



GOVERNMENT OF SAINT LUCIA

BUDGET ADDRESS

FOR THE FINANCIAL YEAR 2022/2023

"EMPOWERING OUR PEOPLE – TRANSFORMING OUR ECONOMY"



DELIVERED BY HONOURABLE PHILIP J. PIERRE

**PRIME MINISTER, MINISTER FOR FINANCE, ECONOMIC DEVELOPMENT
AND YOUTH ECONOMY**

April 26th, 2022

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“EMPOWERING OUR PEOPLE – TRANSFORMING OUR ECONOMY”

Budget Policy Statement

By

Hon. Philip J. Pierre

**Prime Minister and Minister for Finance, Economic
Development and the Youth Economy**

Tuesday, April 26th, 2022

Introduction

Who We Are and What We Stand For

Mr. Speaker, I stand before you to deliver my maiden Budget Policy address as Parliamentary Representative of Castries East, Prime Minister, and Minister for Finance.

I am indeed humbled by the significance of this occasion. It marks a defining moment in my public-service life. I know that this moment is not lost on my constituents, the good people of Castries East, who have been with me throughout this journey. I want to thank them immensely for their unwavering support over the last 25 years.

Mr. Speaker, through you, I want to begin my address by telling this parliament and the people of Saint Lucia, who we are, and what we stand for, as a government. This is very important, Mr. Speaker, so that the citizens of Saint Lucia, at home and in the diaspora understand what motivates and drives this government.

Mr. Speaker, I was nurtured by my parents, a teacher and a policeman, with the values of honesty, hard work, humility, and service to others, especially to the less fortunate. These values continue to guide my life.

On the 26th day of July, 2021, the people of Saint Lucia voted for the Saint Lucia Labour Party with an overwhelming mandate under the slogan of “Putting You First”.

Mr. Speaker, Putting People First was not just a campaign slogan but a long-standing commitment of the Saint Lucia Labour Party over the last seventy-two (72) years. A commitment initiated by our founding fathers, under the leadership of Sir George FL Charles, that has been passed down to generations of Labour leaders and has remained the lodestar of this government.

This government stands on the shoulders of those leaders in their call for Bread, Freedom, and Justice, which echoed in the halls of the trade union movement and gave birth in 1950 to the mother of all political parties in this country, the Saint Lucia Labour Party.

At the core of our value system is a fundamental belief in social justice and wealth creation – a belief that every man, woman, and child should have an opportunity to reach their full human potential.

Mr. Speaker, in our development agenda of Putting People First we shall ensure that:

- Government is accountable to the people and no one is held above the rule of law;
- Our leaders are held accountable and held to the highest ethical standards;
- All Saint Lucians have the opportunity to establish productive business enterprises;
- Every Saint Lucian has access to quality education and lifelong learning;
- Every Saint Lucian is entitled to affordable, accessible, and quality healthcare;
- Every Saint Lucian is encouraged and empowered to protect the integrity of the environment and the patrimony of their country; and
- An acceptance of the importance of the role of the family in building the social fabric of our society.

Mr. Speaker, my government intends to govern by the principles of inclusiveness, accountability, equity, meritocracy, and the rule of law, so that corruption, wastage, and inefficiency are minimized.

Mr. Speaker, those principles are a sure way of alleviating the plight of the poor and disadvantaged in our midst. Nelson Mandela's observation remains true today as it was then "that poverty remains the greatest challenge facing humanity and therefore demands the attention of every person of conscience".

Far too many full-time workers are earning too little to meet their basic needs. The pandemic truly exposed the plight and vulnerability of many low-paid workers. As the leader of a party that is guided by the principles of Bread, Freedom, and Justice, my government will lay the foundation to ensure all workers earn a living wage.

As part of efforts to promote decent work, employers will be encouraged to provide living wages to employees, thus ensuring that workers, their families, and their communities can live in dignity. Towards that end, we shall be reviewing the related provisions in the Labour Act to address this issue.

Mr. Speaker, I am pleased to announce that despite the harsh economic times, my government this month has paid public servants the promised salary increase. This is another illustration of our commitment to the workers of Saint Lucia.

Mr. Speaker, unlike those on the other side, we govern with conviction, with creative minds, and with caring hearts. This is who we are.

Global and Domestic Economic Development Outlook

International and Regional Economic Outlook

Mr. Speaker, there are two (2) global developments that are significantly impacting Saint Lucia and the rest of the world: rising inflation and the war in Ukraine. Inflation in the United States, our largest trading partner, has reached the highest level in 30 years, 8.5 percent, during the first quarter of 2022. Both developments have increased the price of consumer goods and fuel, reducing the buying power of Saint Lucian consumers.

Mr. Speaker in 2021, most economies saw some level of recovery from the historic COVID-19 pandemic-induced contraction in 2020. The global economy recorded its strongest post-recession recovery in 80 years, with growth estimated at 5.9 percent in 2021 from a contraction of 3.1 percent in 2020.

Growth in the United States (US) economy was estimated at 5.6 percent in 2021 but projected to slow down to 4 percent in 2022.

Closer to home, Mr. Speaker, economic developments in the CARICOM region have been mixed in 2021. Economic growth in the Eastern Caribbean Currency Union (ECCU) is estimated at 3.9 percent, while in Guyana we continue to see double-digit growth because of developments in its offshore oil industry. Notwithstanding the challenges and uncertainties of the COVID-19 pandemic and other external downside risks, the good news is that the EC dollar remains strong with a US dollar backing of 95.7 percent compared to the minimum statutory requirement of 60 percent.

The Domestic Environment

Mr. Speaker, following the pandemic-induced historic downturn in 2020, the domestic economy continued to be influenced by developments in the global economy, exhibiting signs in 2021 of a steady path towards recovery amidst the persistent adverse effects of the COVID-19 pandemic. The pace of the rebound was however dampened by the adverse effects of Hurricane Elsa in July.

Preliminary estimates suggest that real Gross Domestic Product (GDP) growth increased by 12.2 percent in 2021, rebounding from the sharp contraction of 24.4 percent in 2020. Mr. Speaker, it should be noted that despite this high growth rate, the value of real GDP in 2021 was still 15 percent below that of 2019. This increase in economic activity was because of growth in the tourism and construction sectors, with positive spill-over effects on other sectors that were hard hit by the pandemic, such as retail and wholesale trade, manufacturing, and transport. The number of stay-over arrivals increased by 52.4 percent in 2021 after falling by 69.1 percent in 2020, representing just under half of 2019 levels. Overall, the increase in stay-over arrivals was because of pent-up demand for leisure travel, phased relaxation of global travel restrictions and health protocols, and an increase in airlift capacity from our main source market, the United States of America.

During the year, more hotel rooms became available as more properties received COVID-19 certification. Arrivals in the last quarter of 2021 were just over one quarter below that of the same period in 2019. Visitors from the US market accounted for 76.4 percent of total stay-over arrivals.

Mr. Speaker, during 2021, there was a significant pick-up in construction activity, mainly because of public sector projects. Real GDP growth in the sector is estimated to be 20.0 percent in 2021. Construction expenditure by the public sector increased by 19.7 percent to a record high of \$264.2 million, led by the central government.

Global supply chain bottlenecks and sharp rises in input costs hampered the magnitude of the recovery in manufacturing output in 2021. Real value added in the manufacturing sector is estimated to have increased by 4.3 percent in 2021, after contracting by 0.4 percent in 2020. This was largely due to an increase in the production of alcoholic beverages.

Mr. Speaker, the ongoing recovery in tourism and the wider domestic economy boosted livestock production while supply-side shortages, caused by Hurricane

Elsa, led to a setback in crop production and exports, particularly in the second half of 2021. Banana exports continued on a downward path, declining by 45.4 percent to 4,583.2 tonnes with a value of \$6.2 million. Due to the deterioration in market access and the closure of Winfresh in mid-2020, banana exports to the United Kingdom (UK) fell by two-thirds to 1,662.2 tonnes, generating revenue of \$3.0 million. Despite a 35.7 percent rebound in hotel purchases, the combined recorded output of non-banana crops sold to hotels and supermarkets fell by 3.5 percent to 4,301.9 tonnes at a value of \$17.5 million. The output of livestock exceeded pre-COVID-19 levels as the combined output of chicken and pork grew by 21.2 percent to 2,642.6 tonnes, amounting to \$32.4 million. Improvements in both supply and demand led to record high egg production of 1.8 million dozen, valued at \$10.9 million in 2021. In the fisheries sub-sector, wild marine capture expanded by 8.9 percent to 1,382.6 tonnes at a value of \$22.1 million, due to increased fishing trips and consumer demand. Overall, real value added in the agriculture sector is estimated to have increased by 5.1 percent in 2021.

Consistent with the general recovery of the domestic economy, there was an increase in the number of persons employed in the last quarter of 2021 relative to the first quarter. Available estimates show that the overall unemployment rate was 21.9 percent in 2021, while the youth unemployment rate stood at 37.0 percent. As a result of external developments, domestic consumer prices continued to trend upward in the second half of 2020. On average, consumer prices in the domestic economy rose by 2.4 percent in 2021 compared to 2020 as demand for goods and services picked up rapidly. This largely reflected higher imported prices, coupled with strained global supply chain bottlenecks, due to the pandemic and weather events. The escalation in global oil prices and persistent disruptions in shipping logistics (including limited availability of containers), pushed up freight costs to a new high and exerted inflationary pressures on domestic prices, particularly for electricity, petroleum products, and construction materials.

Mr. Speaker, in this financial year, to enable evidence-based decisions, in collaboration with the World Bank, we shall be implementing a Data for Decision Making project. The project has two (2) components, the first of which is the modernization and strengthening of the capacity of the Central Statistical Office. The second component will be in data production, analysis, and dissemination, with a focus on the population and housing census, living conditions surveys, labour market surveys, agricultural census, and crime victimization surveys. This is the single biggest project ever undertaken by the Central Statistical Office. On the census alone, in excess of 500 enumerators and 100 supervisors will be employed.

The COVID-19 pandemic has highlighted the need to address the issue of productivity if we are to remain competitive.

In this Budget Mr. Speaker, we recognize that to become globally competitive we need to address the following areas: (1) speeding up the process of technological transformation, (2) strengthening entrepreneurial capacities, (3) continuing promotion of innovation, and (4) strengthening our human capital through skills training.

Fuel Prices

Mr. Speaker, global oil prices, like all marketable products, are a function of demand and supply. During the global pandemic, the slowdown in global economic activity resulted in a fall in demand and price for crude oil, and related petroleum products like gasoline, diesel, and cooking gas. As the world recovers from the worst of the pandemic, economic activity has increased and so has the price of crude oil and related petroleum products. This price increase has worsened because of the Russia-Ukraine war, with oil prices reaching unprecedented levels.

The impact of those global events has left the local consumer with very high fuel prices, much in the same way it has in other countries in the Caribbean region and beyond. The desired excise tax on gasoline and diesel was set at EC\$2.50 per gallon by the last Labour Administration. This was subsequently increased by \$1.50, presumably to be placed in a lock box for road improvements, bringing the excise tax to \$4.00 per gallon. Had this policy been kept, the current price of fuel, which is subject to change every three (3) weeks, would be \$19.08 as opposed to the current price of \$15.95 per gallon. Presently based on current prices, the government is only now able to collect \$0.80 and \$0.88 per gallon on gas and diesel respectively. The significantly lower excise tax on fuel is reflected in the current Estimates of Revenue.

Mr. Speaker, consumers of cooking gas have had to suffer similar price-increase pressures, which we have had to cushion by subsidizing the 20lb cylinders in the amount of \$22.17 per cylinder, at a monthly cost of about \$1.6 million. Mr. Speaker, this is the real and true story behind the current increase in fuel prices.

What We Found

Mr. Speaker, to fully appreciate where we are today, it is important to understand the state of affairs of the country on July 26, 2021. Upon coming to office, the

state of the government's finances was found to be in a very poor condition. Mr. Speaker, I wish it were not so, because of the immense challenges my government has had to face to keep the economy afloat while trying to manage the deadly Delta Variant and the highly contagious Omicron Variant.

Under the previous administration, COVID-19-related borrowings from regional and international creditors amounted to \$323 million, and as of July 31, 2021, \$301 million had been drawn down, leaving \$19 million available for future use.

Hotel and private property owners whose properties had been used as quarantine sites and as accommodation for Cuban medical personnel were owed several million dollars. Contractors engaged by the last government ostensibly to help in the management of the OKEU hospital were owed over US\$2 million for their services. Yet, Mr. Speaker, \$7 million was found to make an advance payment for vaccines, to an unusual source, which we have yet to receive, with \$5 million still yet to be recovered.

Mr. Speaker, access to safe and affordable vaccines is critical to a sustainable recovery from the COVID-19 pandemic, and the government provides free vaccines to allow the best chance for increased vaccine uptake.

We continue to encourage the population to vaccinate by increasing access at the community level, increasing awareness through education, and providing incentives for vaccination.

With the support of multilateral agencies like the World Bank and UNDP, we continue to take steps to reduce the high level of vaccine hesitancy and to increase the vaccination uptake towards herd immunity, which is 70 percent of the population.

Mr. Speaker: the following is a snapshot of the government's poor financial state, which we found, upon coming to office:

- For the financial year April 2020 – March 2021, the economy contracted by 24.4%, the largest decline in the Eastern Caribbean Monetary Union and the 6th in the world.
- At \$3.9 billion, we had the largest public debt in the Monetary Union, with debt service accounting for 31 percent of government revenue.
- Payments due to local suppliers stood at \$154 million.

- Design, Finance Contracts stood at \$184.5 million. These contracts were untendered contracts for road building, which are repayable within 5 years.
- Unpaid land acquisitions of \$60 million.
- Monies owed to the University of the West Indies of \$27 million.
- CDP Debt of \$4.18 million and growing.

Under this mountain of debt commitment, at that time, this administration committed to addressing the following critical areas: debt servicing, financing COVID-19 demands, strengthening healthcare delivery services, and giving much-needed support to the education sector in the form of:

1. The payment of facilities fees for over 25,000 secondary school students;
2. Supplying over 12,000 electronic devices to students; and
3. Paying CXC fees for students taking Mathematics and English.

Mr. Speaker, the sad reality of our situation is that the government has been financing much of its debt commitment by rolling over its bonds and treasury bills and short-term financing. For the last eight (8) months, and until this budget cycle begins, we have had no access to institutional lending as this avenue was exhausted by the last administration.

The Challenges

Mr. Speaker, in our assessment of the socio-economic landscape of our country we have identified seven (7) major challenges confronting Saint Lucia as a small, open, and vulnerable island state with minimal natural resources:

(1) achieving sustainable high levels of economic growth that support economic transformation and poverty reduction, (2) securing fiscal and debt sustainability, (3) building resilience and adaptation to climate change, (4) reducing high levels of unemployment, especially among the youth, (5) enhancing citizen security, (6) creating a culture of good governance and intolerance towards corruption and (7) creating the global citizen.

Mr. Speaker, it is against this background that we have prepared the 2022/23 Budget to begin the process of transformation of our society and the empowerment of our people.

An Economy for the Youth

Mr. Speaker, one of the major challenges facing our country is youth unemployment, which remains high on the government's priority. Youth disenchantment continues to be a perennial problem with over 15,000 young people unemployed, despite several youth-related business programmes conducted by Non-Governmental Organizations (NGOs) and public and private sector agencies operating in Saint Lucia.

It is because my administration believes that every young person, irrespective of their socio-economic circumstances has the potential to make a positive contribution to the development of their community, that we have taken up the responsibility to address the apparent deficiencies in the existing youth-related business programmes.

In addressing those deficiencies, my government will not duplicate existing initiatives but will support the ones that work and supplement them with new and innovative ideas that meet the needs and aspirations of the youth.

In the last general election, we promised to create a special space in the economic system for young people to develop and grow their ideas - **a Youth Economy**.

Mr. Speaker, the Youth Economy aims at transforming hobbies into entrepreneurship and skills into businesses by providing committed young people with finance, training, mentorship, and marketing support.

The Youth Economy will provide support services and business opportunities for young persons with interest in activities such as sports, music, entertainment, the literary and performing arts, modeling, designing, writing and directing, agriculture, agro-processing, blue economy, and the green economy.

The Youth Economy will be managed through a statutory body with its own board of directors, to avoid unnecessary bureaucracy and to allow for timely decision-making that is consistent with a modern business environment.

The statutory board will collaborate in the formulation of outreach programmes in communities with public and private sector social partners, with particular

emphasis given to at-risk, urban, and rural youth. The membership of the board will be gender-balanced with adequate youth representation.

The statutory board will address four (4) focal areas:

1. Training;
2. Marketing;
3. Finance (loans and grants); and
4. Mentorship.

1. Training will consist of:

- The strengthening of existing and viable business enterprises;
- Identification of workable new business ideas and opportunities;
- Research and development, innovation, and technology upgrade; and
- Certification and capacity building with training in strategic planning, skill and talent development, emotional intelligence, and the implementation of international standards and best practices.

2. Marketing to include:

- Market research;
- Assistance with branding and packaging; and
- The use of e-commerce, website design development, and monetizing social media platforms.

3. Finance and Grants:

- For the purchase of equipment for existing and viable businesses;
- The refurbishment of equipment and smart technologies;
- The provision of working capital; and
- Support for new and emerging economic sectors in the blue, green, and orange economies.

Mr. Speaker, talented youth from low-income families should not be denied the opportunity to monetise their skills because they cannot afford the necessary equipment. Talented young athletes should no longer be denied the opportunity to participate in regional or international competitions because of the lack of access to finance to purchase sporting gear and to secure travel arrangements. These impediments will be corrected.

4. Mentorship will cover:

- Exposure and appreciation for best business practices;
- The development of discipline;
- The need to be accountable; and
- The value of persistence.

In keeping with the government's commitment to the young people, an amount of EC\$10 million is provided for the Youth Economy under the Department of Economic Development in the Estimates of 2022/23.

The Youth Economy is the first step in transforming the Saint Lucia economy, driven by technology; innovation; and entrepreneurship, where young people regardless of their socio-economic backgrounds can become active participants in wealth creation and nation-building.

Infrastructure Development

Infrastructure 2030

Mr. Speaker, the development of Saint Lucia's infrastructure has been identified as a critical component of the overall strategy for improving Saint Lucia's economic, social and environmental performance. The development and upgrading of Saint Lucia's infrastructure in roads, air and seaports, water supply, sanitation, energy generation, and telecommunications are critical to raising productivity and living standards.

In the Medium Term Development Strategy (MTDS), infrastructure has been identified as one of the economic pillars for the acceleration of economic growth.

Moreover, several reports have been prepared on the future infrastructural needs of the country as well as outlining the financing strategy for infrastructure. There is an urgent need to consolidate these documents and prepare a comprehensive integrated infrastructure plan up to 2030, "Infrastructure 2030". This period coincides with the commitment to achieve the Sustainable Development Goals (SDGs).

The Ministry of Infrastructure is pursuing the development of an Infrastructure Plan for 2030. This Plan is to be guided by reports and documents recently completed for the Government of Saint Lucia on various aspects of infrastructural development. This exercise is expected to identify gaps in infrastructural development.

In fulfillment of this government's promise and our absolute commitment to "Putting People First", it is our intention, in this financial year, to launch a bold, ambitious, and visionary infrastructure plan. The plan will span the next eight (8) years into the landmark year of this decade, 2030. **Infrastructure 2030** as it is dubbed will present a clear vision for the upgrade, redevelopment, and expansion of Saint Lucia's infrastructure in keeping with our dreams, aspirations, and needs as we transform the social and economic landscape of our country.

Millennium Highway

Mr. Speaker, the Millennium Highway/West Coast Road Project is intended to improve access to Anse La Raye, Canaries, and Soufriere; homes to our major tourist attractions.

Work has started on the upgrade of the Millennium Highway/West Coast Road which is estimated to cost EC\$76.01 million, and will be funded as follows:

- UKCIF grant funding - EC\$53.14 million
- CDB - EC\$9.39 million
- ROCT and the World Bank loan financing - EC\$13.02 million

The project is expected to create employment for 250-300 persons

Gros Islet Highway and Secondary Road Improvement Project

Mr. Speaker, on March 23, 2015, a loan agreement was signed with the Kuwait Fund for Arab Economic Development for an amount of EC\$32.1 million, for twenty (20) years, with a four-year grace period at an interest rate of 3 percent as part of the financing for the Choc to Gros Islet and Secondary Road Improvement Project.

Mr. Speaker, in 2017, the UWP administration canceled the loan and instead embarked upon a series of interventions, the last being the Rodney Bay Improvement Project at a cost of nearly EC\$16 million for less than one-mile of road. Mr. Speaker, a review of that project has revealed irregularities that will be the subject of further investigation.

Mr. Speaker, I am pleased to announce that we have begun discussion with the Kuwait Fund for the reinstatement of the financing for the original project.

Vieux Fort Water Supply Project

The Vieux Fort Water Supply Redevelopment Project, which is being executed by WASCO, aims to create an efficient, reliable, climate-resilient, and sustainable supply of potable water to all residents and businesses of Vieux Fort and its environs. The Project involves the construction of two (2) water intakes, installation of a treatment plant, and three (3) pumping stations as well as consultancies on Gender Impact Evaluation, Watershed Management, Water Audit, and Energy Efficiency.

The project, which is funded by a US\$21.67 million loan from the Caribbean Development Bank (CDB), is expected to be completed by August 2022. Upon completion of the project, water will be transmitted from Beausejour to Beanfield, Augier, and La Tourney with new storage tanks installed at Laborie, La Tourney, and Grace. The project will have a major impact on the socio-economic life of the southern part of the island, with the daily supply of water from the system expected to be augmented from 1.4 million gallons to 4.5 million gallons.

John Compton Dam Rehabilitation Project (JCD)

Mr. Speaker much has been said about the John Compton Dam Rehabilitation (JCD) or desilting project. Mr. Speaker, the original design, until it was changed by the UWP administration, was:

Phase 1

To construct the sediment disposal area (SDA) and desilt the immediate area around the second water abstraction port, an amount of 136,000 cubic meters of silt.

Phase 2

To commence and undertake a long-term desilting operation to effectively remove the accumulated volume of silt (1.5 million cubic meters), and to continue to provide maintenance/operation dredging in the future.

The original phase 1 was intended to be a single project contract to facilitate efficiency, cost containment, and avoid possible claims. The UWP government, against the advice of the CDB and Project Consultant, divided the project into two (2) components: JCD#1, to construct the sediment disposal area, and JCD#2, to undertake the desilting around the second abstraction port and other additional works.

Mr. Speaker to date, a total amount of EC\$51.8 million (*inclusive of finance cost, commitment fees, consultancies, and perhaps other payments*) has been spent on JCD#1 and JCD#2, financed by EC\$25.9 million derived from consumers' contributions of 10.43% of their monthly water bills for JCD#1 and EC\$14.1 million of a loan from the Caribbean Development Bank (CDB) for JCD#2.

Mr. Speaker, I have been informed that the SDA - JCD#1, although complete, has not met the design specifications.

JCD#2 also did not achieve the design specifications as only 84,700 cubic meters of sediments were removed, compared to the designed volume of 136,000 cubic meters.

The dredging fund has been depleted and today has a balance of \$2.6 million.

Mr. Speaker, a mechanical dryer purchased by WASCO at a cost of EC\$662,447.87 functioned a minimum of three times and a maximum of six times, it could not be repaired, and reportedly the vendor could not be located for recovery or recourse.

Mr. Speaker, this is the dismal record of the former government led by the current Leader of the Opposition, on the matter of the desilting of the John Compton Dam. Mr. Speaker, we hope to get to the root of this problem, and we will continue and complete this project to ensure the people of Saint Lucia have a reliable supply of potable water.

Halls of Justice

Mr. Speaker, my government has decided that the much-discussed Halls of Justice will be constructed at the site of the Old Police Headquarters on Lower Bridge Street. The process of consultation was initiated with the establishment of a Committee comprising the Attorney General's Chambers, Department of Economic Development, Department of Physical Planning, the Bar Association, and the Judiciary. The Committee's mandate is to ensure a fit-for-purpose building is constructed having reviewed and updated existing plans.

It is anticipated that the project will be built through a Build, Operate, Lease, and Transfer (BOLT) arrangement, after the completion of consultation and approvals are finalized. This is a departure from the reckless and irresponsible approach taken by the last administration.

Gros Islet Police Station

Mr. Speaker, in this financial year, we expect to commence work for the construction of the Gros Islet Police Station, a project long anticipated by the Gros Islet Police Force. Mr. Speaker, the project will be financed via a Build, Operate, Lease, Transfer (BOLT) arrangement with NIPRO, at an estimated cost of EC\$35 million, inclusive of furniture, fixtures, and fittings.

The building of the Halls of Justice and the Gros Islet Police Station are expected to generate hundreds of direct construction jobs.

Hewanorra International Airport Redevelopment Project

Mr. Speaker, the redevelopment of the Hewanorra International Airport (HIA) is necessary if we are to adequately service existing and increased air passenger traffic, anticipated to reach over a million passengers in the near future.

Mr. Speaker, my government's commitment to the redevelopment of the Hewanorra International Airport (HIA) dates back to the period 2011 to 2016 when we were in office.

Mr. Speaker, you would recall during that period, the government of the then Labour Party administration pursued a Public-Private Partnership (PPP) model with the assistance of the International Finance Corporation (IFC) of the World Bank. This followed the rejection by Deutsche Bank of the UWP-led administration's questionable arrangement with the Asphalt and Mining (A&M) Consortium for the redevelopment of the Hewanorra International Airport.

Under the IFC Model, the PPP arrangement was structured as a 30-year concession under which SLASPA and the Government of Saint Lucia would retain ownership and regulatory oversight of Hewanorra International Airport. Under the arrangement, the government would receive concession fee revenue and corporate income taxes paid by the private investor, estimated at EC\$1 billion and EC\$580 million respectively. The private investor would be responsible for the design, construction, and financing of the entire reconstruction project.

For the 30-year life of the concession, the investment programme was estimated at US\$118 million in capital cost and US\$90 million in maintenance cost. The Government of Saint Lucia would have been insulated from any cost-overruns under the PPP arrangement. Mr. Speaker, the PPP arrangement would have had

no impact on Saint Lucia's indebtedness and its debt-to-GDP ratio, an important metric in assessing the country's credit worthiness.

Mr. Speaker, as we all know now and for reasons best known to them, the UWP government in 2016 abandoned this model for the airport redevelopment and instead pursued the high-risk option of loan financing, and secured funding of US\$175 million or EC\$470 million from the Export-Import Bank of the Republic of China (Taiwan) and a consortium of Caribbean Banks, to construct a new terminal.

Mr. Speaker, in August 2021, Cabinet appointed a Committee, to review the scope and financing arrangements of the Hewanorra International Airport Project and to determine/advise on the possibility of fiscal space in the said financial arrangements, to allow for reallocation of funds to other high priority projects approved by Cabinet.

Mr. Speaker, the study confirmed the dangers which we cautioned the UWP administration against. Already, long construction delays and massive cost overruns have been plaguing the Hewanorra International Airport Redevelopment Project.

Mr. Speaker, there have been several irregular matters of concern that we have discovered with the HIA Redevelopment Project; the main contractor was handpicked, without tender, under written instructions from the former Prime Minister to the Saint Lucia Air and Seaports Authority (SLASPA).

The original location of the terminal was changed again under instruction from the former Prime Minister to an area (near a river) requiring ten (10) times more piling than the original location. The cost implications of that uninformed and reckless decision of the former Prime Minister resulted in an increase in piling costs from EC\$4.8 million to EC\$48.6 million.

Mr. Speaker, the legal firm which was retained as SLASPA's External Counsel, was paid an additional EC\$1.689 million for the vetting of the changes in the agreements relating to the project.

Mr. Speaker, the review also indicates that there are considerable administrative and contractual issues related to the Project. Those identified shortcomings will be properly addressed as we continue the project.

The HIA Project has appeared void of the necessary oversight and management for ensuring that project risks are mitigated. Despite the Project being under the

“FAST-TRACK” process, the review indicated that the project, as of September 2021, was nine (9) months behind schedule with only 10 percent of a projected 40 percent completion realized.

Mr. Speaker, with only one year into the project, the cost overruns from the Foundation and Shell package of the Project are EC\$43.8 million. My government remains committed to the redevelopment and completion of the Hewanorra International Airport but will do so in an organized and responsible manner.

In much the same way that those who flagrantly wasted the taxpayer’s money on the St Jude’s Hospital will have to account, so too will those who did the same on the Hewanorra International Redevelopment Project.

St. Jude Hospital

Mr. Speaker, it would be remiss of me if I did not inform, through you, the people of the country and, in particular, the people of the South of the state of the St. Jude Hospital Reconstruction Project (SJHRP).

Mr. Speaker, between the year 2010, the commencement of the St. Jude Hospital Reconstruction Project, and August 2016, a sum of EC\$98 million was spent, with an additional EC\$50 million projected to complete and commission a fully furnished and equipped St Jude hospital, at a cost of EC\$148 million.

In September 2016, the UWP stopped construction of the hospital and demolished two (2) of the newly constructed buildings, which cost approximately EC\$7 million. The then UWP government decided to construct a new structure and according to a report from the government executing agency, the Ministry of Economic Development, as of July 2021, EC\$118 million was spent on this new facility.

Mr. Speaker, interestingly, a few weeks ago, an official document surfaced from the Attorney General’s Office dated July 15, 2021, 11 days before the general elections, called the Revised Draft Finance Agreement for the St. Jude Hospital Reconstruction Project (SJHRP) in the sum of EC\$70.75 million for the continuation of works at St Jude including finance cost of EC\$6.66 million, to be settled within one year for the following works:

1. Architectural work.
2. Transition cost to bring ground floor into use.

It is to be noted that the scope of work made no provision for furniture, fixtures, and equipment for the hospital. Mr. Speaker, on the strength of these figures it

would mean that to complete only the ground floor of the St. Jude Hospital, without fixtures and equipment, would cost the taxpayers of Saint Lucia the shocking sum of \$188 million for an incomplete hospital, with only the ground floor; \$40 million more than the projected final cost of the initial St Jude Hospital Reconstruction Project, which started in 2010. Those involved in this flagrant waste of public funds must account to the people of Saint Lucia.

Meanwhile, I want to assure the people of Saint Lucia that work will commence this year to complete the St. Jude Hospital and have it commissioned within a reasonable time.

This year Mr. Speaker, an allocation has been made of EC\$1.5 million for remedial works to alleviate the less than desirable conditions at the St. Jude Hospital.

I once more wish to extend my appreciation and support to the staff of the St. Jude Hospital. Mr. Speaker, we are a responsible government and in this Estimates, an allocation has been made to meet the former government's financial obligations on St. Jude.

Castries Vision 2030

Mr. Speaker, Castries has a rich, vibrant culture and heritage, with acclaimed landmarks, such as the Cathedral of the Immaculate Conception – built in 1897, and the largest church in the Eastern Caribbean; the Castries Market – voted third in the world for Food Markets, by *National Geographic*; the Derek Walcott Square and a unique enclosed harbour.

However, to paraphrase our laureate, at certain times of the day the city is as “*dead as nails*”. Mr. Speaker, we intend to rebuild the city with love. Consequently, we are going to pursue a number of interventions to make Saint Lucia's capital a vibrant, resilient, and smart heritage city that is socially inclusive and provides accessible recreational space for residents and visitors. This will bring Saint Lucia one step closer to accomplishing Sustainable Development Goal 11.7, which is the provision of universal access to safe, inclusive, accessible, and green public spaces. Mr. Speaker, we intend to create similar spaces in several communities around the island.

In the not too distant future, we shall revisit the Derek Walcott Project on Grass Street to add some vibrancy to the city.

Accelerating the Pace of Digital Transformation

Digital Transformation

Mr. Speaker, in addressing the Jamaica Stock Exchange earlier this year, I made the point that “digital transformation has leveled the playing field in the world of competitive business within countries and between countries, small and large. In today’s knowledge-based economy, talent and creativity are the preserve of any country or social class of people.”

It is for this reason my government has readily embraced the Caribbean Digital Transformation Project (CARDTP), which aims to build the region’s comparative advantage while overcoming its small size and vulnerabilities as the key theme for reducing poverty and increasing shared prosperity. This project has the following priority areas:

- Building resilience to external shocks;
- Strengthening and harnessing the country’s human capital;
- Embracing new technologies; and
- Strengthening regional integration.

An amount of \$6.9 million has been allocated in this financial year for this project.

In Saint Lucia, two (2) main government-led initiatives have been driving the acceleration of the digital transformation of the economy, the Digital Government Services Platform, and the Government Island-Wide Network.

1. Digital Government Services Platform (DiGiGOV)

This platform aims to provide a confidential, efficient, and simplified one-stop government service aimed at providing 154 different services online, across eight (8) ministries through a single access point.

2. Government Island-Wide Network (GINet)

This project will continue with the development of the “Wireless Local Area Network” in public areas to enable locals and visitors to have free low-cost internet access. To date, thirty-two (32) sites and ninety-four (94) wireless access points have been established. These initiatives will eventually lead to the goal of making Castries a smart city.

As part of the government's digital transformation agenda, the use of DigiGov will be incentivized to encourage its widest use by residents and non-residents alike, to allow for online secondary and tertiary education, to enable Saint Lucians in the diaspora to promote and enhance our tourism product and to allow investment in government financial instruments.

Creating the Global Citizen

Mr. Speaker, such is the power of the human spirit that the action of one human being can change a world of over 7 billion people. We must, of necessity, therefore, encourage our people to cross over the threshold of self-doubt and begin the process of self-belief that we are legitimate actors in bringing change to our communities and the wider world, where extreme poverty is being eliminated and the environmental integrity of our planet respected. We must also begin to accept the truth that the human potential of a Saint Lucian is no less than that of any other citizen of the world. Sir Derek Walcott and Sir Arthur Lewis, our two (2) Nobel Laureates, are shining examples of local talent with global reach and influence, and they are not alone. As a country, we need to keep striving to give our people the best education and opportunities to play their part in shaping an evolving world, which is more interconnected than ever. For this reason, my government is committed to providing affordable access to the global digital infrastructure, which allows for the sharing of knowledge and access to new business opportunities for our people.

At the heart of putting people first, my government will continue to lead the way in Digital Transformation, with the hope that the private sector will follow, to make Saint Lucia a desirable and sought-after place to work, recreate, and live.

Saint Lucia as a small island developing state stands out on the world stage as the birthplace of two (2) Nobel Laureates. As a result of their achievements coupled with world-class honours bestowed on many other outstanding Saint Lucians for their world contribution to science, technology, and arts, Saint Lucia is viewed regionally and internationally, as a country of citizens with a tradition of rich intellectual capacity and accomplishments.

As a country with limited natural resources, which heavily depends on its human resource for development, we need to leverage our perceived capital and world-class reputation to attract institutions of learning, research, and development in science, technology, and arts, and in particular, in relation to climate change adaptation and resilience.

To this end, my government has commenced discussions with prominent Saint Lucian academics towards establishing a National Academy of Science, Technology, and Arts. We will further commence preliminary works to establish Saint Lucia as an Innovation Hub for start-up companies that require an ecosystem to nurture business ideas, conduct research and development, and for the upscaling of businesses. We should seek to build industries for goods and services around academia and research, for the employment of our youth.

Diaspora

Mr. Speaker, we expect that 2022 will be a year of homecoming for many Saint Lucians living abroad, who have not been able to travel due to the pandemic. This Government appreciates their contribution. Remittances sent home have made a significant impact on our economy.

I am mindful that we have a Citizenship by Investment Programme. It is time that we have a Diaspora Investment Programme (DIP). We have many generations of Saint Lucian descendants who want to be connected to Saint Lucia. Our Diaspora represents our surest market presence in the global village. They are our best ambassadors, providing word-of-mouth testimonials.

In 2022, we intend to leverage far more the presence of the Diaspora. We will also consider measures to extend our Saint Lucian family to include the children of second-generation Saint Lucians in the Diaspora. This coupled with some new opportunities through our Diaspora Investment Programme will ensure that our Diaspora is motivated to explore gainful investment opportunities at home.

This Government believes that our citizens here and in the Diaspora must be fully engaged in the development process and the creation of opportunity and wealth.

Developments in Tourism, Culture, and Creative Industries

Mr. Speaker, the tourism sector continues to be the largest earner of foreign exchange and private sector employment in Saint Lucia. Robust growth in stay-over visitors is expected to increase in 2022, supported by an increase in airlift from the UK following the return of Virgin Atlantic in December 2021 and a Sunwing Airlines weekly non-stop service from Toronto.

Tourism arrivals for the year 2021/22 were 260,927 which was 40% more than projected. Arrivals for the first quarter of 2022 have been very encouraging with over 80,000 stay arrivals of which 32,110 visitors arrived in March 2022, an increase of 21% on the initial forecast.

Increased traffic from the Caribbean market is anticipated with more relaxed protocols, the reopening of Trinidad and Tobago, and the potential return of mass events such as carnival, particularly in the summer months.

Mr. Speaker, we are moving towards a marketing strategy that is focused on Saint Lucia's unique topography and culture in our messaging, and not leaning too heavily on deep discounting. In this regard, we are not only establishing a captivated audience base but also building long-term perceived value for the brand. We are also seeking to review and improve Saint Lucia's web presence and utilise social media platforms to improve the salability of the product. In line with our marketing thrust, we will undertake carefully executed, year-round niche market campaigns, distributed via social media and digital platforms, using research data to direct geographical focus.

Private Sector Construction in Tourism

Since coming into office, we have experienced a heightened interest in tourism projects. However, this interest, in some cases, has been tempered by investor concerns of unfair treatment by the last administration. Mr. Speaker, my government will be open and transparent in its dealing with all investors and will do what a responsible government would do to attract reputable investors, to operate within the principles of good governance and the law.

The following investors have committed to investing in tourism projects:

1. Sandals has announced the refurbishment of Sandals Halcyon and Sandals La Toc to commence this year at the cost of US\$30 million and have already secured DCA approvals for Sandals Halcyon project, which comprises 10 stand-alone buildings with 25 rooms and suites;
2. Dreams Cas-En-Bas Resort has commenced construction of 96 rooms at a cost of US\$25 million; and
3. Pointe Seraphine Marriott project has recommenced construction of 140 rooms at a cost of US\$42 million.

Mr. Speaker, I can assure all Saint Lucians that notwithstanding the challenges of the COVID-19 pandemic and the uncertain global economic landscape brought about by the War in Ukraine, we can expect substantial construction activity in the tourism sector.

Mr. Speaker, many Saint Lucians believe that the DSH agreement signed by the UWP government was a bad agreement for the people of Saint Lucia. We are now in discussions with the promoters to ensure the best outcome for the people of Saint Lucia.

Public Sector Investment in Tourism (ORTCP)

In the area of product development, there will be increased activity under the OECS Regional Tourism Competitiveness Project (ORTCP). The World Bank-funded project, which became effective in 2017 and was aimed at facilitating the increased movement of tourists, improving selected touristic sites, and strengthening implementation capacity in tourism market development in St. Vincent and the Grenadines, Grenada, and Saint Lucia, will be restructured to respond to the current needs of the tourism industry. The new focus of the ORTCP is to improve selected tourism sites and capacity-building to contribute to a sustainable recovery post-COVID-19.

An amount of \$18.77 million is provided in the Estimates for 2022/23 under the ORTCP to undertake improvement works at the following sites:

- Castries Market Box Park;
- Gros Islet Beach Park;
- Soufriere Old Trafford Project;
- Canaries Maritime Market and Restaurant;
- Choiseul Craft Center Rehabilitation;
- Marigot Waterfront Development Phase 1;
- Anse Ferre Lookout Point; and
- Buckeye Beach Park.

Community-Based Tourism

Mr. Speaker, in keeping with our government's policy that the benefit of the tourism industry should accrue to as many locals as possible, my government will give greater attention to Community Based Tourism. In March this year, parliament enacted the Community Tourism Act which established the legislative and policy framework to facilitate participation in the programme. A line of credit of \$9 million has been made available by the CARICOM Development Fund and is now available for Community Tourism through the St. Lucia Development Bank.

The Community Tourism Project is expected to be launched in May 2022 at a cost of \$5.78 million, which has been provided for in the Estimates.

The Community Tourism Project is intended to improve the quality of life of Saint Lucians by optimizing local economic benefits. The aim is to grow the number of locally owned authentic tourism products and services and to provide opportunities for increased tourist spending in the local economy; additionally, to enhance and diversify Saint Lucia's tourism product. The intended beneficiaries of the Community Tourism Project comprise the following:

- **Communities** – Spurring economic activities in the urban and rural communities of Saint Lucia;
- **MSMEs** - Creating increased opportunities for owners of MSMEs;
- **Other sectors** – Providing new and expanded opportunities for other sectors such as agriculture, creative, and manufacturing; and
- **Country** – Increasing Saint Lucia's on-island visitor experience and expenditure, thus leading to greater foreign exchange earnings.

Orange Economy

Mr. Speaker, beyond the enchanting physical beauty of our country, is the equally enchanting creativity of our people. Mr. Speaker, Saint Lucia has a rich culture, which needs to be promoted and preserved, and we must continue to find ways to integrate its uniqueness within our tourism product. In this year's Estimates, an amount of \$0.5 million has been allocated for the creative industry and \$3 million for carnival.

Craft Sector

The craft sector has been identified as a sector with high export potential. Export Saint Lucia is currently in the process of content development to create a digital profile for the Choiseul Craft Association, as well as an online catalogue and an e-commerce platform for a major online retailer.

Mr. Speaker, the Ministry of Tourism has initiated a project to support the existing crafters with the development of the production spaces of selected crafters and a central marketplace to be framed as a heritage touring destination for visitors, using funds from the OECS Regional Tourism Competitiveness Project (ORTCP). The Choiseul Craft Centre's main building will be rehabilitated, with the intention of transforming the space into a fully functional retail gallery for the crafters. Once completed, the Ministry of Tourism and Saint Lucia Tourism Authority will market the Centre as a heritage touring destination for cruise visitors and land-stay tourists.

Laborie Market and Square Project

Mr. Speaker, the Laborie Market, and Square project is expected to significantly improve the lives of vendors and patrons of the market with the construction of an aesthetically-pleasing, covered vending space in the village of Laborie. This will be done by replacing the existing market and square with new infrastructure. We will also see the addition of a restaurant which is expected to supplement the existing dining and food culture of the village. It is anticipated that the rehabilitation of the square (Village Park) will seek to improve the streetscape of Guy O'Reily Street and allow villagers and visitors to have a new area for community interaction.

An amount of EC\$1 million has been earmarked for the commencement of this project.

Citizenship by Investment Programme (CIP)

Mr. Speaker, when the Saint Lucia Labour Party administration launched the CIP in 2016, it did so with a clear vision to attract investment and to generate revenue for development projects. However, since July 2021, we have had to amend the programme. This meant rebuilding bridges with established partners who were banished by the previous administration.

As a consequence of the changes, we are already witnessing a significant increase in receipts from the program. During the last financial year, 2021/2022, CIP receipts were \$102.8 million compared to \$70 million for the year 2020/2021. From initial estimates, we expect an increase in receipts for the financial year 2022/2023 over the year 2021/2022.

Despite the tangible benefits of the programme to Saint Lucia's economy, challenges have recently emerged that pose significant risks to the future of the programme. The push by OECD countries to undermine the programme has gained momentum in the wake of Russia's invasion of Ukraine. This also includes a move by the US congress, seeking to direct the US government to cooperate with the UK and the EU to eliminate Schengen area visa-free travel for countries that sell passports.

Mr. Speaker, this essentially means that the attractiveness of Saint Lucia's passport, in allowing visa-free entry to 146 countries will be seriously diminished.

Notwithstanding the pressures emanating from OECD countries, my government is committed to the continuation of the programme with the highest level of transparency and integrity.

Expanding Agricultural Output

Mr. Speaker, I come now to a sector that is at the heart of our survival as a people. The agriculture sector remains strategically important to the economy of Saint Lucia because of employment opportunities and the need for food and nutrition security, and increased export earnings.

Mr. Speaker, one of the consequences of the disruption of the supply chain globally has been food insecurity and rising prices of imported food.

No society is safe, strong, and resilient without a viable agricultural base - no matter how industrialized its economy. The pandemic and wars around the world have taught us that the bottom line of every civilization is the ability to feed, clothe and educate itself.

The urgency of this task has been made even more pressing by the war in Ukraine and its direct effect on major global food staples, such as wheat supply.

What then Mr. Speaker is the importance of food security to our country?

- It is about guaranteeing access to food at affordable prices to everyone.
- Ensuring that regardless of the circumstance of poverty, the most vulnerable, the elderly, and our children benefit from adequate nutrition.
- It is about identifying niche markets within which we can comfortably function so that our farmers and producers can find prosperity in their livelihood.

Mr. Speaker, the government remains committed to revitalizing this sector. Seven (7) crops have been identified to enhance agricultural diversification, reduce food imports, and enhance food security.

It is expected that more crops will be identified as the diversification programme unfolds. In this regard, the Agricultural and Fisheries Incentives Bill has been revised to facilitate greater market access to a wider range of farmers and fishers.

Paradoxically, Mr. Speaker, despite high levels of unemployment in the rural areas, many farmers continue to experience shortages in farm labour. It is against this background that the government is supporting the implementation of initiatives that will allow farmers to benefit from seed fertilizer technology and modern mechanization, to increase crop production.

Modern equipment will be procured and made available to farmers to enhance their capacity for land preparation. Mr. Speaker, as it relates to securing markets for local food production, we are in the process of repositioning the Saint Lucia Marketing Board to better serve the farmers and the consuming public of Saint Lucia. Mr. Speaker, this year the government will give greater emphasis to agricultural financing and credit risk mitigation. We will encourage and support farmers by incentivizing the use of water storage tanks and the building of wells and ponds.

Re-emergence of Bananas

Mr. Speaker, the Saint Lucia Labour Party in its 2021 Manifesto promised to make the necessary interventions to bring stability back to banana farmers and their families by undertaking to do the following:

1. Set up a task force immediately with Fyffes and supermarkets with a view to reestablish a marketing presence for bananas and other crop producers.
2. To seek to explore regional markets for our bananas.

Mr. Speaker, I am pleased to announce that we have made great strides, and barring any natural disasters, we are poised for a new beginning in bananas.

The task force has developed a strategy and action plan for restructuring the industry, strengthening the National Fair Trade Organization (NFTO), and developing a strategy for increasing UK market access and regional markets.

Mr. Speaker, I would like to inform this Honourable House that the \$4 million guarantee promised, promised but not honoured and executed by the last administration, has now been honoured by this administration and is being used by the NFTO through a strategic partnership among the Ministry of Agriculture, the Saint Lucia Development Bank (SLDB), NFTO and the National Economic Fund.

Mr. Speaker, I am pleased to report that exports to the regional markets have increased while we prepare to resume exports to the UK market.

Adding Value to Bananas

Mr. Speaker, history has shown us that had we added more value to the primary product of bananas, we would have fared much better economically.

Mr. Speaker, I am pleased that inspite of the ridicule promoted by the other side when I asked for more consumption of bananas, I am pleased that many organizations including the Anglican Church understood the importance of real agriculture and diversification and sought not only to inform but to share practical ways of adding value to our bananas. I am sure that this initiative will continue, and not too long from now, our island will make maximum use of bananas and their bi-products.

Apiary Sector

Mr. Speaker, the development of the Apiary or Bee Cultivation Sector has been identified as a means of improving lives and livelihoods with opportunities for creating many value-added products. The Bee City Project is geared towards increasing local honey production, with significant prospects for exports. The project aims to train and have certified forty-five (45) beekeepers under the National Standard for Beekeeping. This project is being developed in conjunction with the Ministry of Agriculture and the Saint Lucia Bureau of Standards. To be successful, Mr. Speaker, there are certain challenges in this programme that need to be overcome, for example, access to lands for hive placement and financial support for packaging and labeling.

This year, the government with the support of Non-Governmental Organizations (NGOs) like the Global Environment Facility (GEF) will work towards the expansion of the apiary sector.

Seamoss

Mr. Speaker, Export Saint Lucia has identified seamoss as a commodity with high export potential. Seamoss exports from Saint Lucia have increased by more than 11,000 percent between 2018 and 2021. This year, work will commence with Export Saint Lucia to formulate an Export Development Support Programme for the industry. It will include:

- Institutional strengthening;
- Increased Research and Development; and
- Production of more valuable products like gel, soaps, etc.

Major marketing and promotional support, especially to the USA, will also be conducted to increase exports.

Livestock

Livestock development was hampered by the last government's dismantling of the Beausejour Meat Processing Plant and the displacement of cattle farmers in the South. The ability to add value to livestock products was greatly restricted by the decommissioning of the over \$20 million Beausejour Meat Processing Plant.

This year, my government will continue the work on the relocation of the meat processing plant to Volet.

Cocoa Sector Enhancement Project

In our diversification drive, cocoa has been identified as another of the commodities with significant export potential for Saint Lucia. The continued development of a viable and thriving cocoa industry will create employment opportunities and enhance livelihoods in rural communities.

During this financial year, we have budgeted an amount of \$1,454,500 in support of the continued development of the cocoa industry.

Repairs to Fishing Facilities

The fisheries sector has been severely affected by the COVID-19 pandemic and the unplanned closure of the Fish Marketing Corporation. Fisherfolk are still unable to sell their produce to a central marketing agency facility in Castries because of a failure of the past government to honour its promise to the new operators, leaving fisherfolk to other means of selling their produce.

This financial year, the government will seek to rationalize operations at the fishing complex in Castries and will implement repairs to the fishing complex in Dennery and Vieux Fort.

Government still intends to honour the removal of the additional \$1.50 tax on fuel for fisherfolk when market conditions permit. This year, Fishers will benefit from concessions available under the Agricultural and Fisheries Incentives Bill.

Building Resilience and Adapting to Climate Change

Mr. Speaker, while we try to protect the sustenance of our people, our physical environment remains under constant threat and destruction and therefore, we need to remain vigilant in protecting it. Saint Lucia continues to actively contribute to processes and forums that deliver on significant decisions for the implementation of actions that will ensure a resilient future.

Climate change is touted to be the number one threat to sustainable development. The recent IPCC 6th Assessment Report indicates that human-induced climate change, including more frequent and intense extreme events, has caused widespread adverse impacts and related loss and damage to nature and people, beyond natural climate variability. The rise in weather and climate extremes has led to some irreversible impacts as natural and human systems are pushed beyond their ability to adapt.

The reality is that it is now widely accepted that climate change is not the only threat to our survival. Climate hazards will occur simultaneously, and multiple climatic and non-climatic risks will interact, resulting in compounding overall risk across sectors and regions. The non-climatic impacts include nature loss and pollution, when combined with climate change, compound the *triple planetary crisis* that we are facing globally.

If we are to pursue meaningful and strategic development, we must integrate environmental concerns such as biodiversity, ecosystems management, and climate action into the national economic and developmental agenda.

Building resilience requires collaboration across all sectors of our economy and certainly, this is a lesson taught to us by the COVID-19 pandemic, as we saw where the fall of one sector created a domino effect that resounded around the island.

The development and endorsement of a number of climate change-related policies and plans have fostered the much-needed cross-sectoral collaboration for pursuing strategic interventions across sectors such as Water, Agriculture, Fisheries, Resilient Ecosystems, Infrastructure, Tourism, Education, and Health; as well as Energy and Transport.

We have seen the demonstration of technical and financial support to Saint Lucia from development and funding partners, as we continue to mainstream resilience building across government and non-governmental agencies; private sector entities; and community-based organizations.

Building resilience against the impacts of climate change takes on a multi-prong approach for us in Saint Lucia, as we recognize and advocate for a balanced approach, in implementing adaptation and mitigation efforts.

This has resulted in the execution of projects, which while they are generally climate change-focused, have seen the incorporation of livelihood opportunities especially within and for the benefit of our rural communities.

For example, we have improved the preservation of our terrestrial ecosystem - such as our forest - by rehabilitating degraded areas, through the planting of forest and fruit trees, thus increasing our forest cover. The importance of our forest is articulated in our updated 2020 Nationally Determined Contribution, as it helps in absorbing carbon dioxide from the atmosphere, reducing greenhouse gas emissions – thus allowing us to play our part, no matter how small, in reducing global warming and ultimately, the adverse effects of climate change.

Also, equally important through this effort, is the generation of income during the recently concluded financial year, for over 100 labourers who were involved in the planting exercises within their communities – this not only further cultivated our forest and generated income, but built ownership of our resources.

Our resources, which are crucial for our survival and resilience-building must be protected at all costs. Through joint projects focusing on the northeast and southeast regions, the Government of Saint Lucia received over EC\$17 million, which is being utilized for this purpose.

Through collaboration for resilience building, the groundwork is being laid for:

- The roll-out of sustainable livelihoods activities that are ecologically friendly and where economic activities will specifically target women as beneficiaries;
- The training of at least 80 agro-processors in a business incubator for innovative and sustainable natural resource-based economic activity;
- Promoting the use of renewable energy technology, consistent with the intentions of the Nationally Determined Contribution, which seeks to reduce greenhouse gas emissions by 7% in the energy sector;
- Strengthening the water sector by improving water and wastewater management through innovative solutions;
- Identifying responsible tourism opportunities, that promote sustainable livelihoods in south-east communities;
- Developing/enhancing agro-processing activities utilizing renewable energy technology and modern equipment in the south-east region; and

- “Building Resilience for Adaptation to Climate Change and Climate Variability in Agriculture in Saint Lucia” through a multimillion-dollar Adaptation Fund project with interventions for water security, soil conservation, and management; establishment of green agro-parks utilizing solar energy; and knowledge management and capacity building.

With these initiatives, we can see other sectors such as energy, tourism, and agriculture positively impacting and contributing to how we fight climate change.

Further support which focuses on Climate Change, Biodiversity, and Land Degradation will allow Saint Lucia to implement on-the-ground actions that will not only benefit nature but directly impact local lives and livelihoods, particularly in the post-COVID-19 recovery era.

In this regard, Saint Lucia can look forward to increased funding support from the Global Environment Facility (GEF) under its eighth replenishment cycle, made possible through recently concluded negotiations that saw the pledging of funding support to Small Island Developing States (SIDS) and Less Developed Countries (LDCs) at a minimum of US\$8 million per country over the next four (4) years ending in 2026. It is worth noting that previous replenishment cycles were capped at US\$4 million per country.

Building resilience and adapting to climate change is a full-time effort, which requires the dedication of resources of all kinds. I am sure the officers of the Department of Sustainable Development will tell you, that it is about “*Building resilience, one person, one household, one enterprise, one community, one sector at a time*”

Renewable Energy Sector Development Project

Mr. Speaker, the government is committed, as part of its international obligations, to explore viable alternative sources of energy to supplement our use of fossil fuels. The Renewable Energy Sector Development Project (RESDP) is expected to lead the way in the creation of an enabling environment to scale-up renewable energy investments in the private sector and to advise the government on the viability of geothermal energy as a resource for power generation. The World Bank has approved a financing package of approximately US\$ 21.9 million for the project, which will be implemented over 4 years, 2022-2026. Under this project, geothermal exploration is expected to take place in Belplain, Fond St. Jacques (Soufriere), and Morne Lizard in Saltibus. The objective of the project is to assess and confirm the viability of an estimated 30 Megawatt (MW) geothermal power plant, and if proven viable, the government will enter a purchase power

agreement with LUCELEC. This should also help increase the competitiveness of Saint Lucia as a low-cost energy country.

In this fiscal year's Estimates EC\$14.64 million has been provided for this project, funded by a grant of EC\$2.47 million from the Clean Technology Fund (CTF), EC\$5.96 million from the Foreign Commonwealth Development Office (FCDO), a loan of EC\$2.67 million from the International Development Agency (IDA) and EC\$1.39 million from the Canadian Clean Energy and Forest Climate Change Facility Fund (CCEFCT).

Street Lighting Replacement Project

Mr. Speaker, you may recall that in 2016, the CDB approved a street lighting programme with a grant and loan component to replace high-energy sodium lights, with 25,000 Light Emitting Diode (LED) lights to help reduce energy consumption islandwide.

The former government canceled the loan and suspended the project. Mr. Speaker, I am pleased to announce that the government has reinstated the project with the support of a guarantee from the World Bank to a private firm and it is expected that the project will last between 12 and 14 months and will be repaid from lighting cost savings.

This project should complement the installation of CCTV cameras for the effective monitoring of our streets by law enforcement agencies.

Introducing the Blue Economy

As a country surrounded by water, part tranquil - the Caribbean sea, and part turbulent - the Atlantic ocean, we need to make greater use of that feature, by capitalizing on the opportunities the Blue Economy offers. Thus, we shall build and support our economic recovery and resilience by strengthening the sustainability and competitiveness of two (2) critical and interconnected sectors - tourism and fisheries and expanding our infrastructure for waste management.

The value and importance of this outlook are supported by the World Bank, which has agreed to fund a new programme termed "Unleashing the Blue Economy of the Caribbean" (UBEC). This programme will also be funded in Grenada and St Vincent and the Grenadines.

The programme will achieve its objectives by:

- a) strengthening regional and national policies and institutional frameworks to bring back business and attract new investments;
- b) scaling up innovative financing mechanisms aimed at enhancing employment and productivity in the tourism, fisheries, and waste management value chains through the establishment of a regional MSME matching grant programme and a regional climate-risk fisheries insurance scheme;
- c) supporting investment in coastal infrastructure to de-risk and leverage private investment in blue economy activities, and strengthen climate resilience; and
- d) adopting a contingency emergency response mechanism to respond to future extreme weather events.

Some of the challenges we face are regional in nature, and addressing them requires interventions at both regional and national levels. Therefore, coordinating actions among the participating countries is critical to maximizing synergies given our common dependence on tourism, our shared marine ecosystems and fisheries resources, and our shared goal of reducing marine pollution. The successful implementation of this programme will continue the process of diversifying and transforming our economy.

Global Environment Facility

Mr. Speaker, my government recognises the sterling work being done by the Global Environmental Facility Small Grants Programmes (GEF-SGP) in addressing issues of poverty reduction, climate change mitigation and adaptation, gender equality, and capacity building in communities across Saint Lucia.

As a committed and impactful agency, my government will strengthen efforts to work more closely with GEF-SDP in pursuing our shared objectives.

Housing and Urban Renewal

Mr. Speaker, housing has been identified as a catalyst for economic growth and the generation of employment. Mr. Speaker the government aims to provide accessible, affordable housing solutions for the people of Saint Lucia.

As we speak a house repair programme aimed initially at the elderly, differently-abled and low-income is being implemented islandwide. Mr. Speaker, during this year, the government will promote investment in the private and public sectors in affordable housing.

The National Sites and Services Programme (NSSP) will provide service lots to provide opportunities for property ownership.

Mr. Speaker, it is expected that about 40 new lots will be provided in different parts of the island like Piaye, Laborie, La Fargue, Choiseul, and Micoud. Mr. Speaker, Invest Saint Lucia is also expected to provide residential lots for low-income individuals in the south of the country.

Mr. Speaker, it is expected in the coming year more than one hundred and fifty (150) service lots will be provided islandwide. An amount of EC\$4.05 million has been provided in the Estimates for the funding of the National Sites and Services Programme (NSSP).

PROUD Phase III

Mr. Speaker, this year we will revitalize and intensify the Programme of Unplanned Development (PROUD), an initiative of the Labour Party government since 1997. Phase III of the PROUD targets the regularization of six (6) unplanned settlements in Rock Hall, in Aux-Lyons, in Eau Piquant, in Contonement, in Bruceville, and Pomme in Augier.

It is expected that 1,439 households will benefit from that programme. An amount of EC\$6.62 million from local revenue is provided in the Estimates for PROUD III.

Mr. Speaker, Invest Saint Lucia is also expected to be involved in the land rationalization in the south of the country.

Local Government

Mr. Speaker, it is my government's policy to ensure participation and inclusiveness within a robust, people-centered, functioning society. In this regard, we will review the Local Authorities Act to ensure transparent, accountable, and sustainable local governance in Saint Lucia.

Education for All

The Saint Lucia Labour Party believes that *“education as a right and not a privilege and a means to unlocking the full human potential of every citizen, for the good of the citizen and the community”*

Re-Introduction of the Laptop Programme

Mr. Speaker, we believe that Information Communications Technology (ICT) is an essential part of our educational infrastructure. This was made even clearer during the COVID-19 pandemic.

During our term in government from 2011 to 2016, we initiated the one laptop per child programme which was abruptly stopped by the UWP administration. I am pleased to report that we have reinstated the programme and have distributed over 12,000 devices to students. This is in keeping with our promise of one laptop per child programme.

Technical/Vocational Training

Mr. Speaker, we promised to pay greater emphasis on Technical and Vocational Education and Training (TVET) to give our students technical competencies and employable skills.

Mr. Speaker, the Human Capital Resilience and the 11th EDF- Generation of Employment Through Private Sector Development projects will enable a more harmonized and structured approach to creating an enabling TVET environment.

During this financial year, we will witness the commissioning of two (2) Workforce Development Centers, one in Vieux Fort to help transition young people into the world of work and the other to be identified in the months ahead.

Mr. Speaker, the project will also establish training for national and Caribbean vocational certification to formalize the skills and competencies to allow students to compete in the local and regional markets.

Primary Schools

In keeping with our pledge of education for all, we will broaden primary school education to address: critical thinking, effective communication, problem-solving, global thinking, conflict resolution, and emotional intelligence.

We have already made it easier for low-income parents by paying facility fees for all primary school students. We will introduce Africa and Saint Lucia heritage at the primary schools and we will broaden the curriculum to incorporate the development of TVET skills, including the teaching of civics.

At the primary level, we will sensitize pupils to the value of agriculture and food and nutrition security. A small allocation has been included in the budget to promote kitchen gardens in schools.

Mr. Speaker, we hope to nurture a responsible, agile, and community-minded citizen, who will be ready to transition into the secondary school system.

Secondary Education

Mr. Speaker, the children in this country should be exposed to a modern and accessible secondary education where independent and self-directed learning is free of institutional financial impediments. In this regard, we will continue to pay facility fees for all secondary school students and will absorb the cost of CXC examinations fees for English and Mathematics for form five (5) students.

It is my government's intention before the end of this term, barring any further financial crisis, to pay CXC fees for students sitting at least 5 CXC subjects. This year we will establish smart classrooms and a virtual learning environment in secondary schools.

Tertiary Education

Mr. Speaker, the Saint Lucia Labour Party believes that in every Saint Lucian household, there should be at least one university graduate. In this regard, we shall provide tax relief to business places that assist employees pursuing education courses and we will continue improvement in online learning with a focus on tertiary education.

We will continue to encourage the Sir Arthur Lewis Community College (SALCC) to expand its degree offerings and to consider the viability of converting it into a fully-fledged University.

The OECS Programme for Educational Advancement and Relevant Learning (PEARL)

The OECS Programme for Educational Advancement and Relevant Learning (OECS PEARL) is a transformative four-year programme designed to achieve expanded access and improved student learning in primary education. The programme seeks to maximize a grant from the Global Partnership for Education

to the tune of approximately EC\$27 million intended for the four (4) Windward Islands, with some benefits to the other five (5) English-speaking OECS countries. With that funding, five (5) early childhood centres will be refurbished in each of the Windward Islands. Hundreds of children in these countries, with parents unable to finance their children's education, will now enter school with a strong early foundation. Assistive devices will be purchased to support the learning of students with special needs.

The major highlight of this programme is the new digital curriculum, which will be developed for primary schools. This curriculum is intended to emphasize programmes for student development beyond academics. This programme is designed to be flexible so that should there be another major interruption to school, as a result of a pandemic and/or a natural disaster, schools will be able to continue.

The Giga Project

Another transformative project is the Giga project, a global initiative being implemented by the OECS Commission in collaboration with the United Nations Children's Emergency Fund (UNICEF) and the International Telecommunications Union (ITU). A major ambition of the Giga project is to ensure sufficient and sustainable connectivity for all schools in support of learning. The timing of this initiative is crucial as access to digital tools and the internet for teaching and learning become more important.

Strengthening Health Outcomes

Mr. Speaker, I come to the real wealth of the nation: its health. The government will pursue a health policy that is patient-centered, evidence-based, equitable, accessible, and affordable. Over the last two (2) years, the government has been battling with the containment of the COVID-19 virus. Presently, we seem to be experiencing a general slowdown in the spread of the pandemic. This should not encourage complacency as new variants continue to emerge, while we increase our vaccination uptake.

Mr. Speaker, in this financial year we are continuing to respond to the effects of the pandemic for which an amount of \$33.87 million has been budgeted to fund a range of mitigation and control measures.

Universal Health Care

Mr. Speaker, we promised that we will implement Universal Health Care within the first term of our government. In this regard, we are continuing with the World Bank-funded Health System Strengthening Project, which seeks to provide a more equitable and efficient health system.

Mr. Speaker, in this financial year, our government will commence the process for the implementation of Universal Health Care (UHC). The initial health services provided under our UHC have been identified and will include diabetes, hypertension, maternal health, dialysis, and early cancer diagnosis.

The World Bank-funded Health System Strengthening Project will lend support to the UHC by incentivizing efficiency in the use of health expenditure through a performance-based scheme. The project will also assist in the structuring of UHC to provide greater equity, quality, and efficiency in the delivery of care.

A Universal Health Care programme will be established within the Ministry of Health Wellness and Elderly Affairs. This programme will commence with an initial funding of \$6.46 million, which will be augmented in subsequent years by a funding scheme to be determined.

The World Bank-funded Health System Strengthening Project will additionally help to strengthen the country's public health preparedness and response, given the growing threat posed by new and emerging diseases.

Retired, Elderly, and Vulnerable Groups

Mr. Speaker, in the allocation of portfolios, I signaled my intention to pay special attention to the retired and elderly by creating in the Ministry of Health, a Department of Elderly Affairs, in recognition of one of our core values, inclusiveness, to engage retired, elderly and vulnerable groups in nation-building. In this regard, the development of a national policy for older persons has begun.

Strengthening the Social Support Systems

Mr. Speaker, in the pursuit of putting people first, we need to ensure that there are adequate social safety nets that will enable the poorest and differently-abled citizens to enjoy a decent quality of life in Saint Lucia.

This is why we intend to increase and reform our assistance programme. Notwithstanding our ranking in the Human Development Index, poverty rates remain high and have been worsened by the ongoing negative COVID-19 pandemic and the effects of global events. It is against this background that the Public Assistance Programme (PAP) had to be improved and expanded by the addition of 1,005 households using the Saint Lucia National Eligibility Test (SL-NET).

Mr. Speaker, my government has insisted and instructed that beneficiaries of public assistance should be paid at the same time as public servants, as a demonstration of respect for the welfare and dignity of the less fortunate.

Mr. Speaker, we do not believe that our less fortunate citizens should remain in persistent poverty if it can be avoided. In this regard, a consultancy for the development of a graduation strategy for a social assistance programme to guide the transition process from social assistance to independent living will be completed this year.

Mr. Speaker, not only has the government increased its budgetary allocation to the Ministry of Social Transformation but has reinstated the Distress Fund with an allocation of \$1 million.

Mr. Speaker, the government appreciates the contribution of Non-Government Organizations (NGOs) to the social well-being of the less fortunate and has responded accordingly by increasing the subvention to some of these organizations.

Home Care Programme

Mr. Speaker, my government's Home Care programme, which started in 2012 has provided much-needed quality care between the hours of 8:00 am and 4:30 pm to a number of senior citizens some of whom are incapacitated because of degenerative diseases and old age.

The responsibilities of the caregivers range from administering medication, preparing household chores, and conducting errands on behalf of senior citizens.

Demand for the services offered by the programme has increased substantially since its inception. Mr. Speaker, an evaluation of the Home Care programme was recently undertaken and some of its findings revealed the need to increase the number of caregivers given the demand for elderly care.

Mr. Speaker, an amount of \$7 million has been allocated for the Home Care Programme, while the government is still actively pursuing ways and means of increasing the range and scope of the programme.

Sports

My Government continues to encourage and support the development of young people in Saint Lucia. In this regard, the Ministry of Youth and Sports Development will target the most vexing issue of youth unemployment through the Saint Lucia Skills App. The skills app will create a database of available skills to open employment opportunities and avenues for the Gig-Economy. In this virtual marketplace, potential employers will be able to contact potential and skilled workers within any geographic location.

More resources will be provided to the Elite and Emerging Athletic programme for the development of these athletes to become world-class athletes.

The management and maintenance of sporting facilities are of utmost importance, and the Ministry has completed a Facilities Management Policy which will guide the management and maintenance of sporting facilities.

In this regard, a provision has been made in the estimates for the maintenance of playing fields and sporting facilities. In addition, the Belle-Vue playing field among others will be renovated.

Constituency Development Programme

Mr. Speaker, the time has come to give parliamentarians a greater say in deciding projects for their constituency and to make them accountable. Mr. Speaker, an amount of \$28.5 million has been allocated towards the Constituency Development Programme (CDP). Mr. Speaker, the Constituency Development Programme is being financed by the Republic of China (Taiwan) and is aimed at allowing elected parliamentarians the opportunity and ability to fund small projects of their choice in their constituency. And Mr. Speaker, I mean all parliamentarians.

Unfortunately, in the previous five (5) years, this project was used as a means of disenfranchising opposition parliamentarians. Mr. Speaker, during this financial year, all parliamentarians, unlike in the last five (5) years, will be allowed to

choose and fund social and infrastructural projects in their constituency in a transparent and accountable manner.

Majestic Industries and LIAT Workers (Termination Settlements)

Mr. Speaker, the long-standing issues of termination payments to Majestic Industries and LIAT (1974) LTD workers will be settled.

Mr. Speaker, you may recall about thirty (30) years ago the owners of Majestic Industries, a garment manufacturing operation at Bisee, left Saint Lucia owing workers termination payments. My administration will honour this long-standing payment to Majestic workers through the issuing of government bonds, which have been accepted by the representative of the workers.

You may wish to note that this is another “commitment” made by the former Prime Minister which remained unsettled and left now for this administration to honour.

Mr. Speaker, the government has entered into a similar arrangement with the non-management LIAT workers who were terminated by the closure of the company in 2020. We are currently in discussions with the former management staff, including the pilots, to arrive at an acceptable settlement.

Mr. Speaker, our decision to settle these outstanding payments is yet another demonstration of our continued commitment to the upliftment of the welfare of the workers.

Transformation Through Entrepreneurship and Expansion

MSMEs Soft Loan/Grant Programme

Mr. Speaker, over the years, access to adequate capital has been a major hindrance to the growth and development of Micro, Small, and Medium-sized businesses. This has worsened since the onset of the COVID-19 pandemic and has exposed those businesses to a higher risk of failure.

In recognition of this challenge, Mr. Speaker, my government has agreed to assist these businesses in getting on their feet by providing working capital support.

Mr. Speaker, I am pleased to announce, consistent with our promise in our Election Manifesto to small business owners, that the Government will provide much-needed financial support across all sectors of the economy to Micro, Small,

and Medium-sized Businesses, in the form of soft loans, grants, and technical assistance.

This MSME Soft Loan and Grant Programme will advance the government's priorities in the areas of:

- Generating economic growth, business expansion, sustainability, and diversification;
- Employment creation; and
- Uplifting the quality of life of Saint Lucians.

This initiative is targeted to reach 849 registered MSMEs, including women and young persons, and will provide at least 1,698 new jobs.

The MSME Soft Loan and Grant programme will be implemented by the Department of Commerce through the Saint Lucia Development Bank (SLDB). A total of EC\$10 million has been allocated in this year's estimates for that purpose. The Minister of Commerce will be pleased to provide further details about the program.

In addition, further support has been made available to SMEs in the form of loan guarantees for loans secured from the following institutions, Bank of Saint Lucia, SLDB and First National Bank.

These guarantees have been provided through the Eastern Caribbean Partial Credit Guarantee Corporation (ECPCGC). SMEs are encouraged to make use of this facility for the purchase of inventory, equipment and the provision of working capital.

Assistance is also available to SMEs involved in manufacturing and seeking export markets, in the form of certification provided by Export Saint Lucia's Certification Programme.

The Government of Saint Lucia supports the proposed extension of the OECS MSME guarantee facility project recommended by the World Bank with Export Saint Lucia being the executing Agency.

Economic Recovery of Youth and Women: Innovative Up-skilling Programme-Post COVID-19

In preparing our citizens for participation in a wider economic space, up-skilling will become necessary. In this regard, the Vocational Skills Training Programme, which started in February 2022 and was conducted by Sir Arthur Lewis College will focus on four (4) specialized areas: Health Aide, Hospitality, Digital and

Creative Entrepreneurship, and Early Childhood Development Aide. Training in each area will be undertaken in a three-month cycle to run concurrently. Tuition for participants will be fully funded and participants will be provided with a stipend for full attendance. Participants who successfully complete the programme will receive certification from the Sir Arthur Lewis Community College (SALCC).

Export Capacity Enhancement Initiatives

WISE - Women in Sustainable Exports

Mr. Speaker, my government is aware that women operating in small businesses are underperforming when compared to their male counterparts. We, therefore, encourage women entrepreneurs to work more closely with Export Saint Lucia so that they can secure the necessary assistance to enhance their businesses.

Cannabis Regime Development

Mr. Speaker, my government promised in its manifesto to:

1. Expunge the records of crimes relating to the possession of small quantities of cannabis;
2. Decriminalize the use of marijuana to be followed by its eventual legalization;
3. Provide the necessary resources to create and maintain a sustainable and vibrant market for cannabis, regionally and internationally; and
4. Allow cultivation of four (4) plants of marijuana for personal and private use.

We have to a large extent delivered promises 1, 2, and 4. Mr. Speaker, I have already apologized to the Rastafarian community for the historical atrocities meted out to them for their consumption and religious use of cannabis. Mr. Speaker, these injustices will be reversed when the appropriate structure is set for the commercialisation of marijuana.

Mr. Speaker, the government has formed a stakeholder Committee that comprises representatives of the police, members of the Rastafarian community, and advocates for legalization and other sectoral interests to develop an appropriate legislative framework for cannabis commercialization.

Mr. Speaker, we do not intend to reinvent the wheel and will be learning from our fellow neighboring countries who have commercial cannabis for export. Mr.

Speaker, we expect within a reasonable time to export cannabis like our neighbouring island.

Protection of Heritage and Patrimony

Mr. Speaker, the protection of our heritage and patrimony is essential if we are to preserve our uniqueness as a people. As a government, we have a responsibility to encourage and support all institutions involved in the protection of our patrimony.

The treatment of the National Trust by the last administration was a clear demonstration of disrespect for the people of Saint Lucia and the things that make us Saint Lucians. It is for this reason that upon coming into government, we spent little time in correcting this act of disrespect by reinstating the annual subvention to the National Trust in the amount of \$700,000.

While we welcome visitors to enjoy our public spaces and beaches it should never be at the exclusion of citizens who live here. This is why we will ensure that every citizen has free access to all public beaches, a right which we will enshrine in appropriate legislation.

Caribbean Court of Justice

Mr. Speaker, as an independent country, we are determined to provide greater access and affordability to justice for our people. I am pleased to report that work has begun in the preparation of our ascension to the appellate jurisdiction of the Caribbean Court of Justice (CCJ), which will make Saint Lucia the fifth CARICOM member state to replace the privy council.

Mr. Speaker, a Committee chaired by a learned judge has been tasked to assist us in that process, which will include the preparation of the legislative amendment of the Saint Lucia constitution to allow for ascension to the CCJ.

Constitutional Reform Initiative

The government intends to reignite the discourse on constitutional reform, to seek consensus on specific recommendations for changes in the constitution.

To achieve some movement on this important national matter, the government has engaged a consultant to:

1. To review the findings and recommendations of the

Constitutional Reform Commission Report;

2. To review the outcome and recommendations from the Parliamentary Resolution on the Constitutional Reform Commission Report;
3. To advise on the requirements for the implementation of the Recommendations of the Constitutional Reform Commission Report; and
4. To identify various provisions of the Constitution and or other legislation that would require amending as part of the Constitutional Reform Agenda.

Funding is provided in the Estimates for Expenditure for these activities.

Enhancing Security and Promoting Justice

Citizen Safety and Security

Mr. Speaker, citizen safety and security are at the core of the nation's prosperity. Over the recent past, with escalating levels of violence and murders, our security institutions have been challenged and public confidence and trust in them diminished. My government is adopting a systematic approach to rebuilding confidence in our security apparatus and citizen safety. The success of that approach will be achieved through the use of established law enforcement channels, as well as through citizen participation, the use of innovative techniques and technologies for information gathering, and intelligence-based policing.

In our efforts to improve operational efficiency, one of the measures which shall be undertaken is the reestablishment of a central holding cell for prisoners in Castries. We shall rehabilitate one of the old buildings at the former police headquarters site, Upper Bridge Street to temporarily house detainees. We will also continue with the rehabilitation and repairs of the various police stations island-wide. Among these are the Vieux Fort Police Station and the construction of the Divisional Headquarters in Gros Islet, which I spoke of earlier. Repairs to the Bordelais Correctional Facility will include the securing of fencing, replacement of locks, and other general repairs. IT Equipment will be procured for the police, and a sum of \$1,213,900 has been earmarked for the purchase of police vehicles. Plans are afoot for the construction of a new police headquarters.

Swift Justice Project – Reducing Backlog of Cases

As it relates to our court system, Mr. Speaker, there is an urgent need to address the backlog of cases in the courts. This backlog has been due to the COVID-19 pandemic and inadequate provision of resources. The Swift Justice Project, for which a sum of \$2,278,600 has been approved in the Estimates, will be geared toward reducing the backlog of criminal cases by increasing technical and administrative support to the Criminal High Court. This project is expected to reduce the processing time of cases to 2 years.

Mr. Speaker, while we try to address the issue of crime, we must not forget that it is a consequence of a breakdown in our society, where the value of family is being undermined by inadequate social support. We, therefore, will continue to take a holistic approach to address the issue of crime reduction and prevention.

Creating a Culture of Intolerance Towards Corruption and Promotion of Good Governance

Mr. Speaker, in the run-up to the last general elections, my party committed to ushering in a new era of good governance with zero tolerance for corruption in the administration of public affairs.

Mr. Speaker, quite apart from our core beliefs, our policy position was in response to an outcry for justice from the people, for the abuses which were being committed by the last UWP administration.

Mr. Speaker, Saint Lucia had witnessed a massive decline in its Corruption Index global rating. Therefore, we promised to stop the slide and restore our country's reputation to good international standings.

Mr. Speaker, good governance protects the citizens of a country from abusive administrations, who use state resources for the benefit of a few, at the expense of the majority. It ensures that the government is accountable, transparent, equitable and inclusive, and law-abiding.

We cannot allow corruption to take deep root in the administration of government affairs and its statutory agencies. We know that corruption breeds inefficiency, illegal appropriation of wealth, wastage of resources, and disregards the interest and needs of the most vulnerable.

Mr. Speaker, we are reviewing the Integrity in Public Life Act, to strengthen this legislation, and to hold public officials accountable for their actions. Additionally, we are in an advanced stage of preparation for enacting the relevant legislation

to appoint a Special Prosecutor, to conduct investigations into acts of alleged public corruption. And there is an allowance in the Estimates for that purpose.

Foreign Policy Agenda

Mr. Speaker, in our Manifesto for the 2021 elections, we declared that economic diplomacy would be at the forefront of our foreign policy agenda. Saint Lucia's foreign policy will therefore be one that pursues an economic and developmental agenda by intensifying relationships with old friends and non-traditional allies and reorienting the diplomatic service machinery.

Mr. Speaker, we will continue to focus on regional integration in our relations with the Caribbean. In particular, we will work towards strengthening the harmonization of foreign policy at the level of the Organization of Eastern Caribbean States (OECS) and the Caribbean Community (CARICOM) in negotiations with regions on critical international issues, such as climate change, international trade and other international issues affecting the Commonwealth Caribbean as a whole.

Mr. Speaker, we will continue to strengthen our relationship with our traditional allies as we continue to build on our south-south cooperation. In this regard, we call on the speedy resolution of the situation in Venezuela and the removal of the embargo on the people of Cuba in keeping with our policy on non-interference in the internal affairs of sovereign countries.

Mr. Speaker, we are grateful to the Government and the People of the Republic of China (Taiwan), who have been dear and sincere friends of the people of Saint Lucia. We, therefore, wish to reaffirm our diplomatic support to the government of the Republic of China (Taiwan).

Mr. Speaker, the Saint Lucia Government wishes for a speedy resolution of the Russia-Ukraine conflict and stands with the international community in the quest for a speedy and peaceful resolution.

Economic Policies

Mr. Speaker, securing debt sustainability whilst achieving high levels of economic growth that supports economic transformation has been identified as means to reduce unemployment and improve the quality of life of our citizens. In this budget, we have crafted a set of realistic policies that will provide relief for the public and private sectors battered by the effects of the pandemic and now the Russia-Ukraine war.

Mr. Speaker, I now come to those fiscal and economic measures that the government proposes to meet that aim.

Tax Reform

Mr. Speaker, you may recall that the Saint Lucia Labour Party promised to waive the payment of income tax for workers earning up to \$4,000 a month (\$48,000 annually).

Mr. Speaker, having reviewed the fiscal situation and the likelihood of higher interest rates occasioned by changes in the global economic environment brought about by the Russia-Ukraine war, my government has decided to defer the full implementation of this waiver of income tax.

As an incremental step towards fulfilling this purpose, my government has decided that effective January 1, 2023, persons earning up to \$2,083 monthly (\$25,000 annually) will pay no income tax. This will include public servants in Grades 1 to 5.

Mr. Speaker, this means that an additional 15,000 people in the public and private sectors will no longer be paying income tax. This measure should provide some relief to these workers battling to cope with higher food prices and the general increase in the cost of living.

Deductible Allowances

Effective January 1, 2023, the Annual Personal Income Tax allowance will increase from \$18,000 to \$25,000.

Deductible allowances, which include home mortgage interest, insurance, and others will now be capped at a maximum of \$30,000.

New Personal Income Tax Bands

There will now be three (3) personal income tax bands instead of four (4).

Tax Band (\$)	Rate (%)
\$(0 - \$15,000)	15%
\$(15,001 - \$30,000)	20%

ABOVE \$30,000	30%
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Mr. Speaker, the effect of this change will result in two-thirds of taxpayers being better off, bringing the average effective income tax rate down from 5.4% to 3.7%. For example, an employee earning a monthly salary of \$5,500 (\$66,000 annually) and with an annual deductible allowance of \$9,074 will enjoy an increase in disposable income of \$112.43 per month, under the new personal allowance of \$25,000. This increase in disposable income equates to a 2% increase in salary.

Tax Refunds

Mr. Speaker, we have yet to fully honor our commitment to settle tax refunds of up to \$5,000.

Mr. Speaker, my government, from November 2021 has instructed the Inland Revenue Department to refund all taxpayers owed less than \$500. This exercise is ongoing.

For the period November 2021 to March 2022 an amount of EC\$3.8 million in tax refunds was paid to 1,959 taxpayers as follows:

Value of Cheques	# of Cheques	Total
\$(0 – 500)	600	\$175,109.39
\$(500 – 1000)	362	\$262,707.45
\$(1000) and above	997	\$3,385,729.29
Grand Total	1,959	\$3,823,546.13

The majority of the taxpayers received refunds in excess of \$1,000.

Tax Amnesty

Mr. Speaker, sitting on the government's books at the Inland Revenue is \$1.2 billion in outstanding taxes and interest and penalty charges. Outstanding sum, Interest, and penalty charges amount to \$780 million.

Given the difficult economic environment, my government has decided to encourage the payment of outstanding taxes, by waiving all related interest and penalty charges.

For **income tax years up to 2020**, corporate income tax, personal income tax, and property tax if paid by May 1st 2023 will be exempted from all related interest and penalty charges.

All income tax liabilities and related interest and penalty charges due **before the income tax year 2000** will be written off.

Disputes relating to tax liabilities, which have delayed the payment of taxes, will be subject to review by a dedicated committee to speed up the process of settlement so that taxes can be paid earlier rather than later.

For the purpose of clarity, the waiver of penalties and interest charges will not apply to the following taxes:

1. Hotel Occupancy Tax;
2. Value-Added Tax;
3. Withholding Tax; and
4. PAYE (taxes deducted from employees by employers)

Mr. Speaker, taxes collected by companies and individuals on behalf of the Government of Saint Lucia must be handed over in full and paid on time. It is for this reason, that no concession was made so as not to risk compromising the need for taxes collected on behalf of the Government of Saint Lucia to be paid in full and on time.

However, taxpayers are encouraged to contact the Inland Revenue Department to agree on workable arrangements to settle outstanding VAT liabilities.

Tax Policy

My government intends to overhaul the tax system to ensure greater efficiency in the collection of taxes, to secure a higher level of tax compliance, and to broaden the tax base. An overhauling of the tax system will require a greater reliance on indirect tax rather than direct tax. In this process, the existing tourism and fiscal incentive regimes will be reviewed to ensure that they are fit for purpose.

Mr. Speaker, to ensure that we are compliant with international regulations as they relate to international taxation, and to attract the right types of investment, the Government of Saint Lucia will undertake a comprehensive revision of its tax policies and legislation.

International Tax Compliance

Mr. Speaker, Saint Lucia continues to make strides in meeting international tax transparency standards. In this regard, we have made legislative amendments since assuming office, to enhance our monitoring capabilities in relation to the Foreign Account Tax Compliance Act (FATCA); the Automatic Exchange of Financial Account Information (AEOI), and the Organization for Economic Cooperation and Development (OECD) Inclusive Framework on Base Erosion Profit Shifting (BEPS). Mr. Speaker, it should be noted that compliance is an ongoing process with several facets. As such, continuous adjustments are required. The OECD is currently deliberating on implementing a **global minimum tax**, as well as establishing standards for what they consider the fair distribution of taxing rights on the profits of large multinational companies.

Mr. Speaker, you may be aware of the increased scrutiny of the Citizenship by Investment programmes, whereby countries and international institutions have called for the repeal of these programmes. As such, there may be a need to review our own programme to ensure that it meets all the standards for international tax transparency.

Mr. Speaker, Saint Lucia received an “On Track” rating from the OECD for the automatic exchange of information in 2021, which is a favourable rating and one which signals our firm commitment to compliance with international tax standards.

Mr. Speaker, as you know, the European Union (EU) continues its assessment of jurisdictions to promote fair taxation worldwide and address what it deems to be harmful tax practices. As such, it publishes a list of non-cooperative tax jurisdictions, twice a year. Saint Lucia is presently in good standing with the EU, and not on the EU black list. Mr. Speaker, we continue to work diligently to

maintain our current ratings with both the EU and the OECD, while attracting foreign direct investment and fueling sustainable economic growth.

INTERNATIONAL FINANCIAL SERVICES SECTOR REFORM

Mr. Speaker, the government recognized that there is still some work to be done to ensure that Saint Lucia continues to be competitive as an International Financial Services Centre. Therefore, the government has embarked upon targeted consultation with the private sector, to explore a more broad-based sectoral reform, all aimed at ensuring that Saint Lucia remains an attractive domicile for investors.

To this end, Mr. Speaker, the government intends to undertake the following additional measures during this fiscal year:

- A complete overhaul of the legislative regime governing headquarters companies.
- The introduction of new legislation governing international trusts.
- The introduction of new legislation governing limited partnerships.
- The introduction of a tax residency programme that will make Saint Lucia more attractive to high-net-worth individuals from around the world.

Mr. Speaker, the government recognises that the International Financial Services sector has an important role to play in helping to grow the economy of Saint Lucia. However, we also appreciate that for the sector to attain a sustainable level of growth, it will require very robust collaboration between the government agencies that are responsible for regulating, monitoring, and promoting the sector, and the private sector itself. Such partnering is particularly important given the ongoing challenges posed by various international agencies, such as the Organization for Economic Cooperation and Development (OECD), the European Union (EU), and the Financial Action Task Force (FATF).

This government, Mr. Speaker, is committed to taking all the necessary measures to not only ensure that Saint Lucia continues to comply with the standards set by these international bodies but also to maintain the stability and viability of the International Financial Services sector, as it presents many opportunities for further diversification of our economy.

Debt Management

Mr. Speaker, debt is an inescapable reality if we are to finance the capital investments necessary to expand the economy. While COVID-19 provided access

to concessionary loans, the current disruption in the global economic environment brought about by the Russia-Ukraine war will result in higher interest rates making borrowing more expensive.

Mr. Speaker, we will be frank and honest with the people of Saint Lucia about our debt position. Mr. Speaker, the current level of public debt now stands at 90.6% of GDP or \$4.13 billion. The debt stock includes central government debt, government-guaranteed debt, and public sector debt.

The preferred route to bringing public debt under control is to generate surpluses on the primary account. In the current circumstances, this is not likely and therefore my government's immediate debt policy strategy is to reduce its dependence on short-term high-interest borrowing, through the use of treasury bills, and to pursue long-term financing with lower interest rates from multilateral agencies, financial institutions, and friendly governments.

Mr. Speaker, our treasury bills portfolio today is in excess of \$420 million, thereby limiting the use of this instrument as a cash management tool for which it is intended. Mr. Speaker, over the past five (5) years we have just been rolling over the treasury bills and essentially treating them as long-term instruments. Mr. Speaker, my government will attempt to address this untenable situation and as a result during this fiscal year, we will seek to convert treasury bills into longer-term instruments. Mr. Speaker, conversion of these short-term instruments is in keeping with the government's Medium Term Debt Management Strategy (MTDS) to lengthen the maturity profile, reduce rollover risk, and reduce the cost of borrowing by seeking lower interest rates.

To assist the government in returning to prudential levels of borrowing, my government intends to enact the Public Debt Management Bill. This new piece of legislation will enable us to manage and consolidate all laws pertaining to debt and to do so with a high level of transparency and accountability. It will also reduce ambiguities and inconsistencies that may have existed in the various pieces of legislation.

Mr. Speaker, other reforms are necessary if we are to remain on track with debt sustainability and in this regard, we intend to support the Public Finance Act and Procurement legislation with the preparation of appropriate regulations. The proposed regulations are designed to provide the required clarity to certain sections of the Act to make its application more practical for use in government ministries, departments, and agencies.

Strengthening the Legislative framework to Enhance Ease of Doing Business and Investment.

Mr. Speaker, if we are to create an enabling environment to improve and strengthen the ease of doing business certain legislative changes must be completed. They include:

(1) Security Interests in Movable Properties Bill

The Security Interests in Movable Properties Bill will allow for the use of movable assets to secure loan financing.

(2) Bankruptcy and Insolvency Bill

Mr. Speaker, the Bankruptcy and Insolvency Bill will allow debt holders to restructure their debts instead of relying on receivership and insolvency as the only options.

(3) Credit Reporting Bill

The Credit Reporting Bill makes provisions for the Eastern Caribbean Central Bank (ECCB) to be the Credit Bureau regulator within the OECS. We are now in possession of the report for making final changes to the Bill before being presented to the Parliament for enactment.

Sovereign Wealth Fund

Mr. Speaker, in our manifesto we stated that a Labour Party Government would establish a Sovereign Wealth Fund to attract external investment for the development of state assets and their preservation for the long-term benefits of Saint Lucians.

During this term, we will commence the formulation and the design of a mechanism for the establishment of the Sovereign Wealth Fund. Once this framework is established, we will prepare enabling legislation for discussion and its eventual passing into law.

Rest assured Mr. Speaker, the management of the Fund will be aimed at serving the best interest of the Saint Lucian people and will embody the principles of transparency, accountability, and financial prudence.

Capitalisation of Saint Lucia Development Bank

The Saint Lucia Development Bank will be required to play a more significant role in facilitating development and low-cost funding to Micro Small and Medium-Sized Businesses, individuals, and other businesses seeking to expand and enhance their businesses. However, to attract the necessary funding from international financial institutions for on-lending, the bank's level of capitalisation needs to be augmented. Therefore, my government will be addressing the undercapitalization of the bank by providing additional equity capital of \$10 million. The bank will also be expected to reposition itself and its internal processes to become more responsive to the development needs of the country.

Updating of Medium Term Development Strategy

Mr. Speaker, in light of the unforeseen changes in global and domestic circumstances (example, COVID-19, the Russia-Ukraine war, supply chain disruptions, etc) and the need to ensure consistency with my government's pledge of "putting people first" we have been in the process of revising the Medium Term Development Strategy.

Policy for Travelling Officers in the Public Service

Mr. Speaker, for many years now discussions have been held with the Civil Service Association on the policy of travelling allowance for Civil Servants. My Government is aware that the cost of maintenance of vehicles has increased and therefore the need to revise existing travelling allowances. However, we must keep in mind the fiscal situation facing the country, made worse by COVID-19 and the Russia-Ukraine war, in making proposals for revision.

In this regard, after discussion and deliberation, the Cabinet of Ministers has agreed to offer travelling officers a \$10,000 duty waiver on any vehicle purchased from July 2022 - to April 2023. Mr. Speaker, a committee will be formed to provide a comprehensive review of the travelling policy which will eventually lead to the amendment of that policy.

Relief for Pensioners

Mr. Speaker, government pensioners are unlikely to benefit from the new income tax relief measures, while being subjected to the same pressures of the rising cost of living. My government has, therefore, decided to make a one-off payment of \$500 to all government pensioners in July this year. At a later date, a more comprehensive plan of relief will be made for pensioners

Financing

Mr. Speaker, my government has secured concessionary funding from the Republic of China (Taiwan), and others, to cushion some of the negative impacts of COVID-19, compounded by the Russia-Ukraine conflict, which has already resulted in higher food and fuel prices.

Mr. Speaker, in the event of this economic fall-out and the economy, remains on course, my government will take a fiscally responsible approach to avoid unnecessary spending and wastage, a characteristic feature of the last administration, by scaling back on drawdowns on those concessionary loans.

Mr. Speaker, as I indicated previously it is the policy of my government to, when possible, use concessionary finance to fund projects. Mr. Speaker, you will note that for the first time 80% of our financing needs are programmed from concessionary loans instead of short-term higher-cost bonds and treasury bills financing. Mr. Speaker 38% of these loans are expected to come from the Republic of China (Taiwan)\$18.13 million, representing outstanding amounts to be disbursed from existing loans and \$173.69 million from loans to be incurred this financial year.

Mr. Speaker, my government intends to spend \$80.73 million on various capital projects outlined and \$92.94 million as budgetary support for operations.

Mr. Speaker, for my government to undertake the plans outlined earlier, we must have access to financial resources to meet our development needs. Therefore, I propose that the 2022/23 budget be financed as follows:

1. Recurrent Revenue of \$1.150 billion comprising:
 - (i) Tax Revenue of \$1.016 billion (88.4% of recurrent revenue)
 - and
 - (ii) Non Tax Revenue of \$133.886 million (11.6% of revenue)

2. Capital Revenue from the proceeds of the sale of assets amounting to \$10.686 million

3. Grants amounting to \$176.681 million from friendly governments and multilateral institutions including:

- i. Republic of China (Taiwan) (ROCT) – \$52.623 million
- ii. Japanese International Cooperation Agency (JICA) \$10.545 million
- iii. UK-CIF Partnership Fund – \$53.145 million
- iv. European Development Fund (EDF) - \$16.592 million
- v. UN Environmental Programme (UNEP) - \$10.694 million
- vi. Caribbean Development Bank (CDB) – \$7.718 million
- vii. United Arab Emirates – CREF – \$6.183 million
- viii. Foreign and Commonwealth Development Office - \$5.989 million
- ix. Japanese Government – \$2.989 million
- x. International Labour Organisation - \$2.353 million
- xi. World Bank (IDA) - \$2.056
- xii. CARICOM Development Fund (CDF) - \$1.061 million
- xiii. Other donors - \$4.733 million

Mr. Speaker, in addition to the \$1.327 billion in revenues and grants, the net financing needs of the budget amounting to \$505.124 million will be met from the following sources:

1. Government Instruments, including bonds and treasury bills of \$79.736 million represent a reduction of 66.9% or approximately \$161.128 million compared to the approved estimates for 2021/22.
2. Disbursements from loans totaling \$425.387 million comprising:
 - a. \$57.252 million from the Caribbean Development Bank
 - b. \$3.063 million from the Caribbean Development Fund (CDF)
 - c. \$75.438 million from the International Development Agency (IDA)
 - d. \$191.824 million from the Republic of China (Taiwan) (ROCT)
 - e. \$6.824 million from the IDA (Strategic Climate Fund)

- f. \$81.0 million from the World Bank (Development Policy Credit)
- g. \$8.590 million from CDB – Inter-American Development Bank
- h. \$1.398 million from Canadian Clean Energy and Forest Climate Facility Fund.

Mr. Speaker, it is the policy of this Government to leverage our current access to concessionary funding to drive infrastructural works, employment, and social protection. It is for this reason Mr. Speaker, that for the first time, or, for as long as I can remember, over 80 percent of our needs are programmed to be financed from concessional loans with 38 percent of that financing coming from the Republic of China (Taiwan). I wish to point out that of the \$191.82 million to be financed from the Republic of China (Taiwan) (EXIM Bank), \$18.13 million represents outstanding amounts to be disbursed from existing loans, and the balance of \$173.693 million in total, will be used to finance various projects amounting to \$80.753 million, while \$92.94 million will be provided as budgetary support for operations. Mr. Speaker, we are being open and transparent.

Mr. Speaker, I am ever mindful of the need to be able, in the interest of fiscal sustainability, to adjust our expansionist programme should the need arise. Mr. Speaker, we are open and transparent, unlike our friends on the opposite side. I want to assure the people of Saint Lucia, that if circumstances dictate, we will revisit the budget.

Mr. Speaker, I wish to express my thanks to you, members of the House, and the police, for your attention during my address and during the sitting of this House. I wish to express my profound gratitude to my Cabinet colleagues for their support and contribution to the preparation of this comprehensive policy statement. I wish to thank them, Mr. Speaker.

I wish to thank the staff and all the officials, particularly the Ministry of Finance, the Ministry of Economic Development, and all the other ministries and agencies of government; the staff and the permanent secretaries; Mr. Speaker, for their professionalism and untiring efforts during the budget preparation.

I wish to thank the Cabinet Secretary, my advisors, the team at the Office of the Prime Minister, and especially the staff of the National Printing Corporation.

Relief Measures in the Budget

Mr. Speaker, allow me to summarise some of the measures we have taken to cushion the impact of rising fuel and food prices affecting our people and to assist those venturing into new business or expansion of their businesses.

Mr. Speaker, since assuming office in July 2021, our actions have been consistent with our core philosophy of putting the people first in administering the affairs of this country.

In formulating this budget, we have placed great emphasis on addressing the immediate and pressing needs of most Saint Lucians. Throughout this statement, I have outlined some policy measures to bring immediate relief to individuals, households, and companies. For further clarity and emphasis, I will highlight these measures:

1. Subsidizing cooking gas;
2. Increasing personal tax allowance from \$18,000 to \$25,000;
3. Cushioning consumers from the full impact of rising fuel prices;
4. Reducing personal income tax;
5. Prioritising the payment of tax refunds to taxpayers;
6. Waiving interest and penalties charges on personal and company income taxes;
7. Providing grants and soft loan funding for the Youth Economy;
8. Providing grants and soft loan funding for Micro, Small and Medium-sized Businesses;
9. Providing grants and soft loan funding for community-based tourism businesses;
10. Funding for Creative Industries, Carnival, and Emancipation Day Celebrations;

11. Waiver of import duty of \$10,000.00 on vehicles for travelling officers in the public service;
12. Increasing the amount and range of support services for vulnerable groups, and reinstating the Distress Fund;
13. Providing a \$500.00 one-off payment for pensioners;
14. Increase salaries to public servants;
15. 15. Subsidising the price of rice and sugar to the consumers. The latest increases in the prices of these commodities - rice, flour, brown sugar, and white sugar – have kept these prices unchanged, and have cost the government \$9.8 million.

Latest increases for which protection has been provided: Rice has increased by 15%, flour by 31%; brown sugar by 28%, and white sugar by 75%.

Mr. Speaker, to keep the prices of these items unchanged, the government has absorbed the increases in prices at an estimated cost of \$9.8 million.

Conclusion

Mr. Speaker, I now come to the final leg of my 2022/23 Budget presentation. Mr. Speaker, I am fully aware that the broad, people-centered, and holistic transformation agenda that we have outlined, will prompt our detractors to retreat behind their usual doubts. “Too ambitious” they will say. “Too much too fast”, they will say. “Pie in the sky” they will scream. “Interesting proposals” they will say. “But how will you achieve all these things you copied from us, and where is the revenue going to come from?” they will ask.

But Mr. Speaker, it is often the case that the doubting Thomases are often the ones with no vision. Persons who do not understand are usually the most sceptical.

To those who doubt our capacity to deliver on the goals that we have set, my response is very simple. Examine the historical record of the Saint Lucia Labour Party, which I now have the honour to lead, and you will see the following: at every stage when history has called upon us to lead at moments of structural transformation and crises, we have stood up to the task and we have boldly and

steadfastly undertaken the measures that have taken the country into its next stage of development.

When the world was ready to end three hundred (300) years of British rule, to move to the age of modern independent states, it was the Saint Lucia Labour Party that ushered in the era of the popular labour nationalist movement and, through the struggle of Universal Adult Suffrage in 1951, we took the reins of government and began the task of preparing Saint Lucia for its post-colonial future.

Who can forget that, from 1997 to 2006, it was the Saint Lucia Labour Party that was called back into government to manage the transition to the new post-banana economy and society. It was the Saint Lucia Labour Party that ushered in the era of telecommunications, modernization, and liberalisation when others could not see beyond the power of a single monopolistic company from the colonial era. It was the Saint Lucia Labour Party, which gave birth to a new economy based on tourism, and financial services when the old political economy of preferential trade in the European market was coming to an end when others could not see a life after bananas.

It was the Saint Lucia Labour Party, which gave birth to a new age of Universal Secondary Education and modernized the education system when for others the Common Entrance Examination was treated like the natural order of the universe, that separated the fortunate few from the marginalized many who were condemned to a life of dashed hopes and frustrated dreams.

It was the Saint Lucia Labour Party, which modernized the sports infrastructure of the country, and gave us the Darren Sammy Cricket Ground and the George Odlum National Stadium when others did not have the vision to understand that in the new world of the knowledge economy and creative economies, that the talent of our youth was our most precious commodity.

It was the Saint Lucia Labour Party, which began the process of modernizing the health infrastructure of the country because we understood more than most that the health of a nation is the wealth of a nation, and that everyone should have access to the most up-to-date health services available. That was our philosophy, Mr. Speaker, long before the COVID-19 pandemic.

So you see, Mr. Speaker, I can go on and on, but I say to those who question our capacity to deliver, look at our record and examine our contribution to the

development of Saint Lucia at every critical juncture in our history since 1950, and to the people of Saint Lucia we say, trust in the leadership of this party, protect the victory, have confidence in the people who assessed the global, regional and local situation and who fashioned the policy programmes in the budget that we have brought to the House for approval.

To those who ask “where is the money coming from?” I say every proposal has been costed and accounted for. To those who say, “how are we going to get all this done?”, I say look closely, Mr. Speaker and you will see that everything that we have proposed has been framed within existing global, local, and regional arrangements which will provide technical and institutional support for our programmes.

Finally, Mr. Speaker, I want to end by reminding all, and by informing those who do not know, those who pretend not to know, and those who do not understand, that this budget is framed within the deepest traditions of the social-democratic philosophy of the Saint Lucia Labour Party. I have reminded the House that our history shows that at every stage, it is the Saint Lucia Labour Party that has intervened most decisively in moments of transition and modernization of our country. We have also intervened in moments of global crises, at critical junctures, and in periods of momentous change. But, in addition to all this, Mr. Speaker, our interventions have always been shaped by our philosophy as a party of the working people, and we have always sought to ensure that whatever policies we pursue in response to the global crisis, their benefits are spread evenly throughout the country and that they are aimed at the betterment of the lives of all.

In short, Mr. Speaker, we are a party of the many, and not the few. We are a government of all the people and not the specially chosen.

And so it is, Mr. Speaker, in the case of these budgetary proposals which we have framed around the theme - **Transforming our Economy and Empowering Our People** - it is widely agreed, that with the current war in Ukraine, and with the global economy still reeling from the effects of the COVID-19 pandemic, this is one of the most challenging periods in the post-independence history of Saint Lucia. No other government since independence has had to contend with the fall-out from the simultaneous crisis of a two-year global health crisis and a slowed-down world economy and a European war of global proportions that has seen record levels of inflation, which raises the prospect of an energy crisis and threatens basic food shortages.

Yet despite all of this, our proposals have been framed, to once again, make decisive interventions that are aimed at ushering in a new period of post-colonial transformation and modernisation and to take Saint Lucia to its next stage of development. And at the same time, we are remaining true to our core principles of equity, fairness, inclusiveness, and economic democratization.

You can see this in the key economic and social measures that we have proposed: Our MSME Loan/Grant Scheme; our programmes for Economic Recovery of Youth and Women; Our community-based tourism programmes, our initiatives for the creative industries; our Bee City Project; our Cannabis initiatives, our plans for cocoa, seamoss, and fisheries; our schools' laptop programme, our plans for the youth economy and our Digital Transformation programme. All of these have been deliberately conceptualized to achieve two (2) related purposes. They are intended to modernize and transform our society and economy, while at the same time providing avenues for ordinary Saint Lucians to a stake and equal share in the economy and to transform their lives for the better.

In doing so, Mr. Speaker, we are confident that we are fulfilling the vision of our founding fathers for a progressive, united, healthy, educated, just, and equitable society, aware of its history, but marching proudly towards a new future founded on the ideals of **Bread, Freedom, and Justice**

Mr. Speaker, in times of doubt, I comfort myself with the words of **(Psalm 64)**

“Hear my voice O GOD in my prayer preserve my life from fear of the enemy,
Hide me from the conspiracy of the wicked,
From the plot of evildoers,
They sharpen their tongues like swords and aim cruel words like deadly
arrows.”

But in times of hope Mr. Speaker,
“the righteous will rejoice in the Lord and take refuge in him”.

I thank you, Mr. Speaker.