

*GOVERNMENT OF
ST. VINCENT AND THE GRENADINES*



DEBT PORTFOLIO REVIEW 2021

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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
BoSVG	Bank of St. Vincent and the Grenadines	IMF	International Monetary Fund
CAT	Catastrophic Deferred Drawdown Option	KWD	Kuwait Dinars
DDO		NIS	National Insurance Services
CDB	Caribbean Development Bank	NPL	National Properties Limited
CDF	CARICOM Development Fund	OPEC	Organization of Petroleum Exporting Countries
DMU	Debt Management Unit	PDVSA	Petroleos de Venezuela S.A
CWSA	Central Water and Sewerage Authority	RGSM	Regional Government Securities Market
DOD	Disbursed Outstanding Debt	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 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: - External¹ and Domestic debt and further disaggregated by Central Government and Public Corporations². 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 is done in Eastern Caribbean dollars unless stated otherwise.

This overview of the Debt Portfolio for St. Vincent and the Grenadines for the year 2021 is presented within the context of the continued response to the fall-out from the on-going COVID-19 pandemic on the Vincentian population lives and livelihoods and the quest to rebuild and rehabilitate from the devastating impact of the explosive eruption of the La Soufriere Volcano which began on April 9, 2021. The total damage and loss across all sectors as a result of the eruption is estimated at \$634.7 million 26.9 percent of the GDP in 2020, comprised of damage \$416.1 million and loss of \$218.6 million.

In response to these twin-crises, the level of new borrowings in 2021, was geared principally to finance the restoration of lives and livelihoods in the aftermath of the volcanic eruptions and to provide continued support to the citizenry affected by the pandemic. This amounted to \$220.3 million or 15.2 percent of total external debt. As a result, total debt increased by 13.7 percent to \$2.121 billion. The external component of the debt increased by 25.7 percent to \$1.452 billion. Conversely, total domestic debt fell by 6.7 percent from \$580.1 million to \$543.1 million.

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.

The nominal debt to GDP³ 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.

The external debt portfolio recorded disbursements totalling \$328.2 million during the period under review. The major categories included: World Bank (IDA) 75.4 percent, CDB 13.0 percent, and IMF 9.6 percent and the remaining 2.0 percent was from OPEC and Kuwait Fund for Arab Development.

The domestic debt portfolio recorded one loan disbursement in the form of a short-term ECCB advance in the amount of \$20.0 million. Total bonds and notes issued during the period amounted to \$86.3 million. Additionally, an amount of \$19.54 million in bullet bonds was repaid during the year.

Central Government's total debt service⁴ increased by 7.6 percent, driven by a 12.5 percent increase in amortisation payments, while interest expense decreased by 4.3 percent. The external component of debt service varied significantly from the budget amount due mainly to the following reasons: there were some direct offsetting of debt service payments on some loans contracted with the CDB, IMF and IDA; amounts that were budgeted for debt service payments did not materialize as the Government benefitted from debt service forbearance (totaling 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 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 the year.

³ GDP was rebased from 2006 prices to 2018 prices in December 2021

⁴ 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 31st December 2021 and is compared with end of year data for 2020. The report seeks to review all components of the public debt including but not limited to external and domestic debt; central government; and public corporations' debt; and debt raised and RGSM activities. The evolution of the debt by creditor category, currency 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 passed in the House of Assembly on January 27, 2021 established the limit for the borrowing by way of overdraft. All external borrowing in 2021 was 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)⁵.

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 and Information Technology. 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 7th day of January 2020 and update approved by Cabinet on May 13, 2020 and February 18th, 2021. The ECCB also conducts quarterly and annual economic and financial reviews, which are published across the region. Annual 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

⁵ The CSDRMS software records detailed information on debt instruments and other variables including exchange rates variable interest rates bases, and select economic data.

Governments' Accounts for the fiscal year 2016 were laid before the Parliament on December 13, 2021.

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 GDP⁶ increased by 9.2 percentage points from 79.2 percent to 88.4 percent, driven by an increase in external Central Government debt (See Chart 1).

TABLE 1: COMPOSITION OF TOTAL PUBLIC DEBT

	2021	2020	change
	\$ million		
Ext Central Gov't	1452.12	1,154.82	25.74%
Dom Central Gov't	517.20	553.16	-6.50%
Total Central Gov't	1969.32	1,707.98	15.30%
Ext Public Corp	126.40	130.60	-3.22%
Dom Public Corp	25.93	26.95	-3.77%
Total Public Corp	152.33	157.55	-3.31%
TOTAL DEBT	2,121.65	1,865.52	13.73%
	% of GDP		
	60.52%	49.04%	11.48 %
Ext Central Gov't			
Dom Central Gov't	21.56%	23.49%	-1.93%
Total Central Gov't	82.08%	72.53%	9.55%
Ext Public Corp	5.27%	5.55%	-0.28%
Dom Public Corp	1.08%	1.14%	-0.06%
Total Public Corp	6.35%	6.69%	-0.34%
TOTAL DEBT	88.43%	79.22%	9.21%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

⁶ 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 funds⁷ 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 fixed rate instruments, while the remaining 24.7 is floating rate.

During 2021 total gross borrowings 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 amount to \$19.54 million.

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

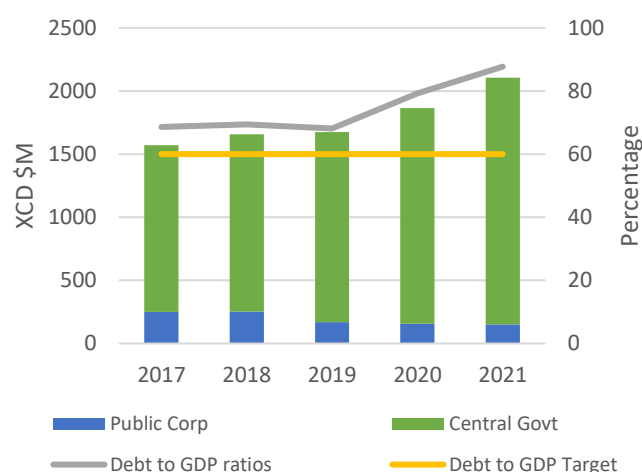


CHART 2: TOTAL DEBT BY CURRENCY

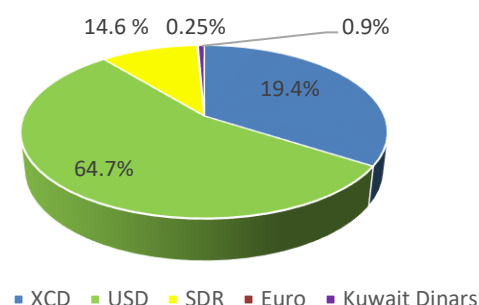
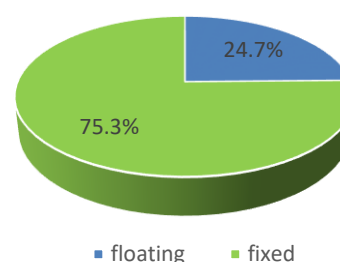


CHART 3: TOTAL DEBT BY INTEREST RATE TYPE



⁷ Weighted averages taken from CSDRMS report. This report has some limitations to its scope

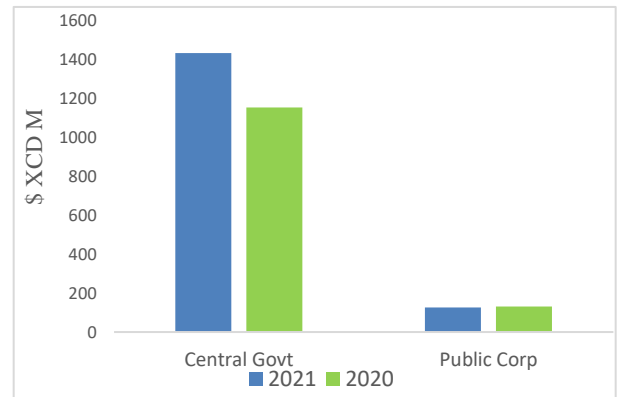
5.1 External Public Debt

At the end of 2021, total external debt totaled \$1.58 billion from \$1.29 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 external loans during the year amounted to \$325.7 million; 75.2 percent of which was received from the International Development Association. During 2021, the country was affected by several exogenous shocks; Hurricane Elsa, the Coronavirus pandemic continued, and the eruption of the La Soufriere volcano. The COVID-19 pandemic 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. In addition, \$135.0 million was contracted and disbursed in 2021 for budget support. A Rapid Credit Facility was also disbursed on 7th July, 2021 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.

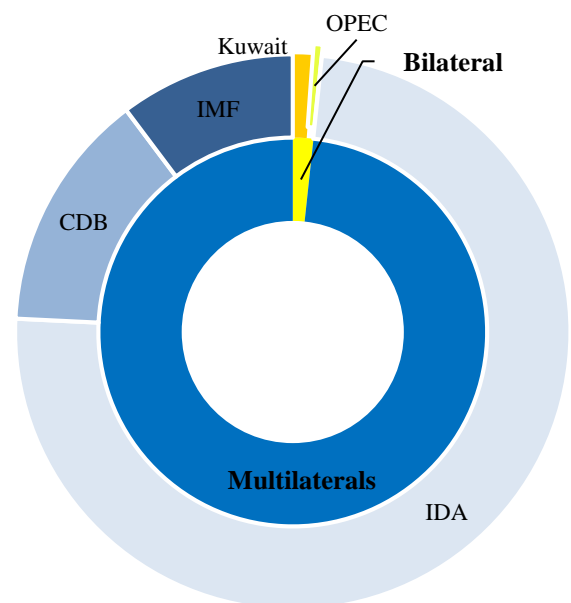
There was no new external debt contracted by any Public Corporations during 2021. The vast majority of the Public Corporations serviced their debt obligations on a timely basis as they became due. This led to a decrease of 3.2 percent in their collective disbursed outstanding debt.

CHART 4: EXTERNAL DEBT BY CATEGORIES



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

CHART 5: EXTERNAL DISBURSEMENTS BY CREDITOR CATEGORY & CREDITOR



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.1 Creditor Category

As at December 31, 2021, 62.9 percent of the external portfolio is owed to multilateral creditors. Eighty seven (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. Ninety (90) percent of all new debt contracted 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	Category	2020 (\$M)	% of total	Change
Multilateral	992.67	62.9%	Multilateral	702.62	54.7%	41.3%
Bilateral	392.00	24.8%	Bilateral	399.95	31.1%	-2.0%
Securities	193.85	12.3%	Securities	182.84	14.2%	6.0%
Commercial	0.00	0.0%	Commercial	0.00	0.0%	0.0%
Total	1578.52	100.0%	Total	1285.42	100.0%	22.8%

SOURCE: CDIMU, 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 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, represented a marginal increase of 4.3 percent. Newly contracted loans disbursements amounted to \$2.9 million (exclusive of grants) with disbursements on 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	ODD 2021 \$M	% OF TOTAL	ODD 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	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%	15.851	2.30%	3.46%
TOTAL	1578.51	100.00%	1285.42	100.00%	22.80%

SOURCE: CDIMU, 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 percent is due to Commercial Banks, 31.3 percent to other 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	DOD 2021 \$M	% OF TOTAL	DOD 2020 \$M	% OF TOTAL	Change
Loans	1384.67	87.72	1102.58	85.78	25.58%
Securities	193.85	12.28	182.84	14.22	6.02%
Bonds & Notes	130.10	8.24	128.84	10.02	0.98%
T. Bills	63.75	4.04	54.00	4.20	18.06%
TOTAL	1578.52	100.00	1285.42	100.00	22.80%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.1.4 Economic Sector

A breakdown of outstanding debt by economic sector indicates that the categories of Budget Support, Balance of Payment Support, and Health and Social Welfare recorded significant increases in the aftermath of the volcanic eruptions. Disbursements from IDA contributed to a significant increase of 106.7 percent in the category Budget Support. 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%
TOTAL	1578.52	100.00	1285.42	100.00	22.80%

SOURCE: CDIMU, 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. Although its share of the portfolio increased marginally, the nominal value of debt denominated in this currency increased by \$232.7 million or 14.7 percent of the total outstanding external debt. 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 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%
Total	1578.52	100.00	1285	100	22.84%

Source: CDIMU, 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 rates in the portfolio, the Caribbean Development Bank OCR (CDBOR) and the 6 months London Interbank Offer Rate (LIBOR)⁸.

⁸ These variable based interest rate spread will be replaced in 2023 by a new reference rate called Secure Overnight Funding Rate (SOFR).

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%
TOTAL	1578.52	100.00%	1285.00	100.00%	22.84%

Source: CDIMU, 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 of this figure with total grant disbursements 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.

TABLE 8: DISBURSEMENTS ON EXTERNAL DEBT BY CREDITOR AND SECTOR

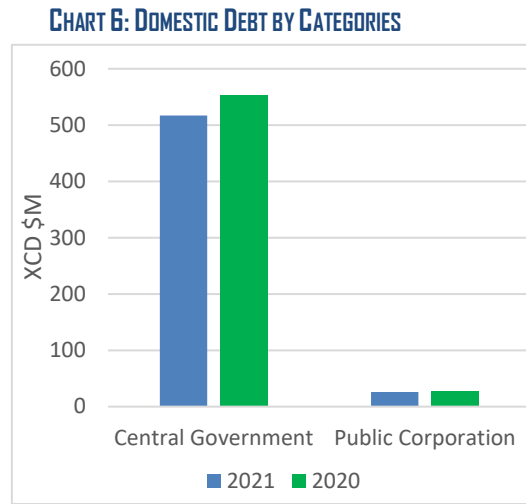
CREDITOR	Budget Support	Agriculture	Tourism	Communication	Education	Roads and Bridges	Energy	Health	Transport	National Disaster Management	Sea Defense	Human Service Delivery	Multi Sector	Total
Loans														
Caribbean Development Bank					11,237,386.55		606,679.79		514,225.97	12,519,325.47	84,027.02		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
Total	189,000,000.00	-	567,000.00	7,961,737.05	11,237,386.55	6,737,243.00	606,679.79	5,738,286.00	514,225.97	43,872,548.47	84,027.02	459,129.00	58,969,049.16	325,747,312.01
Grants														
Caribbean Development Bank									264,613.50	810,000.00				1,074,613.50
World Bank (IDA)													2,610,203.00	2,610,203.00
Total	-	-	-	-	-	-	-	-	264,613.50	810,000.00	-	-	2,610,203.00	3,684,816.50

SOURCE: CDIMU 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 this total, \$517.2 million was held by Central Government while the remaining \$25.9 million was held by the Public Corporations.

Central Government domestic debt decreased by 6.3 percent on account of decreases in the balances of all instruments save for total bonds and notes outstanding.



SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

During 2021, total domestic disbursements was \$86.3 million, of which 76.8 percent was from the issuance of securities and 23.2 percent from new loans. 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 this category.

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 accounted for the reduction in the total overdraft amount.

The reduction in accounts payable was two-fold. First, there was a 21.7 percent reduction in IADC⁹ 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 \$0.3 million. The second reason for the reduction in payables was attributed to a 7.3 percent reduction in amounts outstanding to the business community.

The net effect of issued securities, amortization on existing instruments and repayment of domestic bullet bonds resulted in the marginal increase in this category.

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 & Notes</i>	285.25	52.52%	281.5	48.53%	1.32%
<i>T.Bills</i>	21.52	3.96%	30.00	5.17%	-28.27%
TOTAL	543.1	100.00%	580.1	100.00%	-6.37%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

5.2.2 Creditor Composition

Securities holders is the only category of creditors that increased its outstanding debt levels. It also represented the largest domestic creditor category. Although an ECCB advance was contracted during this 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.

⁹ 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

TABLE 10: DOMESTIC DEBT BY CREDITOR

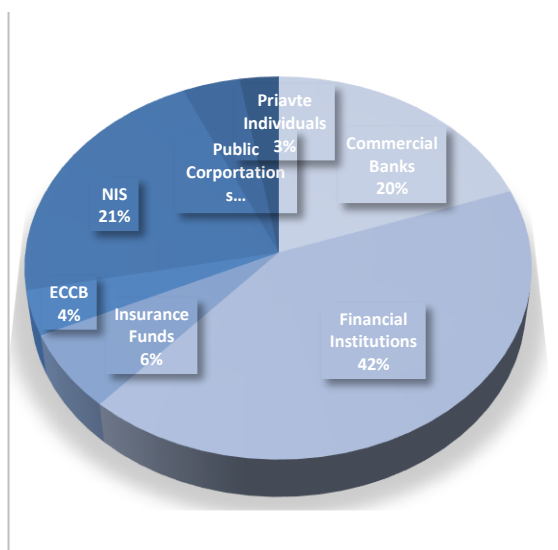
DOMESTIC CREDITOR	DEBT BY	DOD 2021	% of Total	DOD 2020	% of Total	Change
Securities Holders		306.77	56.48%	301.54	51.98%	1.73%
ECCB		20.00	3.68%	35.00	6.03%	-42.86%
Bank of St. Vincent and the Grenadines		107.56	19.80%	126.02	21.72%	-14.65%
Other Financial Institutions		4.90	0.90%	4.95	0.85%	-0.97%
Insurance 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%
Total		543.1	100.00%	580.11	100.00%	-6.37%

Source: CDIMU, Ministry of Finance and Economic Planning

An examination of Bonds and Notes by holders showed that financial institutions were the largest purchaser of Government's medium to long-term securities. The National Insurance Services (NIS) held 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. The National Insurance Services also invested significantly in these bills.

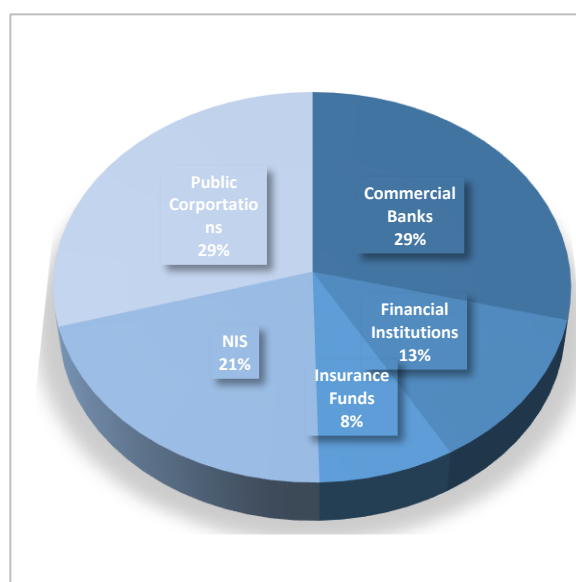
CHART 7: DOMESTIC BONDS AND NOTES BY CREDITOR



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 were mainly with tenors of five years, except for a four-year note that was issued during the year. No long-term bonds offered in 2021. No securities were issued via the RGSM but through private placement arrangements. All securities had an amortized repayment structure. 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. However, no new bonds or notes have been listed by the ECCSD on the Eastern Caribbean Securities Exchange website since 2019.

TABLE 11: SECURITIES ISSUED DURING 2021

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	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	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	27-Jan-21	27-Jan-36	Amortized
Private Placement	Bond	17.500	15	2	30-Nov-21	30-Nov-36	Amortized
Total		86.282					

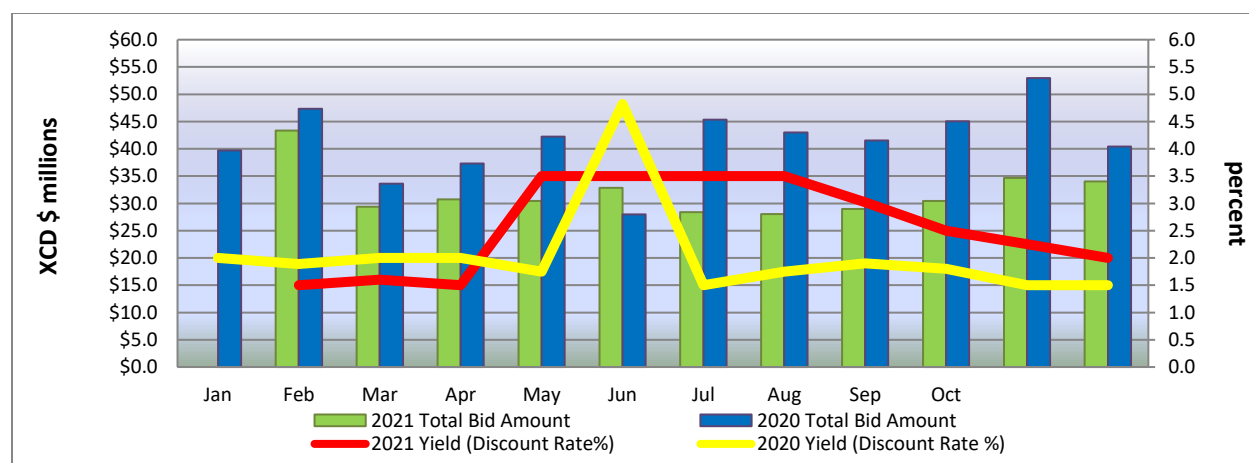
SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.2 Regional Government Securities Market

In 2021, the Government of St. Vincent issued eleven (11) 91-day Treasury Bills on the RGSM. Each of these issues was \$28.0 million. 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 surrounding the macro-economic and fiscal impacts of the eruption. In the 4th 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 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

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-Mar-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

VC6081126	15.0	15.0	8	6	Nov-18	Nov-26	7.25
VC6100628	7.5	4.9	10	8	Jun-18	Jun-28	7.00
VC6101128	10.0	7.0	10	8	Nov-18	Nov-28	7.50
VC6070926	25.0	17.8	7	6	Sep-19	Sep-26	7.00
VC6071226	30.0	21.4	7	6	Dec-19	Dec-26	6.75
VC6080327	15.0	15.0	8	7	Mar-19	Mar-27	7.25

SOURCE: CDIMU, 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

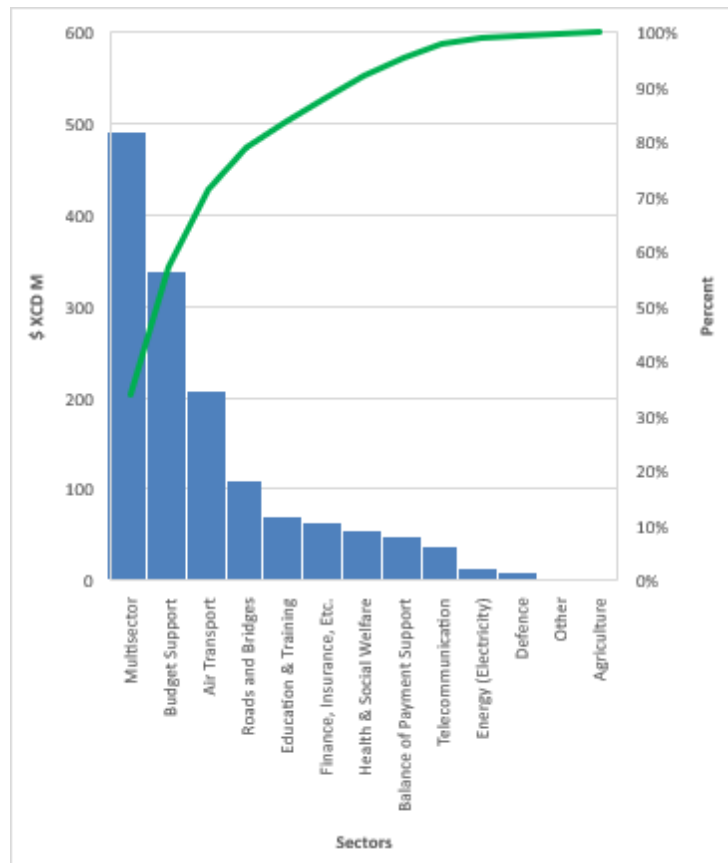
EXTERNAL CENTRAL GOVERNMENT DEBT BY INSTRUMENT TYPE	DDO 2021 \$M	% OF TOTAL	DDO 2020 \$M	% OF TOTAL	Change
Loans	1258.3	86.7	972.0	84.2	29.45%
Securities	193.8	13.3	182.8	15.8	6.04%
Bonds	130.1	9.0	128.8	11.2	1.01%
T. Bills	63.7	4.4	54.0	4.7	18.06%
TOTAL	1452.1	100.0	1154.8	100.0	25.75%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

1.3.1 Economic Sectors

CHART 10: DEBT BY ECONOMIC SECTOR

Multi-sectoral contracted debt and debt associated with Budget Support and Air Transport collectively accounted for 71.3 percent of the 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.



1.3.2 Currency Composition

The United States (USD) currency continued to hold the highest 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’¹⁰ increased on account of disbursements on an RDVRP Grant in Euros.

¹⁰ Other is comprised of Trinidad and Tobago Dollars and the Euro

TABLE 16: CENTRAL GOVERNMENT EXTERNAL DEBT BY CURRENCY COMPOSITION

	2021 (\$M)	% of Total	2020 (\$M)	% of Total	Change
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%
Total	1452.12	100.00	1154.80	100.00	25.75%

Source: CDIMU, Ministry of Finance and Economic Planning

6.4 Central Government

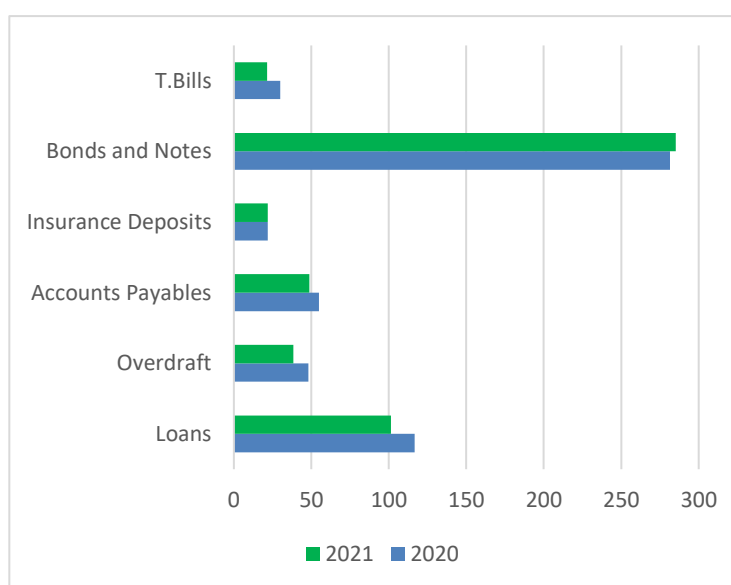
Domestic Debt

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 percent¹¹, 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.

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.

CHART 11: CENTRAL GOVERNMENT DOMESTIC DEBT BY INSTRUMENT



¹¹ 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 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
Total	20.00				

SOURCE: CDIMU, 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 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

DOMESTIC C.G DEBT BY CREDITOR	DOO 2021	% of Total	DOO 2020	% of Total	Change
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%
Total	517.19	100.00%	553.16	100.00%	-6.50%

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.5. Central Government Debt Service

6.5.1 External Debt Service

Total debt service recorded decreases in both interest and amortisation payments made in 2021 with large variances realized between budget versus actual payments. External amortisation decreased primarily on account of the utilisation 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 by the World Bank (IBRD) on behalf of the Government in the amount of \$0.4 million was 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
TOTAL	122.48	56.99	71.39	-20.17	114.90

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

6.5.2 Domestic Debt Servicing

Total domestic debt service for 2021 varied from the budgeted amount by 6.1 percent, but nevertheless, recorded an increase of 26.3 percent over 2020. Increases were recorded in both interest and amortization payments. Sinking Fund budgeted contributions¹² decreased by 56.6

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

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
TOTAL	125.31	133.38	105.56	26.35	-6.05
Sinking Fund	22.00	19.54	45.00	-56.58	12.59

SOURCE: CDIMU, MINISTRY OF FINANCE AND ECONOMIC PLANNING

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 255.¹³

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.

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

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 Petro-Caribe outstanding debt remains at the same level over the comparative period.

TABLE 21: PUBLIC CORPORATIONS DEBT BY BORROWER AND CREDITOR

PUBLIC CORPORATION	2021	2020	% Change
DOMESTIC			
BOSVG			
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%
Total	0.942	1.300	-27.55%
NIS			
National Lotteries	3.191	3.785	-15.69%
National Student Loan Company	20.955	20.955	0.00%
Total	24.146	24.740	-2.40%
St. Vincent Corporative Bank			
Housing and Land Development Corp.	0.852	0.860	-0.93%
Total	0.852	0.860	-0.93%
TOTAL DOMESTIC	25.939	26.900	-3.57%
EXTERNAL			
CDB			
BOSVG	14.749	16.701	-11.69%
VINLEC	0.435	0.489	-11.04%
Total	15.184	17.190	-11.67%
Alba			
VINLEC	1.265	2.615	-51.63%
Total	1.265	2.615	-51.63%
EIB			
VINLEC	0.393	1.238	-68.26%
Total	0.393	1.238	-68.26%

PDVSA			
Petro Caribe Co. Ltd	109.55	109.55	0.00%
Total	109.55	109.55	0.00%
TOTAL EXTERNAL	126.392	130.593	-3.22%
TOTAL PUBLIC CORP DEBT	152.3319	157.493	-3.28%

SOURCE: CDIMU, 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
DOMESTIC			
<i>Loans</i>	25.00	25.61	-2.39%
BOSVG	0.00	0.01	-100.00%
NIS	24.15	24.74	-2.40%
St. Vincent Corp Bank	0.85	0.86	-0.93%
<i>Overdraft</i>	0.94	1.30	-27.55%
BOSVG	0.94	1.30	-27.55%
Total Domestic	25.94	26.91	-3.57%
EXTERNAL			
<i>Loans</i>			
CDB	15.18	17.19	-11.67%
EIB	0.39	1.24	-68.26%
ALBA	1.27	2.61	-51.63%
Petro Caribe	109.55	109.55	0.00%
Total External	126.39	130.59	-3.22%

SOURCE: CDIMU, 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)					
Total Public Debt	1,233.2	1,336.6	1,445.8	1,562.5	1,594.4	1,746.5	1,572.0	1,657.0	1673.97	1871.50	2121.64
Total Central Gov't	1,040.7	1,140.0	1,229.7	1,348.8	1,379.8	1,429.3	1,322.2	1,404.8	1505.66	1714.0	1969.3
External Debt	764.9	738.1	809.5	887.7	922.5	1,201.8	1,003.6	1,080.4	1180.77	1291.4	1578.5
Central Government	668.0	652.7	728.7	811.2	855.7	962.0	830.1	899.90	1040.70	1160.83	1452.12
Public Corporations	96.9	85.4	80.8	76.5	66.8	239.7	173.5	180.55	140.1	130.60	126.40
Domestic Debt	468.3	598.5	636.3	674.8	671.8	544.7	568.41	576.51	493.20	580.07	543.12
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
Private Guaranteed External Debt	15.2	16.6	19.5	24.5	25.2	26.7					
Debt Servicing											
External	87.2	87.7	88.3	77.5	83.6	81.7	101.6	99.3	109.7	107.2	73.0
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
Domestic											
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
GDP (at market price)	1,825.5	1,871.0	1,947.3	1,963.5	2,038.9	2,198.6	2,288.6	2,387.7	2,457.4	2,354.7	2,399.4
Current Revenue	462.5	472.6	491.3	535.2	519.1	592.6	592.2	594.1	600.53	605.26	679.53
Central Gov'T Debt/GDP	57.01	60.93	63.15	68.69	67.67	65.01	57.78	58.83	61.27	72.79	82.08
Total Debt/GDP (%)	67.6	71.4	74.2	79.6	78.2	79.4	68.7	69.4	68.1	79.5	88.4
External Debt/GDP (%)	41.9	39.4	41.6	45.2	45.2	54.7	43.9	45.3	48.0	54.8	65.8
Domestic Debt/GDP (%)	25.7	32.0	32.7	34.4	32.9	24.8	24.8	24.1	20.1	24.6	22.6
Central Government Debt Service/Current Revenue (%)	25.0	24.8	25.5	23.4	24.7	23.0	25.7	25.0	28.8	25.3	21.5
External Debt Service/ Current Revenue (%)	18.9	18.6	18.0	14.5	16.1	13.8	17.2	16.7	18.3	17.7	10.7
Domestic Debt Service/ Current Revenue (%)	8.9	9.5	10.7	12.0	12.6	12.0	11.6	12.1	13.7	10.0	12.1
Guarantee Debt % of GDP	0.11	0.11	0.12	0.12	0.12	0.16	0.11	0.11	0.07	0.07	0.06

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

CREDITORS	PROJECT/ PROGRAMME	Disbursed Amounts XCD (\$)
LOANS		
Caribbean Development Bank	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
	Subtotal for Caribbean Development Bank	\$42,779,295
World Bank (IDA)	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
	Subtotal for World Bank	\$247,487,754
International Monetary Fund	Volcano Relief Loan	31,353,224
	Subtotal for International Monetary Fund	\$31,353,224
OPEC Fund for International Development	Agriculture and Feeder Road	2,257,007
	Subtotal for OPEC Fund for International Development	\$2,257,007
Kuwait Fund for Arab Development	Feeder and Agriculture Road	4,480,236
	Subtotal for Kuwait Fund for Arab Development	\$4,480,236
TOTAL LOAN DISBURSEMENTS		<u>\$328,208,749</u>

GRANTS

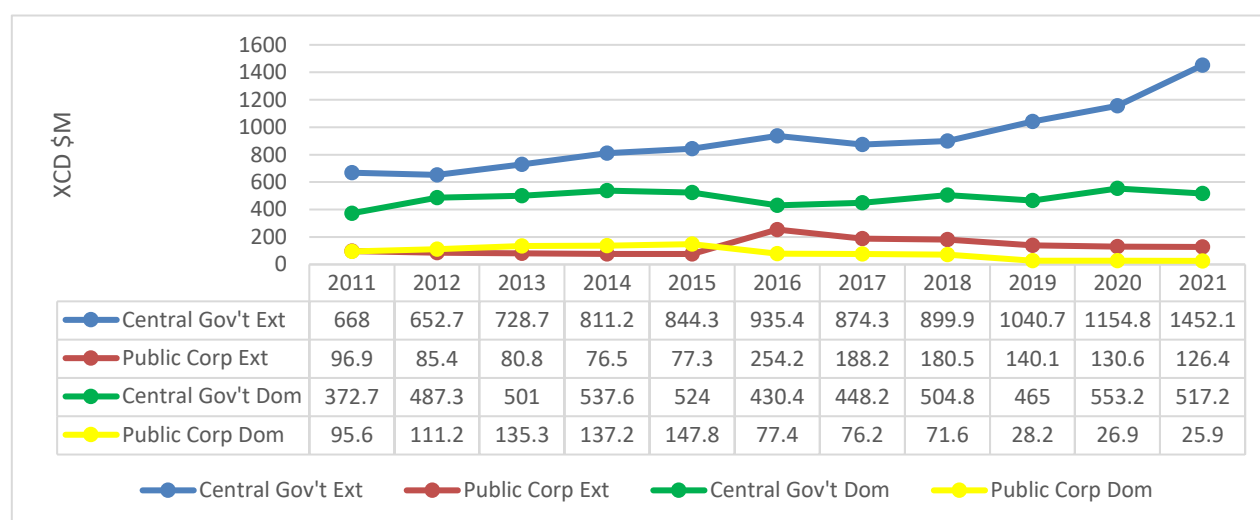
Caribbean Development Bank

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

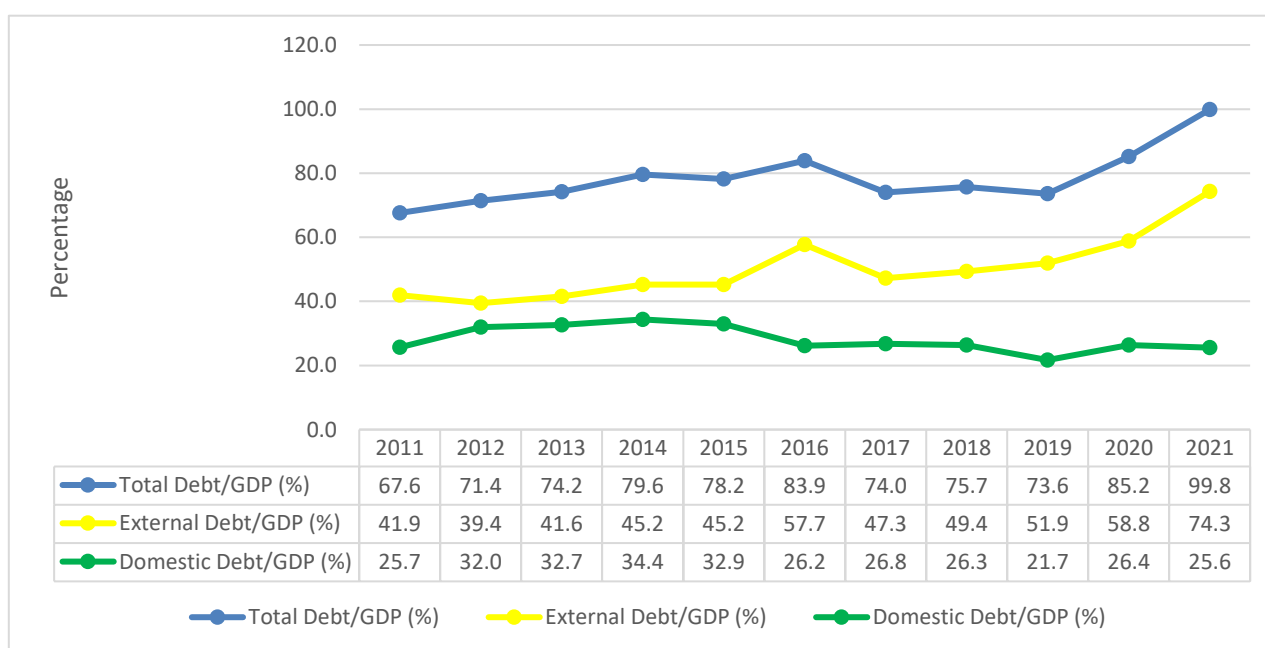
World Bank (IDA)

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

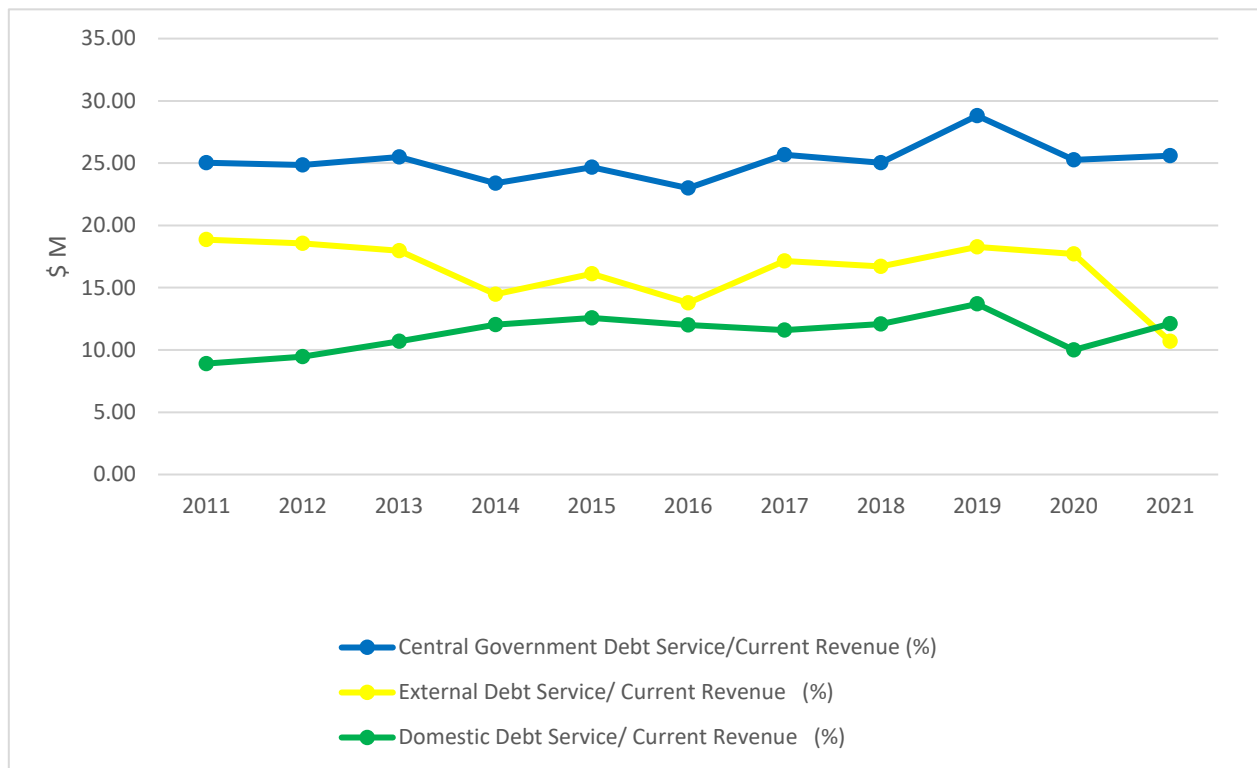
Appendix III: Composition of Total Public Debt 2011-2021



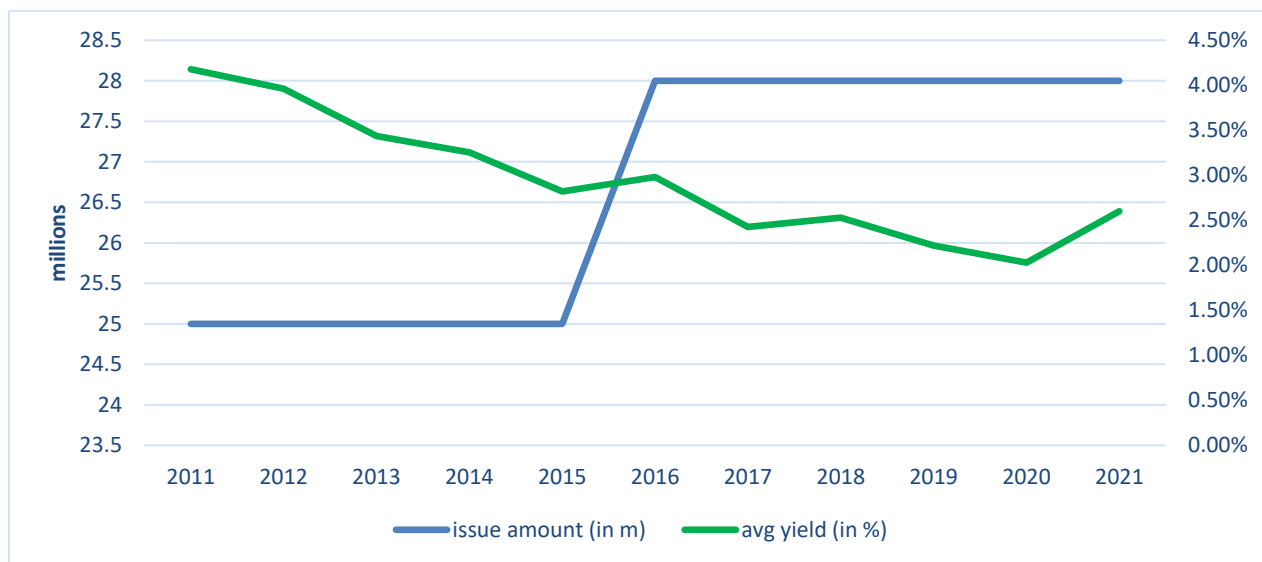
Appendix IV: Debt to GDP 2011 – 2021



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 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. 19 of 2020. Passed in the House of Assembly on 30 th 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.

¹⁴ Sec 44, Finance Administration Act Cap 252

¹⁵ Resolution of Parliament 29th January, 2016