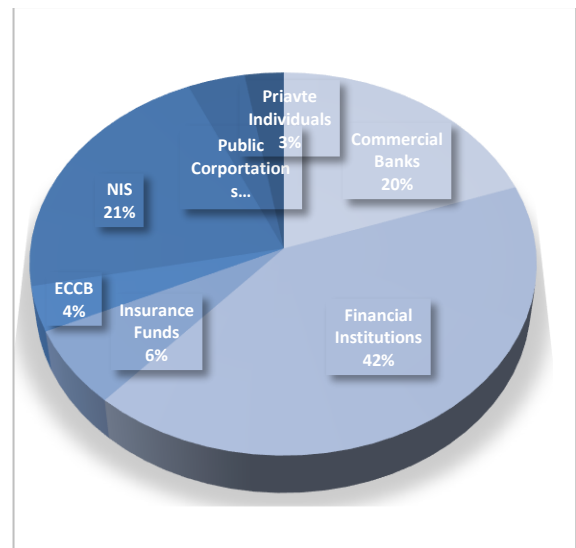
DOMESTIC CREDITOR	DEBT BY	DDO 2021	% of Total	DDO 2020	% of Total	Change
Securities Holders		306.77	56.48%	301.54	51.98%	1.73%
ECCB		20.00	3.68%	35.00	6.03%	-42.86%
Bank of St. Vincent and the Grenadines		107.56	19.80%	126.02	21.72%	-14.65%
Other Financial Institutions		4.90	0.90%	4.95	0.85%	-0.97%
Insurance Companies		21.92	4.04%	21.92	3.78%	0.00%
National Insurance Services		33.28	6.13%	35.69	6.15%	-6.75%
Accounts Payables		48.69	8.96%	54.98	9.48%	-11.44%
<b>Total</b>		<b>543.1</b>	<b>100.00%</b>	<b>580.11</b>	<b>100.00%</b>	<b>-6.37%</b>

Source: DMU, Ministry of Finance and Economic Planning

An examination of Bonds and Notes by holders showed that financial institutions are the largest investor in Government's medium to long-term securities. The National Insurance Services (NIS) account for 21.0 percent of the outstanding securities at the end of 2021. Commercial banks held 20.0 percent.

A disaggregation of treasury bills by creditor showed that jointly, Public Corporations and Commercial Banks were the major investors in Government's treasury bills.

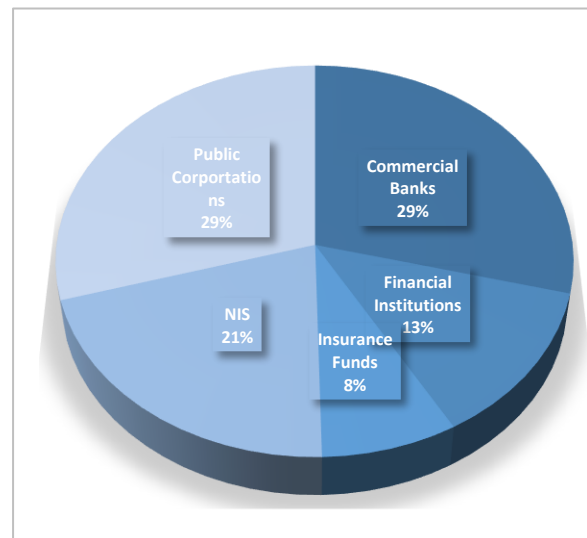
**CHART 7: DOMESTIC BONDS AND NOTES BY CREDITOR**



## 6.1 Securities issued during 2021

Total securities issued during the year amounted to \$86.3 million. Tenors on these instruments ranged from four (4) to fifteen (15) years. The fifteen years instruments were debenture bonds issued to the ECCB with interest rates of 2.0 percent. These instruments also had grace periods of at least 2 years. Two other securities issued at an interest rate of 2.0 percent were issued to two IADC land owners as settlement for outstanding payments for lands acquired during the building of the international airport at Argyle.

**CHART 8: DOMESTIC T. BILLS BY CREDITOR**



Securities issued to the market however were medium-term in nature, with tenors of five years with no long-term bonds offered in 2021. The exception was the issuance of a four year note. No securities were issued via the RGSM but through private placement arrangements. The Government continues to make Private Placement securities more marketable and transparent by applying to the Eastern Caribbean Central Securities Depository (ECCSD) on a timely manner to have these instruments listed, thus providing a benchmark for pricing purposes to investors and other market participants.

TABLE 11: SECURITIES ISSUED DURING 2021

<u>Securities</u>							
Platform	Instrument	Original Amount (\$ M)	Tenor (years)	Rate (%)	Issue Date	Maturity Date	Structure
Private Placement	Bond	13.030	5	5.5	29-Jan-21	29-Jan-26	Amortized
Private Placement	Bond	10.000	5	5.5	26-Mar-21	26-Mar-26	Amortized
Private Placement	Bond	0.569	5	2.0	31-Aug-21	1-Sep-26	Amortized
Private Placement	Bond	7.374	5	5.5	9-Apr-21	9-Apr-26	Amortized
Private Placement	Bond	0.309	5	2.0	28-Dec-21	28-Dec-26	Amortized
Private Placement	Note	15.000	4	4.75	28-Dec-21	28-Dec-26	Amortized
Private Placement	Bond	7.500	5	5.75	26-Nov-21	26-Nov-26	Amortized
Private Placement	Bond	15.000	15	2.0	27-Jan-21	27-Jan-36	Amortized
Private Placement	Bond	17.500	15	2.0	30-Nov-21	30-Nov-36	Amortized
<b>Total</b>		<b>86.282</b>					

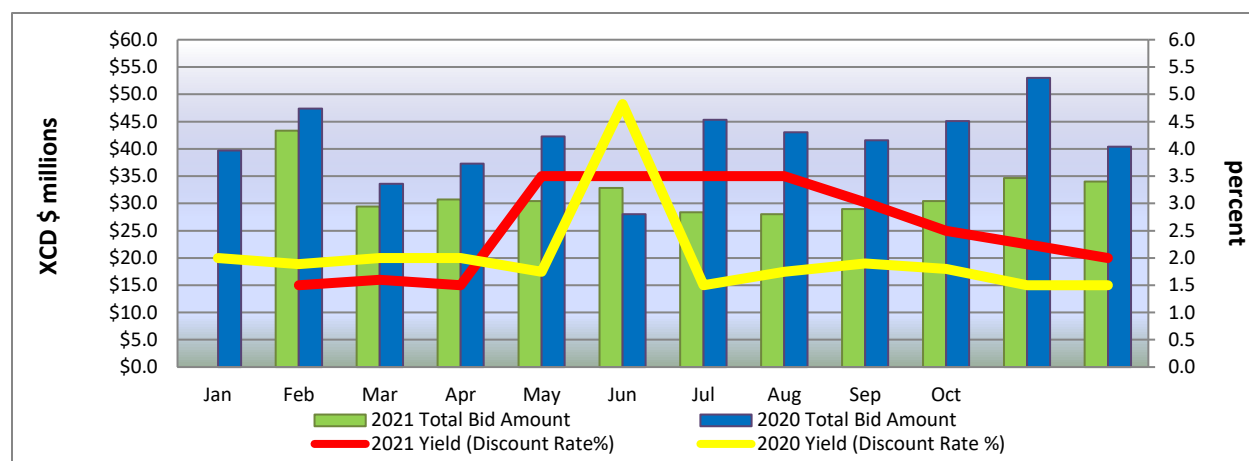
SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

## 6.2 Regional Government Securities Market

In 2021, the Government of St. Vincent issued, eleven (11), \$28.0 million, 91-day treasury bills on the RGSM. Pre eruption of the La Soufriere volcano, T. Bills rates averaged 1.5 percent with average bid amounts of \$34.5 million for the period February to April. These rates were lower than the average T.bills rates of 2.0 percent for same period in 2020, but similar to rates recorded in the last quarter of 2020 which average 1.7 percent. Post eruption, May - August, the issued T. Bills closed at the reserved/ceiling rate of 3.5 percent with average bids amounts of \$29.7 million due to market uncertainty fueled by investors hesitancy to buy government instruments. In the 4<sup>th</sup> quarter of 2021, the average rate realized was 2.3 percent with corresponding average bid amounts of \$33.0 million as the government continued to meet all of its debt obligations on a timely basis despite the in-country volcanic devastation.

For the period under review the weighted average discount rate increased to 2.6 percent (average bid amount of \$31.9 million) compared with 2.03 percent (average bid amount of \$41.3 million) in 2020. The average number of bids per auction decreased from 18.4 to 15.6 bids, average oversubscription per auction decreased from \$13.4 million to \$3.9 million and the bid to cover ratio decreased from 1.48 to 1.14 percent.

Chart 9: Treasury Bills Yields 2021 & 2020



Source: [www.ecseonline.com](http://www.ecseonline.com)

TABLE 12: OUTSTANDING TREASURY BILLS ON THE ECSE AS AT DECEMBER 31, 2021

Date of Issue	Redemption Date	Issue Amount	Value of Bids	Amount Accepted	No. of Bids		Interest Rate %
					Total	Successful	
		\$M	\$M	\$M			
13-Oct-21	13-Jan-22	28.000	30.427	28.000	21	19	2.500
15-Nov-21	25-Feb-22	28.000	34.659	28.000	22	13	2.250
08-Dec-21	10-March-22	28.000	34.013	28.000	17	13	2.000

TABLE 13: OUTSTANDING NOTES ON THE ECSE AS AT DECEMBER 31, 2021

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	8.832	5	3.0 yrs	7-May-19	7-May-24	6.25

TABLE 14: OUTSTANDING BONDS LISTED ON THE ECSE AS AT DECEMBER 31, 2021

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	2.0	10	1	Apr-12	Apr-22	7.50
VCG100323	25.9	3.8	10	2	Mar-13	Mar-23	7.00
VCG070821	16.0	16.0	7	0	Aug-14	Aug-21	7.00
FVG100826	16.3	9.5	10	5	Aug-16	Aug-26	7.00
VCG100826	0.3	0.17	10	5	Aug-16	Aug-26	7.00
VCG070623	11.2	2.4	7	2	Jun-16	Jun-23	7.00
VCG080225	15.0	6.6	8	4	Feb-17	Feb-25	7.50
VCG0705AA	15.0	7.7	8	4	May-17	May-25	7.50
VCG070524	25.0	8.9	7	3	May-17	May-24	7.50
VCG070625	25.0	12.5	7	4	Jun-18	Jun-25	7.00
VCG070725	12.0	6.8	7	4	Jul-18	Jul-25	7.00
VCG0725AA	13.0	7.4	7	4	Jul-18	Jul-25	7.00
VCG081126	15.0	15.0	8	6	Nov-18	Nov-26	7.25
VCG100628	7.5	4.9	10	8	Jun-18	Jun-28	7.00
VCG101128	10.0	7.0	10	8	Nov-18	Nov-28	7.50
VCG070926	25.0	17.8	7	6	Sep-19	Sep-26	7.00
VCG071226	30.0	21.4	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, 2021 Central Government disbursed outstanding external debt increased by 25.7 percent to \$1.4 billion. Of this amount, loans totaled \$1.2 billion representing 86.7 percent with the remaining \$193.8 million or 13.3 percent in securities, of which bonds totaled \$130.1 million and T-Bills \$63.7 million.

TABLE 15: COMPOSITION OF EXTERNAL DEBT BY INSTRUMENTS

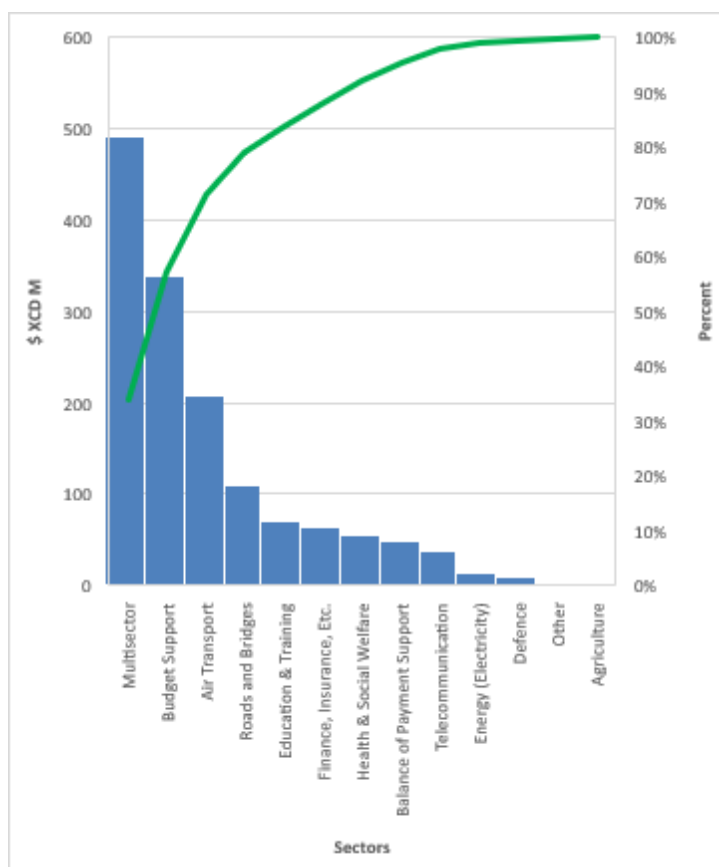
EXTERNAL CENTRAL GOVERNMENT DEBT BY INSTRUMENT TYPE	DOJ 2021 \$M	% OF TOTAL	DOJ 2020 \$M	% OF TOTAL	Change
Loans	1258.3	86.7	972.0	84.2	29.45%
Securities	193.8	13.3	182.8	15.8	6.04%
Bonds	130.1	9.0	128.8	11.2	1.01%
T. Bills	63.7	4.4	54	4.7	18.06%
<b>TOTAL</b>	<b>1452.1</b>	<b>100.0</b>	<b>1154.8</b>	<b>100</b>	<b>25.75%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

### 1.3.1 Economic Sectors

Multi-sectoral contracted debt and debt associated with Budget Support and Air Transport collectively accounted for 71.3 percent of outstanding external debt. Multi-sector debt continues to account for the highest proportion of external debt recording a 33.7 percent of total Central Government external debt. The Budget Support sector increased its share of debt most significantly over its 2020 levels accounting for 23.6 percent of the portfolio versus 12.4 percent previously. Air Transport accounted for 14.6 percent. The remaining sectors accounted for 28.7 percent of the outstanding debt.

CHART 10: DEBT BY ECONOMIC SECTOR



### 1.3.2 Currency Composition

The United States (USD) currency continued to hold the higher share of the external debt at 69.5 percent with an increase of 35.6 percent over its 2020 level. Special Drawing Rights (XDR) is the

second largest currency in the portfolio, accounting for 15.9 percent an increase of 17.3 percent. The Eastern Caribbean dollar (XCD) debt nominal value marginally changed. This debt is comprised of Securities held by external investors. The Agriculture and Feeder Road Project funded by Kuwait and financed in Kuwait Dinars received several disbursements during 2021. The category ‘other’<sup>12</sup> increased on account of disbursements on an RDVRP Grant in Euros.

**TABLE 16: CENTRAL GOVERNMENT EXTERNAL DEBT BY CURRENCY COMPOSITION**

	<b>2021 (\$M)</b>	<b>% of Total</b>	<b>2020 (\$M)</b>	<b>% of Total</b>	<b>Change</b>
US Dollars	1009.17	69.50	744.00	64.40	35.6%
Eastern Caribbean Dollars	193.85	13.35	203.90	17.70	-4.93%
Special Drawing Rights	230.80	15.89	197.00	17.10	17.26%
Kuwait	14.60	1.01	8.60	0.80	69.77%
Other	3.70	0.25	1.40	0.10	164.21%
<b>Total</b>	<b>1452.12</b>	<b>100.00</b>	<b>1154.80</b>	<b>100.00</b>	<b>25.75%</b>

Source: DMU, Ministry of Finance and Economic Planning

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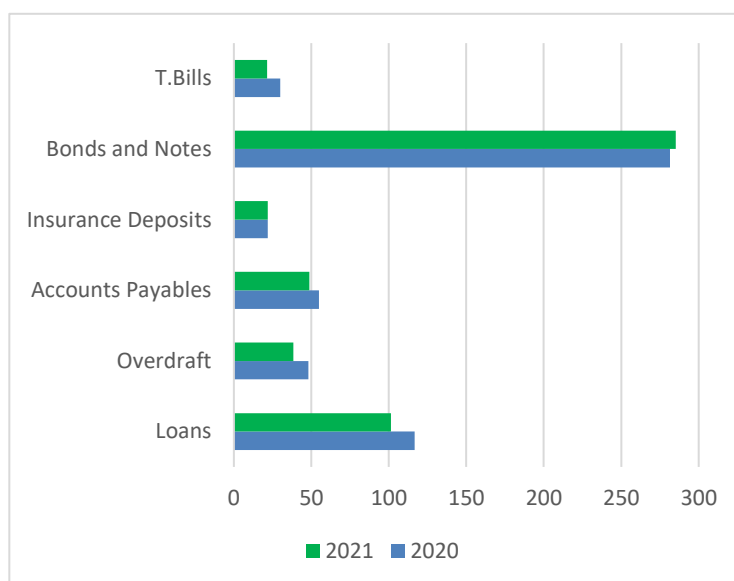
<sup>12</sup> Other is comprised of Trinidad and Tobago Dollars and the Euro

## 6.4 Central Government

### Domestic Debt

Central government debt constitutes 95.2 percent of total domestic debt. As at December 31, 2021 total domestic central government debt decreased by 6.5 percent moving from \$553.1 million to \$517.2 million. Treasury Bills decreased by 28.3 percent<sup>13</sup>, the Overdraft by 20.3 percent, Accounts Payables by 11.4 percent (of which IADC account payables to land owners decreased by 21.7 percent) and Loans by 12.3 percent and bonds and notes increased by 1.3 percent.

CHART 11: CENTRAL GOVERNMENT DOMESTIC DEBT BY INSTRUMENT



Domestic borrowings via loan issuance for the year totaled \$20.0 million. This was in the form of an advance from the ECCB. The interest rate on this facility remained at 2.0 percent from the standard 6.5 percent.

TABLE 17: DOMESTIC DEBT RAISING ACTIVITY FOR 2021

<u>Loan</u>					
Creditor	Loan Amount (EC \$M)	Tenor	Rate (%)	Issue Date	Maturity Date
ECCB	20.00	1 yr	2.0	11-Nov-21	11-Nov-22
<b>Total</b>	<b>20.00</b>				

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

#### 6.4.1. Domestic Debt by Creditors

Government's indebtedness to ECCB increased by 50.0 percent over its 2020 level due to the issuance of two debenture bonds in addition to the annual short-term advance. Debt to VINLEC

<sup>13</sup> This is a re-allocation of investors in t-bills from external to domestic, the stock of outstanding treasury bills remains constant.

and to insurance companies remained unchanged over the period as no repayments were required due the loan having a grace period and no insurance companies required a refund of their statutory deposits. The reduction in debt to Bank of St. Vincent and the Grenadines of 14.5 percent was jointly the result of a 20.3 percent reduction in the overdraft balance as at the end of the period and the repayments/amortization of existing loans.

The stock of debt due to NIS declined by 16.6 percent. The level of Accounts Payables also declined by 11.4 percent.

**TABLE 18: DOMESTIC CENTRAL GOVERNMENT DEBT OUTSTANDING BY CREDITOR**

<b>DOMESTIC C.G DEBT BY CREDITOR</b>	<b>DOO 2021</b>	<b>% of Total</b>	<b>DOO 2020</b>	<b>% of Total</b>	<b>Change</b>
Securities Holders	274.271	53.03%	301.54	54.51%	-9.04%
ECCB	52.50	10.15%	35.00	6.33%	50.00%
Bank of St. Vincent and the Grenadines	106.62	20.62%	124.72	22.55%	-14.51%
VINLEC	4.05	0.78%	4.05	0.73%	0.00%
Insurance Companies	21.92	4.24%	21.92	3.96%	0.00%
National Insurance Services	9.13	1.77%	10.95	1.98%	-16.59%
Accounts Payables	48.70	9.42%	54.98	9.94%	-11.43%
<b>Total</b>	<b>517.19</b>	<b>100.00%</b>	<b>553.16</b>	<b>100.00%</b>	<b>-6.50%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

## 6.5. Central Government Debt Service

### 6.5.1 External Debt Service

Total debt service decrease in both components of interest cost and amortization repayments made in 2021. External amortization decreased as Central Government was able to benefit from the utilization of the remaining proceeds from the Coronavirus Disease Emergency Response Support Loan from the CDB to directly service the government's CDB OCR loans which amounted to \$17.8 million. Additionally, the remaining proceeds from the 2019 over-payment of Capital Subscriptions held with the World Bank (IBRD) on behalf of the Government in the amount of \$0.4 million was also used to offset debt service cost on loans that became due.

Additionally, the Government benefitted from debt service forbearance in the amount of USD 3.7 million as a result of its participation in the G20 Group and Paris Club Debt Service Suspension Initiative (DSSI) for IDA eligible/all Least Developed Countries on two loans contracted from UK Export Finance.

TABLE 19: EXTERNAL DEBT SERVICE

EXTERNAL DEBT SERVICING	Budgeted	2021	2020	Change	Variance
		\$M		%	
Interest	35.546	17.601	19.08	-7.75	101.95
Amortization	86.929	39.39	52.31	-24.70	120.69
<b>TOTAL</b>	<b>122.48</b>	<b>56.99</b>	<b>71.39</b>	<b>-20.17</b>	<b>114.90</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

### 6.5.2 Domestic Debt Servicing

Total domestic debt service for 2021 increased by 26.3 percent over 2020 driven by higher amortization repayments as central government moratoria on loans expired and domestic bond repayments became due. The Sinking Fund budgeted contributions<sup>14</sup> decreased by 56.6 percent in 2021 when compared with 2020, see table 20. During the year a total of \$19.5 million in bullet bonds matured and was repaid from the Sinking Fund.

TABLE 20: DOMESTIC DEBT SERVICE

DOMESTIC DEBT SERVICING	Budgeted	2021	2020	% Change	% Variance
Interest	37.174	31.738	32.48	-2.28	17.13
Amortization	88.14	101.64	73.08	39.08	-13.28
<b>TOTAL</b>	<b>125.31</b>	<b>133.38</b>	<b>105.56</b>	<b>26.35</b>	<b>-6.05</b>
Sinking Fund	22.00	19.54	45.00	-56.58	12.59

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

<sup>14</sup> 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

## 7.0 PUBLIC CORPORATION DEBT

At as December 31, 2021, total Public Corporations' (Guaranteed) debt stood at \$152.3 million, a decrease of 3.3 percent when compared with \$157.5 million at the end of 2020. Of the total public corporations' debt, the domestic component amounted to \$25.9 million, representing 17.0 percent of the total public corporation's debt and a decrease of 3.8 percent from same period last year. The external component amounted to \$126.4 million or 83.0 percent, a decrease of 3.2 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.<sup>15</sup>

### 7.1 Public Corporation Debt by Borrower and Creditor Categories

The NIS is the largest creditor for the domestic public corporations, accounting for 93.1 percent of the total domestic public corporations' debt and 15.9 percent of the total public corporation debt. The outstanding indebtedness to the NIS by the National Student Loan Company remains unchanged in 2021 as recorded in 2020 due mainly to its non-performing nature.

Outstanding disbursed debt owed to BOSVG is primarily for the operation of the overdraft facilities for the respective public corporations. Only the NIS and the SVG Postal Corporation had overdraft balances at the end of 2021.

The Housing and Land Development Corporation continues to service its loan with the St. Vincent Cooperative Bank. However, payments continue to be irregular and not in accordance with the loan agreement and repayment schedule.

The largest external creditor remains PDVSA, which represents 86.7 percent of the total external public corporations' debt and 71.9 percent of the total public corporation debt in 2021. The Petrocaribe outstanding debt remains at the same level over the comparative period.

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<sup>15</sup> The current limit specified for all guarantees issued by Government is ECD 300.0 million.

TABLE 21: PUBLIC CORPORATIONS DEBT BY BORROWER AND CREDITOR

PUBLIC CORPORATION	2021	2020	% Change
<b>DOMESTIC</b>			
<b>BOSVG</b>			
Agriculture Input Warehouse	-	0.010	0.00%
Int'l Airport Development Co.	-	0.252	0.00%
National Insurance Services	0.003	-	100.00%
SVG Postal Corporation	0.939	1.047	-10.32%
<b>Total</b>	<b>0.942</b>	<b>1.300</b>	<b>-27.55%</b>
<b>NIS</b>			
National Lotteries	3.191	3.785	-15.69%
National Student Loan Company	20.955	20.955	0.00%
<b>Total</b>	<b>24.146</b>	<b>24.740</b>	<b>-2.40%</b>
<b>St. Vincent Corporative Bank</b>			
Housing and Land Development Corp.	0.852	0.860	-0.93%
<b>Total</b>	<b>0.852</b>	<b>0.860</b>	<b>-0.93%</b>
<b>TOTAL DOMESTIC</b>	<b><u>25.939</u></b>	<b><u>26.900</u></b>	<b>-3.57%</b>
<b>EXTERNAL</b>			
<b>CDB</b>			
BOSVG	14.749	16.701	-11.69%
VINLEC	0.435	0.489	-11.04%
<b>Total</b>	<b>15.184</b>	<b>17.190</b>	<b>-11.67%</b>
<b>Alba</b>			
VINLEC	1.265	2.615	-51.63%
<b>Total</b>	<b>1.265</b>	<b>2.615</b>	<b>-51.63%</b>
<b>EIB</b>			
VINLEC	0.393	1.238	-68.26%
<b>Total</b>	<b>0.393</b>	<b>1.238</b>	<b>-68.26%</b>
<b>PDVSA</b>			
Petro Caribe Co. Ltd	109.55	109.55	0.00%
<b>Total</b>	<b>109.55</b>	<b>109.55</b>	<b>0.00%</b>
<b>TOTAL EXTERNAL</b>	<b><u>126.392</u></b>	<b><u>130.593</u></b>	<b>-3.22%</b>
<b>TOTAL PUBLIC CORP DEBT</b>	<b><u>152.3319</u></b>	<b><u>157.493</u></b>	<b>-3.28%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

## 7.2 Instrument Type

Domestic debt instruments for public corporations consist 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 comprised of loans held with multilateral and bilateral creditors.

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

	2021 \$M	2020 \$M	% Change
<b>DOMESTIC</b>			
<i>Loans</i>	<b>25.000</b>	<b>25.610</b>	<b>-2.39%</b>
BOSVG	0.000	0.010	-100.00%
NIS	24.146	24.740	-2.40%
St. Vincent Corp Bank	0.852	0.860	-0.93%
<i>Overdraft</i>	<b>0.942</b>	<b>1.300</b>	<b>-27.55%</b>
BOSVG	0.942	1.300	-27.55%
<b>Total Domestic</b>	<b>25.940</b>	<b>26.910</b>	<b>-3.57%</b>
<b>EXTERNAL</b>			
<i>Loans</i>			
CDB	15.184	17.190	-11.67%
EIB	0.393	1.238	-68.26%
ALBA	1.265	2.615	-51.63%
Petro Caribe	109.55	109.55	0.00%
<b>Total External</b>	<b>126.392</b>	<b>130.593</b>	<b>-3.22%</b>

SOURCE: DMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

### 7.3 Debt Service

With the exception of National Student Loan Company, Housing and Land Development Corporation and Petro Caribe Company Ltd, all other Public Corporations/Government Guaranteed Institutions met their debt servicing obligations as scheduled.

# APPENDICES

## Appendix I: Selected Public Debt Indicators 2011-2021

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
						(\$m)					
<b>Total Public Debt</b>	<b>1,233.2</b>	<b>1,336.6</b>	<b>1,445.8</b>	<b>1,562.5</b>	<b>1,594.4</b>	<b>1,746.5</b>	<b>1,572.0</b>	<b>1,657.0</b>	<b>1,673.97</b>	<b>1,871.50</b>	<b>2,121.64</b>
<b>Total Central Gov't</b>	<b>1,040.7</b>	<b>1,140.0</b>	<b>1,229.7</b>	<b>1,348.8</b>	<b>1,379.8</b>	<b>1,429.3</b>	<b>1,322.2</b>	<b>1,404.8</b>	<b>1,505.66</b>	<b>1,714.0</b>	<b>1,969.3</b>
<b>External Debt</b>	<b>764.9</b>	<b>738.1</b>	<b>809.5</b>	<b>887.7</b>	<b>922.5</b>	<b>1,201.8</b>	<b>1,003.6</b>	<b>1,080.4</b>	<b>1,180.77</b>	<b>1,291.4</b>	<b>1,578.5</b>
Central Government	668.0	652.7	728.7	811.2	855.7	962.0	830.1	899.90	1,040.70	1,160.83	1,452.12
Public Corporations	96.9	85.4	80.8	76.5	66.8	239.7	173.5	180.55	140.1	130.60	126.40
<b>Domestic Debt</b>	<b>468.3</b>	<b>598.5</b>	<b>636.3</b>	<b>674.8</b>	<b>671.8</b>	<b>544.7</b>	<b>568.41</b>	<b>576.51</b>	<b>493.20</b>	<b>580.07</b>	<b>543.12</b>
Central Government	372.7	487.3	501.0	537.6	524.0	467.3	492.12	504.85	464.96	553.16	517.19
Public Corporations	95.6	111.2	135.3	137.2	147.8	77.4	76.30	71.66	28.24	26.91	25.93
<b>Private Guaranteed External Debt</b>	<b>15.2</b>	<b>16.6</b>	<b>19.5</b>	<b>24.5</b>	<b>25.2</b>	<b>26.7</b>					
<b>Debt Servicing</b>											
<b>External</b>	<b>87.2</b>	<b>87.7</b>	<b>88.3</b>	<b>77.5</b>	<b>83.6</b>	<b>81.7</b>	<b>101.6</b>	<b>99.3</b>	<b>109.7</b>	<b>107.2</b>	<b>73.0</b>
Central Government	74.6	72.7	72.7	60.8	62.9	65.1	83.3	76.83	90.8	92.39	64.09
Public Corporations	12.6	15.0	15.6	16.7	20.8	16.6	18.3	22.5	18.88	14.8	8.9
<b>Domestic</b>											
Central Government	47.2	48.7	58.1	72.0	72.8	83.3	82.7	93.8	114.59	105.57	101.64
(of which sinking fund)	6.0	4.0	5.5	7.6	7.6	12.1	14.0	22.0	32.37	45.00	19.54
<b>GDP (at market price)</b>	<b>1,927.3</b>	<b>1,971.1</b>	<b>2,064.9</b>	<b>2,081.4</b>	<b>2,123.7</b>	<b>2,198.6</b>	<b>2,288.6</b>	<b>2,387.7</b>	<b>2,457.4</b>	<b>2,354.8</b>	<b>2,399.4</b>
<b>Current Revenue</b>	<b>462.5</b>	<b>472.6</b>	<b>491.3</b>	<b>535.2</b>	<b>519.1</b>	<b>592.6</b>	<b>592.2</b>	<b>594.1</b>	<b>600.53</b>	<b>605.26</b>	<b>679.53</b>
<b>Central Gov'T Debt/GDP</b>	<b>54.00</b>	<b>57.83</b>	<b>59.55</b>	<b>64.80</b>	<b>64.97</b>	<b>65.01</b>	<b>57.78</b>	<b>58.83</b>	<b>61.27</b>	<b>72.79</b>	<b>82.08</b>
<b>Total Debt/GDP (%)</b>	<b>64.0</b>	<b>67.8</b>	<b>70.0</b>	<b>75.1</b>	<b>75.1</b>	<b>79.4</b>	<b>68.7</b>	<b>69.4</b>	<b>68.1</b>	<b>79.5</b>	<b>88.4</b>
<b>External Debt/GDP (%)</b>	<b>39.7</b>	<b>37.4</b>	<b>39.2</b>	<b>42.6</b>	<b>43.4</b>	<b>54.7</b>	<b>43.9</b>	<b>45.3</b>	<b>48.0</b>	<b>54.8</b>	<b>65.8</b>
<b>Domestic Debt/GDP (%)</b>	<b>24.3</b>	<b>30.4</b>	<b>30.8</b>	<b>32.4</b>	<b>31.6</b>	<b>24.8</b>	<b>24.8</b>	<b>24.1</b>	<b>20.1</b>	<b>24.6</b>	<b>22.6</b>
<b>Central Government Debt Service/Current Revenue (%)</b>	<b>25.0</b>	<b>24.8</b>	<b>25.5</b>	<b>23.4</b>	<b>24.7</b>	<b>23.0</b>	<b>25.7</b>	<b>25.0</b>	<b>28.8</b>	<b>25.3</b>	<b>21.5</b>
<b>External Debt Service/ Current Revenue (%)</b>	<b>18.9</b>	<b>18.6</b>	<b>18.0</b>	<b>14.5</b>	<b>16.1</b>	<b>13.8</b>	<b>17.2</b>	<b>16.7</b>	<b>18.3</b>	<b>17.7</b>	<b>10.7</b>
<b>Domestic Debt Service/ Current Revenue (%)</b>	<b>8.9</b>	<b>9.5</b>	<b>10.7</b>	<b>12.0</b>	<b>12.6</b>	<b>12.0</b>	<b>11.6</b>	<b>12.1</b>	<b>13.7</b>	<b>10.0</b>	<b>12.1</b>
<b>Guarantee Debt % of GDP</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>	<b>0.16</b>	<b>0.11</b>	<b>0.11</b>	<b>0.07</b>	<b>0.07</b>	<b>0.06</b>

## Appendix II: Disbursements on External Loans by Creditor and Project 2021

CREDITORS	PROJECT/ PROGRAMME	Disbursed Amounts XCD (\$)
<b>LOANS</b>		
<b>Caribbean Development Bank</b>	Port Modernization Project	337,402
	School Improvement Project - phase 1	2,731,154
	Technical and Vocational Education and Training Development	8,506,233
	NDM - Rehabilitation and Reconstruction (December 2013 trough event)	4,682,232
	Coronavirus Disease 2019 Emergency Response Support Loan	17,817,650
	Energy Efficiency Measures and Solar Photovoltaic Plant	606,680
	Sandy Bay Sea Defenses Resilience Project	84,027
	NDM- Rehab. and Reconstruction - Hurricane Tomas/North Windward	362,848
	NDM - Disaster Risk Reduction and Climate Change Adaptation	7,474,246
	Project Management Support for the Ministry of Transport, Works etc	176,824
	<b>Subtotal for Caribbean Development Bank</b>	<b>\$42,779,295</b>
<b>World Bank (IDA)</b>	OECS Human Development Delivery Service	459,129
	Regional Disaster Vulnerability Reduction Project	12,432,525
	Regional Disaster Vulnerability Reduction Project	28,718,874
	OECS Tourism Competitiveness Project	567,000
	Second Fiscal Resiliency Development Policy Program (CAT DDO)	54,000,000
	Supplemental Finance Second Fiscal Resiliency Development Policy Program	135,000,000
	AF Caribbean Communication Infrastructure Program	4,023,787
	SVG Regional Health Project	1,688,286
	SVG Digital Transformation Project	3,937,950
	SVG Add Finance Regional Health	4,050,000
	<b>Subtotal for World Bank</b>	<b>\$244,877,551</b>
<b>International Monetary Fund</b>	Volcano Relief Loan	31,353,224
	<b>Subtotal for International Monetary Fund</b>	<b>\$31,353,224</b>
<b>OPEC Fund for International Development</b>	Agriculture and Feeder Road	2,257,007
	<b>Subtotal for OPEC Fund for International Development</b>	<b>\$2,257,007</b>
<b>Kuwait Fund for Arab Development</b>	Feeder and Agriculture Road	4,480,236
	<b>Subtotal for Kuwait Fund for Arab Development</b>	<b>\$4,480,236</b>
<b>TOTAL LOAN DISBURSEMENTS</b>		<b><u>\$325,747,313</u></b>

## GRANTS

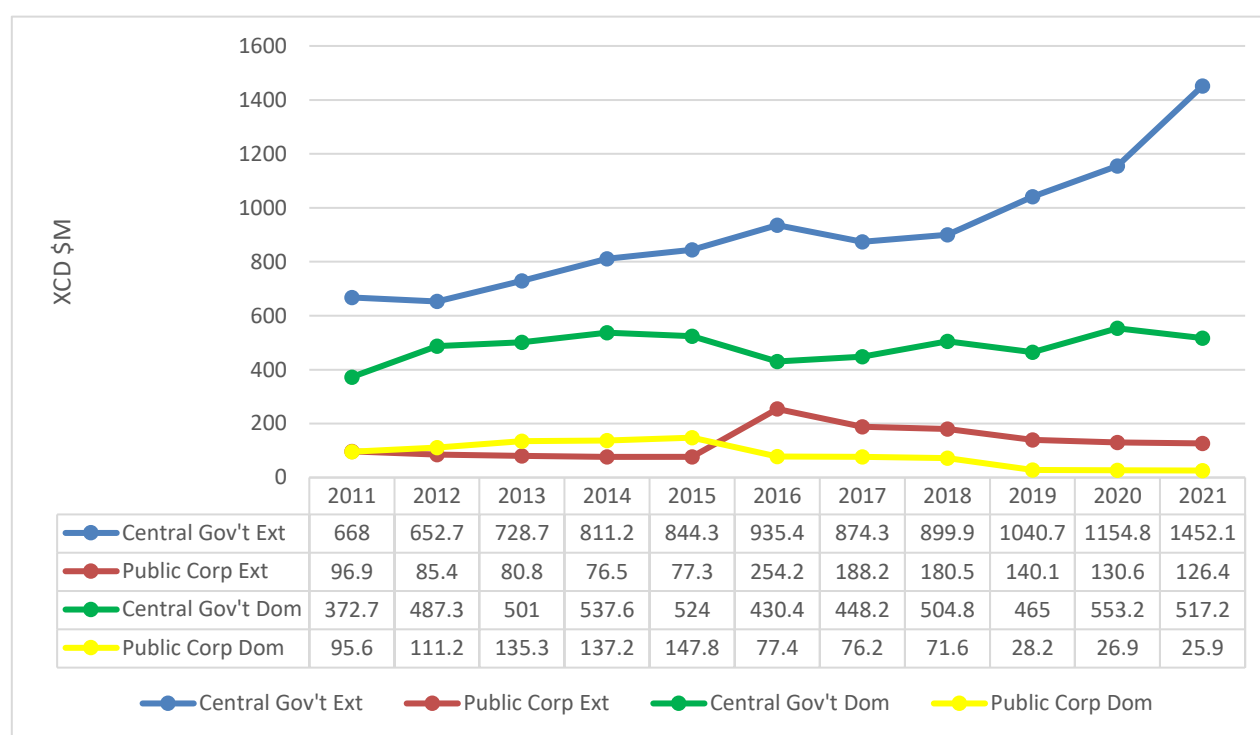
### Caribbean Development Bank

Port Modernization Project	\$264,613
Volcanic Eruption	\$810,000
<b>Subtotal for Caribbean Development Bank</b>	<b>\$1,074,614</b>

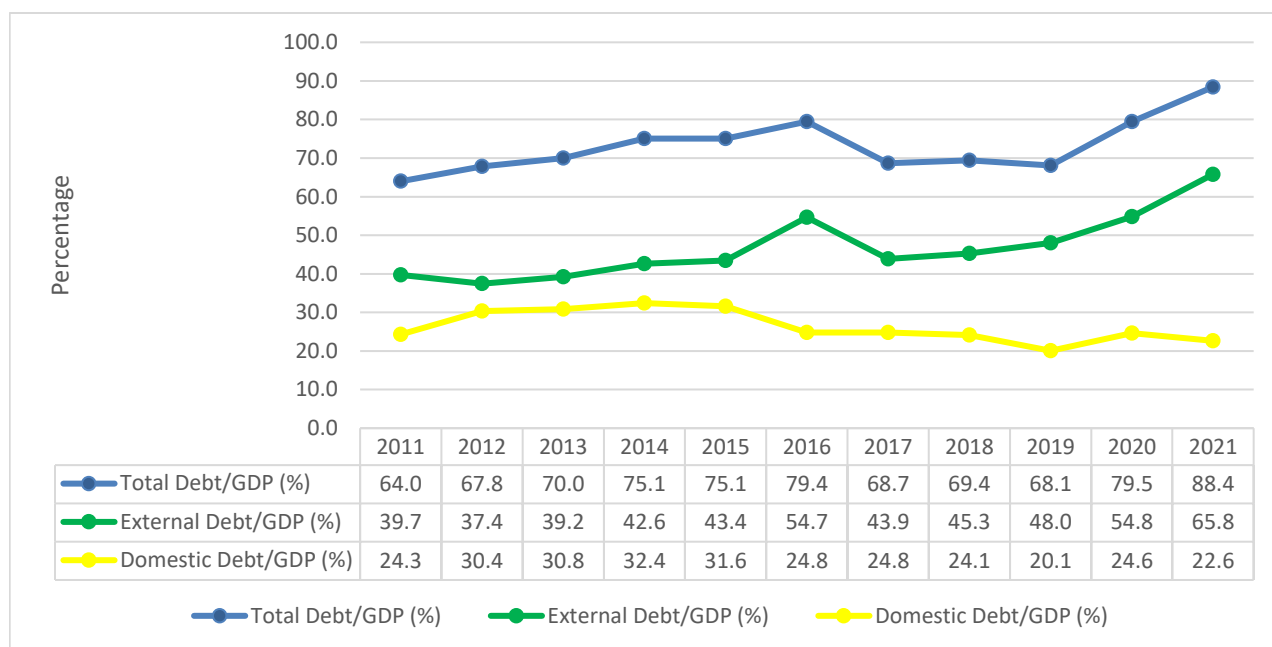
### World Bank (IDA)

Regional Disaster Vulnerability Reduction Project	\$2,610,203
<b>Subtotal for World Bank</b>	<b>\$2,610,203</b>
<b>TOTAL GRANT DISBURSEMENTS</b>	<b><u>\$3,684,817</u></b>

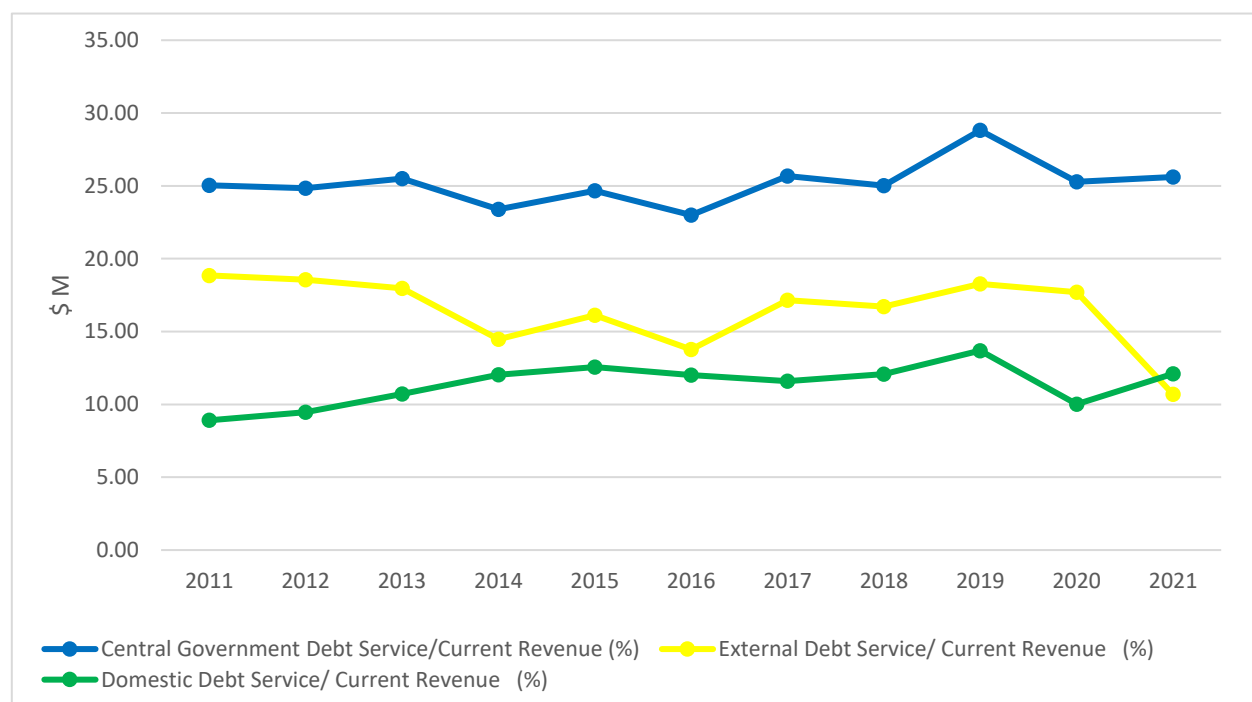
## Appendix III: Composition of Total Public Debt 2011-2021



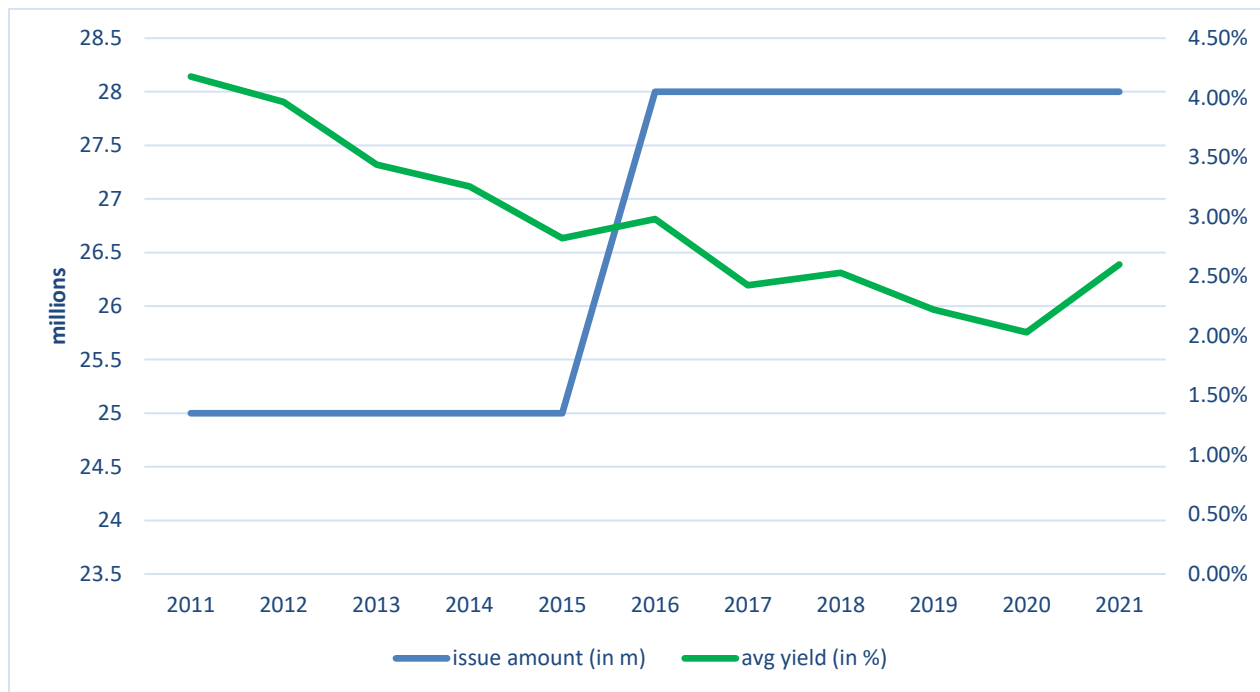
## Appendix IV: Debt to GDP 2011 – 2021



## Appendix V: Debt Service to Revenue 2011 – 2021



## Appendix VI: Treasury Bills Average Rates 2011-2021



## 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 <sup>16</sup> . 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 <sup>17</sup> 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. 19 of 2020. Passed in the House of Assembly on 30 <sup>th</sup> December 2020.	Authorized the Government to borrow a total of \$125.0 million to finance the 2021 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.

<sup>16</sup> Sec 44, Finance Administration Act Cap 252

<sup>17</sup> Resolution of Parliament 29<sup>th</sup> January, 2016