



**Ministry of Finance, Economic Development
and Youth Economy**

**THE CITIZEN'S GUIDE TO THE
2022-2023
BUDGET**

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MESSAGE FROM THE PRIME MINISTER AND MINISTER FOR FINANCE



Honourable Philip J. Pierre
**Prime Minister and Minister for Finance, Economic
Development and Youth Economy**

The Government of Saint Lucia tabled the 2022-2023 budget statement under the theme "**Empowering Our People - Transforming Our Economy.**" This year, my administration approached the budget with the clear understanding that the current global circumstances within which we operate are challenging. Notwithstanding, we believe that our collective potential and our resolve to put our economy on the path of broad-based inclusive growth will empower our people and propel us forward towards sustainable economic development.

On the 26th 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**". I want to remind the people of Saint Lucia that this was not just a campaign slogan but a promise that my administration would deliver. My administration wants to assure Saint Lucians that we will pursue the initiatives and programmes funded in this budget to bring transformative change that will impact the lives and livelihoods of our citizens. We will endeavor to secure the well-being of our citizens, and always put the people first.



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.

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 are 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 our country.

I would like to take this opportunity to thank the people of Saint Lucia for their patience and sacrifice over the past years. I would also like to extend my appreciation to all the people who were instrumental in the Budget preparation process. My administration is truly grateful for the commitment and dedication of the many public officers who worked tirelessly to see this exercise to fruition. I wish to thank all the ministries, departments and agencies that participated in the preparation and compilation of the Estimates of Revenue and Expenditure. Special thanks to the management and staff of the Department of Finance, who spearheaded the entire budget process, and successfully completed the exercise within the time required by law.

We will continue to put our people first.

MESSAGE FROM THE PERMANENT SECRETARY OF THE DEPARTMENT OF FINANCE



Ms. Esther Rigobert
Permanent Secretary, Department of Finance

On behalf of the Department of Finance, I am pleased to present **the Citizen's Guide to the 2022-2023 Budget**.

The Department of Finance is responsible for the oversight and management of the process of developing the National Budget each year. This year was not without its challenges, including the COVID-19 Pandemic and high inflationary environment. COVID-19 has adversely affected lives and livelihoods domestically, regionally and internationally. Both the COVID-19 pandemic and the war in Ukraine have had a debilitating impact on Saint Lucia's productive sectors, and by extension, the performance of the central government's revenue. This inhibits the government's ability to meet its financial, economic and social obligations to its citizens and partners.

Notwithstanding these challenges, the government has developed a comprehensive budget for the fiscal year 2022-2023. We anticipate that the suite of interventions and projects outlined in the budget will not only impact individuals, households and businesses positively; but will help spur employment, consumption

and economic growth. This year's budget is intended to build on the recovery of the local economy, premised on the expected growth in the global economy in 2022. The government is optimistic on its ability to deliver on the policy interventions outlined in the 2022-2023 National Budget.

As part of the government's efforts geared at greater accountability and transparency, the Department of Finance has embarked on the development of a strategy that will see more widespread dissemination of relevant information, aimed at fostering a greater awareness of the operations of government, and in particular, matters of Public Financial Management. It is against this backdrop that we developed the Citizen's Guide, which provides a very clear, concise and coherent presentation of the budget.

The Citizen's Guide provides an overview of the entire budget cycle and the role played by various agencies. In addition, it highlights all the programmes, projects and initiatives of the central government, as encapsulated in the Estimates of Revenue and Expenditure. It outlines the allocations provided for the ministries, departments and agencies of government. Finally, it outlines the legal authority for the budget, which is provided by the enactment of the Appropriation Bill.

It is anticipated that all Saint Lucians and interested parties will find this document both useful and interesting; as we endeavor to highlight the policy priorities of the government, established in the Estimates of Revenue and Expenditure. This in turn is expected to generate greater interest in the entire budget process, and the general operations of central government.

On behalf of the Department of Finance, I wish to extend deepest appreciation to all the persons who contributed to the preparation and development of the National Budget and the Citizen's Guide.

INTRODUCTION

The objective of the **The Citizen's Guide to the Budget** is to present to the wider public a simplified, easy-to-read version of the budget without the technical terms. The intention of the guide is to help raise awareness of the general public in relation to the budget that was tabled in Parliament. It is expected that this guide will help more citizens understand the information and plans that have been presented and expected to take place over the financial year (April 2022 - March 2023).

The **Estimates of Revenue and Expenditure** provides details of the annual spending plans, projected revenue collection and programme performance information of all government ministries, departments and agencies. It fulfills the government's obligation pursuant to the Public Finance Management (PFM) Act No. 14 of 2020, to submit annual estimates of revenue and expenditure for approval by Parliament.

Approval of the Estimates is followed by the passage of the **Appropriation Bill**, which outlines the policy initiatives and intentions of the government and supports the estimates. Approval of the bill authorizes the expenditure of government funds from the Consolidated Fund. The bill outlines the sum that is allocated to each government department's account and the specific purpose.

The approval of the Appropriation Bill is necessary for the government to spend money.

The **Citizen's Guide to the 2022-2023 Budget**, along with other budget documents is available on the Department of Finance website, which you can access [here](#), as well as the Government of Saint Lucia's social media accounts: [Facebook](#), [Instagram](#) or [Twitter](#).



PREPARING THE 2022-2023 BUDGET

WHO ARE THE AGENCIES PUTTING THE BUDGET TOGETHER?

The **Ministry of Finance** is the primary agency spearheading the planning, preparation and implementation of the budget, but collaborates with other public sector agencies, private sector agencies and statutory bodies during the budget process

- | | |
|---|---|
| Department of Finance | Department of Housing, and Local Government |
| Department of Education | Department of Physical Development & Urban Renewal |
| Department of Health, Wellness & Elderly Affairs | Office of the Prime Minister |
| Department of Infrastructure, Ports and Transport | Ministry of Youth Development & Sports |
| Department of Home Affairs and National Security | Ministry of Commerce, Manufacturing, Business Development, |
| Department of Equity, Social Justice, and Empowerment | Cooperatives & Consumer Affairs |
| Department of Economic Development & Youth Economy | Department of External Affairs, International Trade, Civil |
| Department of Public Service & Gender Affairs | Aviation & Diaspora Affairs |
| Ministry of Tourism, Investment, Creative Industries, Culture & | Department of Agriculture, Fisheries, Food Security & Rural |
| Information | Development |
| Department of Justice | Attorney General's Chambers |
| Department of Sustainable Development | Electoral Department |
| Governor General | Legislature |
| Statutory Bodies | Department of Labour |
| Private Sector Agencies | Audit Department |
| | Service Commissions |

1. BUDGET PLANNING & PREPERATION



2. FINALIZATION



3. BUDGET IMPLEMENTATION AND MONITORING

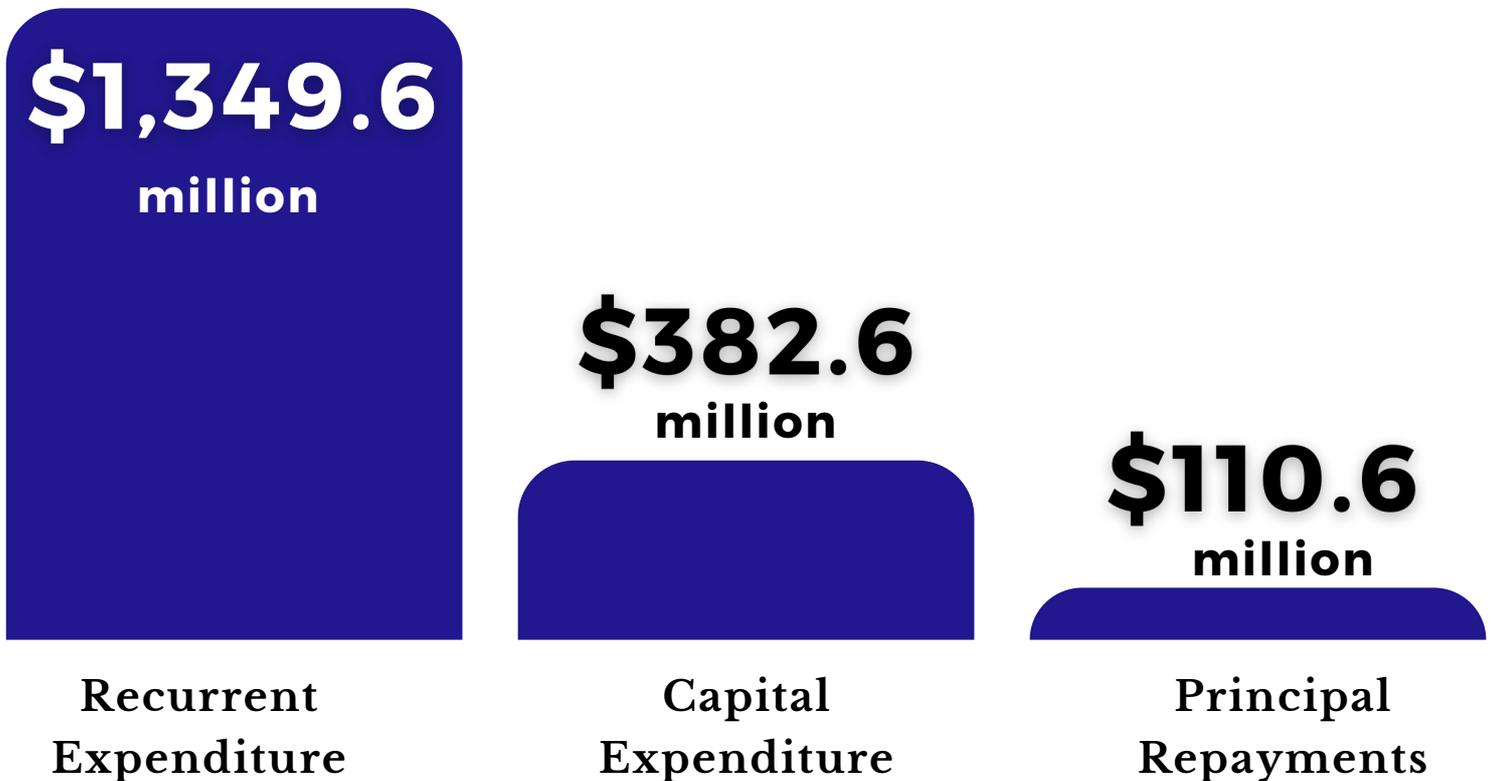


HOW **BIG** IS THE NATIONAL BUDGET?

2022-2023 budget

**\$1.842
BILLION**

The largest budget in Saint Lucia's history



COMPONENTS OF THE NATIONAL BUDGET?

2022-2023 budget

THE BUDGET HAS TWO MAIN COMPONENTS

REVENUE

This is all the money the Government earns from domestic and external sources. Revenue is collected through **taxes** imposed by the Government or through **grant** contributions by regional and international organisations. To finance the **2022-2023 Budget**, total revenue and grants is projected at **\$1.327 billion**.

\$1.327 billion
Total Revenue & Grants

18.6%
above 2021-2022 total

\$1.842 billion
Total Expenditure

12.4%
above 2021-2022 total

EXPENDITURE

This is all the money the Government of Saint Lucia has to spend on goods and services to achieve its objective. This includes all of government's consumption, investment and transfer payments. Government expenditure is normally financed through government borrowing or taxes. The estimated expenditure for the **2022-2023 budget** is **\$1.842 billion** (inclusive of principal repayments).

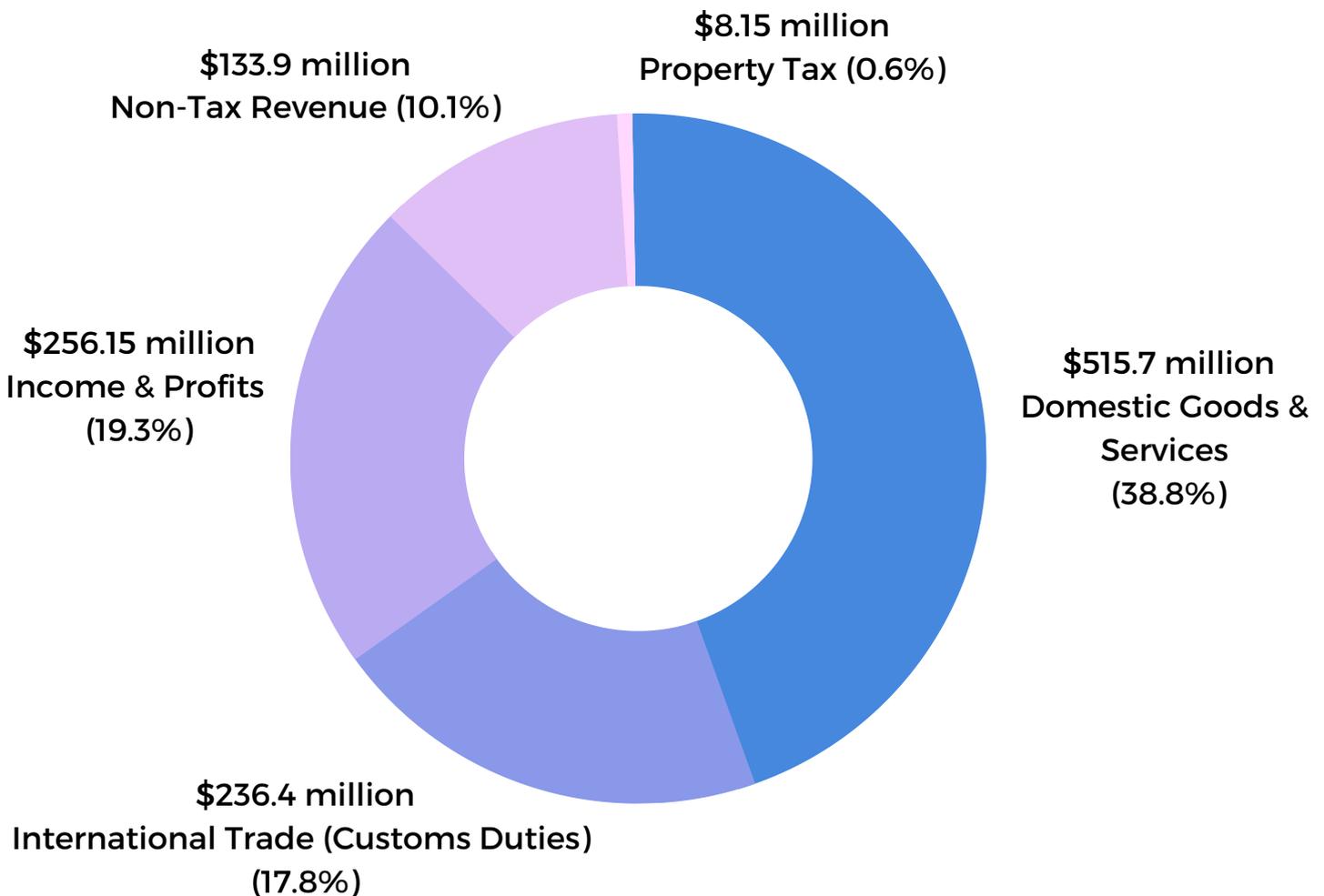
2022-2023 budget

WHERE DOES THE MONEY COME FROM TO FUND THE BUDGET?

\$1.327 billion
Total Revenue & Grants

18.6%
above 2021-2022 total

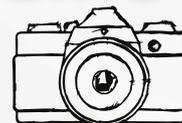
In addition to the **\$176.68 million** in grant funding the Government is expecting to receive based on commitments and agreements signed with development partners, Government will also utilize funds from tax and non-tax sources to fund its planned activities. The taxes that are projected to be collected are as follows:



Source: Government of Saint Lucia, Estimates of Revenue and Expenditure 2022-2023

Details of Revenue Line Items

The Big Picture!



The largest revenue line item is **Value Added Tax (VAT)**, which accounts for **25.26%** of the Government's total revenue.

REVENUE LINE ITEM	EC \$mil
1. Tax on Income and Profits	264.30
<i>Corporate Income Tax (CIT)</i>	97.70
<i>Income Tax (Individual)</i>	114.87
<i>Income Tax (Arrears)</i>	20.13
<i>Withholding Income Tax</i>	23.45
<i>Property Tax</i>	8.15
2. Tax on International Trade (Customs Duties)	236.43
<i>Import Duty</i>	126.44
<i>Excise Tax</i>	103.48
<i>Thru-Put Charges</i>	4.39
<i>Passenger Facility Fee</i>	2.11
3. Tax on Domestic Goods and Services	515.70
<i>VAT (IRD)</i>	169.90
<i>VAT (Customs & Excise)</i>	165.50
<i>Others (Service charge, Airport tax)</i>	180.30
4. Non-Tax Revenue	133.89
<i>Sale of Goods & Services</i>	59.01
<i>Voluntary Transfers</i>	66.63
<i>In-Transit Fees</i>	8.25
TOTAL RECURRENT REVENUE	1,150.32
<i>less refunds</i>	10.01
CURRENT REVENUE	1,140.31
Grants	176.68
Capital Revenue	10.69
TOTAL REVENUE AND GRANTS	1,327.68

2021-2022 budget

WHERE DOES THE MONEY GO?

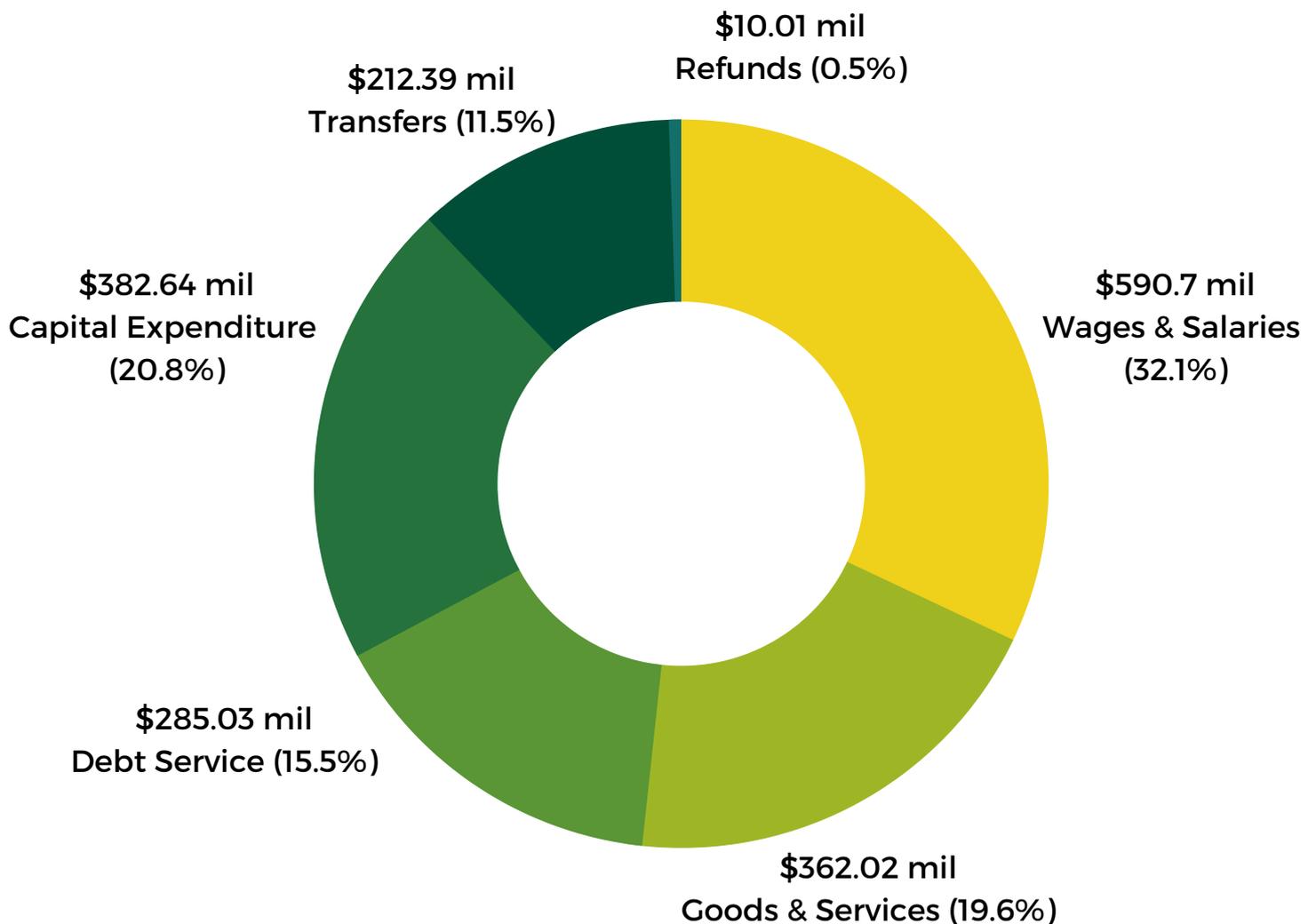
\$1.842 billion

Total Expenditure

12.4%

above 2021-2022 total

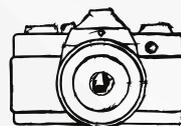
Wages and Salaries remains the largest expenditure line item for the Government. The total amount of **\$590.70 million** is allocated to cover salary payments to employees, retirement benefits (pensioners), NIC contributions and in-year promotions. The main areas of government expenditure are shown below:



Source: Government of Saint Lucia, Estimates of Revenue and Expenditure 2022-2023

Details of Expenditure Line Items

The Big Picture!



Wages and Salaries is the largest expenditure line item for the Government of Saint Lucia with a total amount of \$590.7 million.

EXPENDITURE LINE ITEM	EC \$mil
<i>1. Wages and Salaries</i>	590.70
<i>2. Goods & Services</i>	362.02
<i>3. Transfers</i>	212.39
CURRENT PRIMARY EXPENDITURES	1,165.12
<i>4. Interest Charges on Debt</i>	174.48
CURRENT EXPENDITURE	1,339.60
<i>5. Principal Repayments (PR)</i>	110.56
<i>6. Refunds</i>	10.01
TOTAL RECURRENT EXPENDITURE	1,460.17
Capital Expenditure	382.64
TOTAL EXPENDITURE	1,842.81

Source: Government of Saint Lucia, Estimates of Revenue and Expenditure 2022-2023



2022-2023 budget

THE FINANCING GAP EXPLAINED

\$1,327.68 million

Total Revenue (tax, non-tax & grants)

\$1,832.80 million

Total Expenditure less refunds

-\$505.12 million

FINANCING GAP

The total estimated cost of the Government's plans and objectives for the financial year 2022-2023 amounts to **\$1,832.80 million (less refunds)**, however the Government's projected revenue is **\$1,327.68 million**. Therefore, the Government requires an additional **\$505.12 million** to cover its expenses. As such, the Government needs to source new funding, apart from taxes, non-tax revenue and grants, to make up the **\$505.12 million (Financing Gap)** it needs to meet its expenses.

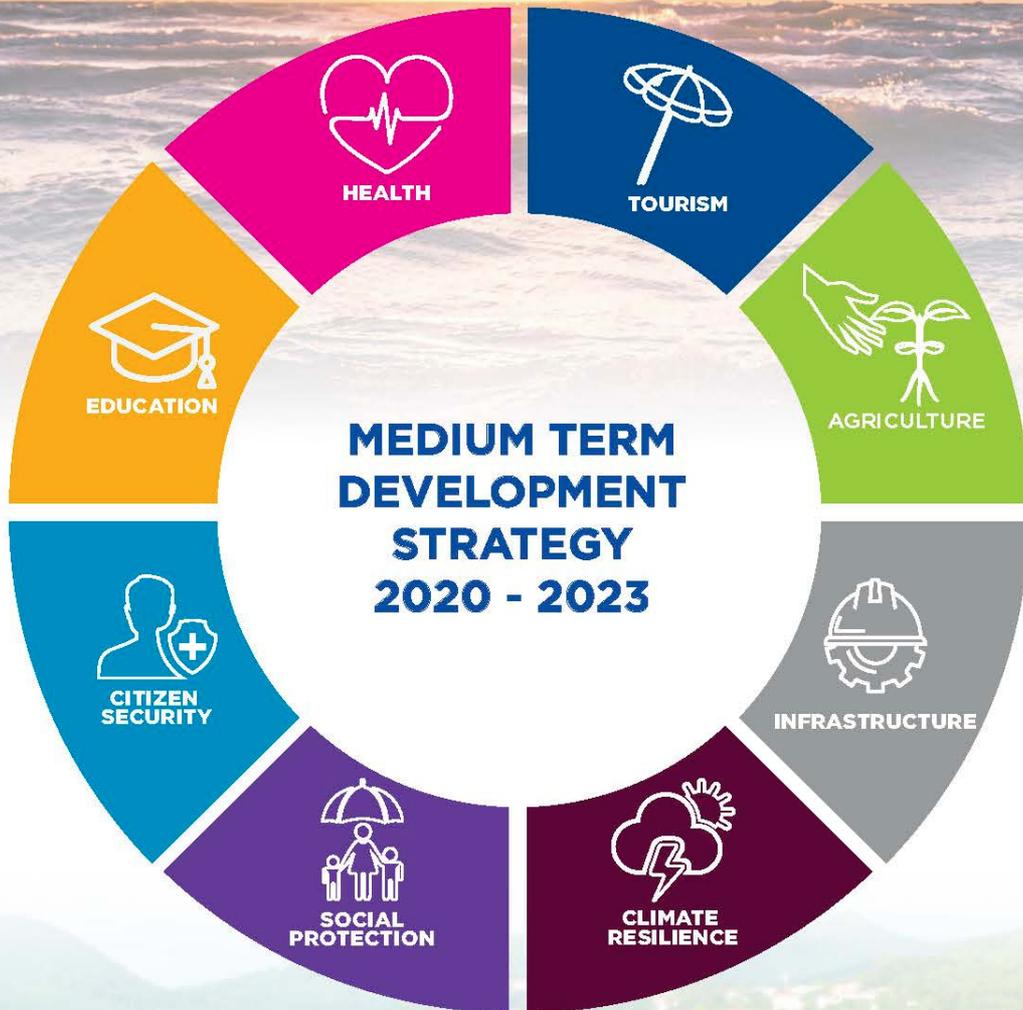
84.2% OF THE FINANCING REQUIREMENTS IS EXPECTED TO BE OBTAINED FROM EXTERNAL SOURCES

EXTERNAL AGENCY	EC \$Million
Caribbean Development Bank	\$ 57.252
International Development Agency (IDA)	\$ 75.438
IDA (Strategic Climate Fund)	\$ 6.824
World Bank (Development Policy Credit)	\$ 81.00
Caribbean Development Fund (CDF)	\$ 3.063
Republic of China on Taiwan EXIM Bank	\$191.824
CDB-Inter-American Development Bank	\$ 8.590
Canadian Clean Energy & Forest Climate Facility Fund	\$ 1.398
TOTAL	\$425.389

Domestic financing requirement amounts to **\$79.736 million**, which is expected to be sourced through **Treasury Bills, Treasury Notes and Bonds**.



Nou Tout
Ansanm
ARISE



Key Result Area Overarching Goal

 Agriculture	To increase improve agricultural output by 36 percent and export
 Tourism	To increase tourism arrivals and receipts
 Infrastructure	To provide resilient infrastructure to support socio-economic development
 Health	Increase the provision of affordable and quality health care
 Education	To improve the quality of education and improve the education pathways
 Citizen Security	To reduce the crime rate and improve the judicial system

2022-2023 BUDGET

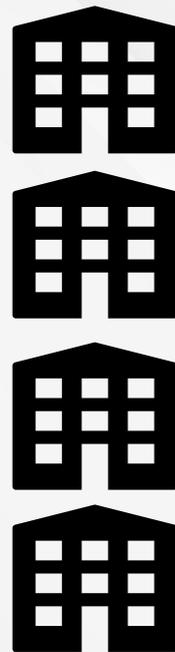
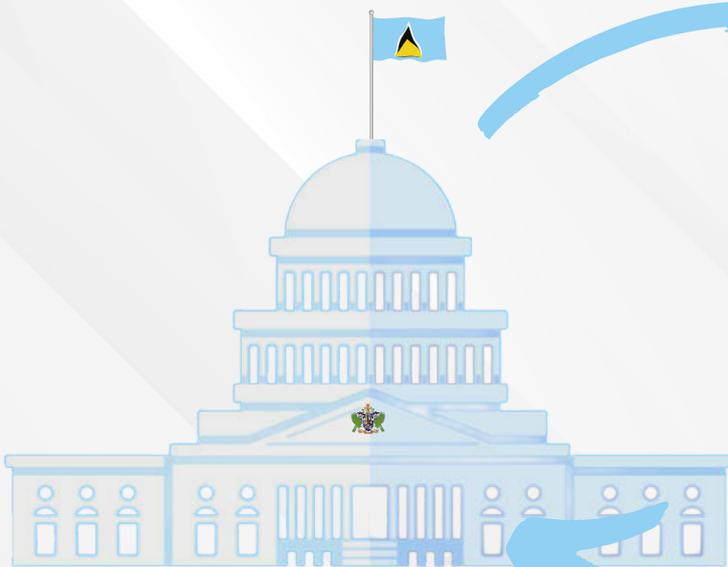
THE APPROPRIATION BILL

*Empowering our People, Transforming our Economy*

After the debate and approval of the Estimates of Revenue and Expenditure, the Minister for Finance tables the Appropriation Bill in the House of Parliament. Soon after, the bill is then debated in the Lower House. When passed, the bill now becomes the Appropriation Act, and is assented to by the Governor General and published in the Saint Lucia Gazette.

The Appropriation Bill outlines the Government's plans for Saint Lucia and how these plans are financed for the 2022-2023 financial year.

The Ministry of Finance releases the Allocation to Agencies on a quarterly basis



Agencies are required to submit monthly revenue reports and quarterly performance reports to the Department of Finance.

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR

INFRASTRUCTURE 2030

1. Millennium Highway/West Coast Road Project

Work has started on the road project which is estimated to cost **EC\$76.01 million**, and will be funded as follows:

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

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

2. Gros Islet Highway and Secondary Road Improvement Project

The government has begun discussion with the **Kuwait Fund for Arab Economic Development** for the reinstatement of the financing for the **Choc to Gros Islet and Secondary Road Improvement Project**; for an amount of **EC\$32.1million**, for twenty years, with a four year grace period at an interest rate of 3 percent

3. Vieux Fort Water Supply Project

Funding: **US\$21.67 million** from CDB

Completion Date: August 2022

Objective: Water will be transmitted from Beausejour to Beanfield, Augier, and La Tourney with new storage tanks installed at Laborie, La Tourney, and Grace; **supply of water from the system expected to be augmented from 1.4 million gallons to 4.5 million gallons**



4. Halls of Justice

The government has decided that the Halls of Justice will be constructed at the site of the Old Police Headquarters on Lower Bridge Street, Castries. It is anticipated that the project will be built through a Build, Operate, Lease, and Transfer (BOLT) arrangement.

5. Gros Islet Police Station

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 project is expected to commence in the 2022-2023 financial year.

6. Hewanorra International Airport Redevelopment Project

The government remains committed to the redevelopment and completion of the Hewanorra International Airport (HIA). The project is currently under review and the government is exploring the best option.

7. St. Jude Hospital Rehabilitation Project



**\$7.2
MILLION**

... for settlement of outstanding liabilities

**\$1.5
MILLION**

... to alleviate the less than desirable conditions at the St. Jude Hospital

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR



The Youth Economy

**\$10.0
MILLION**

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.

The Youth Economy will be managed through a statutory body with its own board of directors.

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

1. training;
2. marketing;
3. finance (loans and grants); and
4. mentorship.

Digital Transformation

Accelerating the Pace of Digital Transformation

The government has readily embraced the Caribbean Digital Transformation Project (CARDTP)

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 main government-led initiatives have been driving the acceleration of the digital transformation of the economy:

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 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 or 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.

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR

Public Sector Investment in Tourism (ORTCP)

**\$18.77
MILLION**

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 2022-2023 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

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 Saint Lucia Development Bank (SLDB)**.

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 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

In this year's estimates, an amount of **\$0.5 million** has been allocated for the creative industry and **\$3 million** for carnival.

Laborie Market and Square Project

The construction of an aesthetically-pleasing, covered vending space in the village of Laborie. An amount of **EC\$1 million** has been earmarked for the commencement of this project.

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR

EXPANDING AGRICULTURAL OUTPUT

Re-Emergence of Bananas **\$4.0 MILLION**

A 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 access to the UK market and regional markets

Apiary Sector



This year, the government with the support of non-governmental organizations like Global Environment Facility (GEF) will work towards the expansion of the apiary sector.

Seamoss

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.

Livestock



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

Cocoa Sector Enhancement Project

During this financial year, we have budgeted an amount of **\$1.45 million** in support of the continued development of the cocoa industry.



Repairs to Fishing Facilities

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.

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR

RENEWABLE ENERGY SECTOR DEVELOPMENT PROJECT

The Renewable Energy Sector Development Project (RESDP)

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.

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



The Government has reinstated the street lighting replacement project with the support of a guarantee from the World Bank to a private firm (KLED). It is expected that the project will last between 12 and 14 months and will be repaid from lighting cost savings.

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR

HOUSING AND URBAN RENEWAL

The National Sites and Services Programme (NSSP)

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

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

It is also expected in this fiscal year that **more than 150 service lots will be provided island wide**.

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

This fiscal year, the government will revitalize and intensify the Programme of Unplanned Development (PROUD). Phase III of the PROUD targets the regularization of (6) unplanned settlements in **Rock Hall, Aux-Lyons, Eau Piquant, Contonement, 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. Invest Saint Lucia is also expected to be involved in the land rationalization in the south of the country.

EDUCATION FOR ALL

Primary Education

The government has already made it easier for low-income parents by paying facilities fees for all primary school students. The government will introduce:

- Africa and Saint Lucia heritage at the primary schools.
- Broaden the curriculum to incorporate the development of TVET skills, including the teaching of civics.
- Sensitize pupils to the value of agriculture and food and nutrition security.

Secondary Education

The government will continue to pay facility fees for all secondary school students and will absorb the cost of CXC examination fees for English and Mathematics for form five students.

It is also the government's intention before the end of this 5-year term, barring any further financial crisis, to pay CXC fees for students sitting at least 5 CXC subjects.

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

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 Windward Islands, with some benefits to the other five English-speaking OECS countries. With that funding, (5) early childhood centres will be refurbished in each of the Windward Islands. Assistive devices will be purchased to support the learning of students with special needs.

POLICY INITIATIVES

2022/2023 FINANCIAL YEAR

ECONOMIC POLICIES

Tax Reform

Effective **January 1, 2023**, employees/workers **earning up to \$2,083 monthly (\$25,000 annually)** will **pay no income tax**. Currently, employees/workers earning \$18,000 annually are not subject to income tax.

Deductible Allowances

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

Total deductible allowances, which include home mortgage interest, insurance and other deductions/allowances 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.

\$0 - \$15,000	15%
\$15,001 - \$30,000	20%
ABOVE \$30,000	30%

Tax Amnesty

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.

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)

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR

Constituency Development Programme

\$28.5 MILLION

to undertake small community infrastructural projects

MSMEs Soft Loan/Grant Programme

\$10.0 MILLION

to allow for financial support targeted to reach 849 registered MSMEs, including women and young persons


\$0.945 MILLION

for the outstanding amount owed to OJO Labs, whose contract expired in October 2021

Disaster Relief Fund

\$1.0 MILLION

for disaster relief for the persons who suffer unduly as a result of a disaster


\$0.3 MILLION

to facilitate Saint Lucia's ascension to the Caribbean Court of Justice


\$0.5 MILLION

to facilitate Saint Lucia's ascension to the Caribbean Court of Justice

\$2.0 MILLION

to facilitate the payment of settlements agreed in court cases

Director of Public Prosecutor (DPP) office

\$1.0 MILLION

to establish the office of a Special Prosecutor

Swift Justice Project

\$2.278 MILLION

..... to clean up the backlog of cases that exist in the courts

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR

DEPARTMENT OF HOME AFFAIRS



\$1.82 MILLION

... to be spent on repairs to the Bordelais Correctional Facility (BCF).

\$1.82 MILLION

... for the removal and replacement of the chain link fencing, cell locks and worn-out keys at the BCF

\$0.785 MILLION

... for the replacement of skylights and repairs to the inmate toilets, repairs to the metal stairs in the unit, and the purchase and installation of hot water heaters for the laundry, kitchen and medical unit



\$1.337 MILLION

....for the retrofitting of temporary holding cells at the police headquarters on Bridge Street

\$2.70 MILLION

... for the urgent repairs of the roof of the Vieux Fort Police Station

\$0.738 MILLION

... for the general repair work to various police facilities throughout the island

POLICY INITIATIVES

2022-2023 FINANCIAL YEAR

MINISTRY OF EQUITY - GRANTS & CONTRIBUTIONS

Folk Research Centre	\$50 THOUSAND	... to help prepare their plans for their new building
HOPE	\$2.764 MILLION	Annual Allocation
St. Lucy's Home	\$140 THOUSAND	Annual Allocation
Our Boys Matter	\$233 THOUSAND	Annual Allocation
Housing Programme	\$20 MILLION	Annual Allocation
Housing assistance to the poor and differently-abled	\$1.316 MILLION	Annual Allocation
Educational Assistance	\$1.824 MILLION	Annual Allocation
School Facility Fees	\$2.358 MILLION	Annual Allocation
CXC Mathematics and English	\$270 THOUSAND	Annual Allocation
Child Development and Guidance Centre	\$380 THOUSAND	Annual Allocation
Faces of Cancer	\$10 THOUSAND	Annual Allocation
Saint Lucia Cancer Society	\$40 THOUSAND	Annual Allocation
Saint Lucia Diabetic and Hypertensive Association	\$50 THOUSAND	Annual Allocation
Feed the Poor Ministry	\$20 THOUSAND	Annual Allocation
National Sports Elite Athlete Education Assistance	\$110 THOUSAND	Annual Allocation
National Youth Council	\$52 THOUSAND	Annual Allocation
Saint Lucia Fashion Council	\$90 THOUSAND	Annual Allocation
Saint Lucia Bakers Association	\$30 THOUSAND	Annual Allocation
Saint Lucia National Trust	\$700 THOUSAND	Annual Allocation

ADDITIONAL MEASURES TO ASSIST THE PEOPLE OF SAINT LUCIA

SALARIES & BACKPAY PAYMENTS HAVE BEEN IDENTIFIED AS TOP PRIORITY



Civil Servants to Receive the Agreed Salary Increase in APRIL 2022

BACKPAY PAYMENT



THE FIRST TRANCHE TO BE PAID IN DECEMBER 2022



THE SECOND TRANCHE TO BE PAID IN MARCH 2023

POLICY FOR TRAVELLING OFFICERS IN THE PUBLIC SERVICE

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**.

RELIEF FOR PENSIONERS

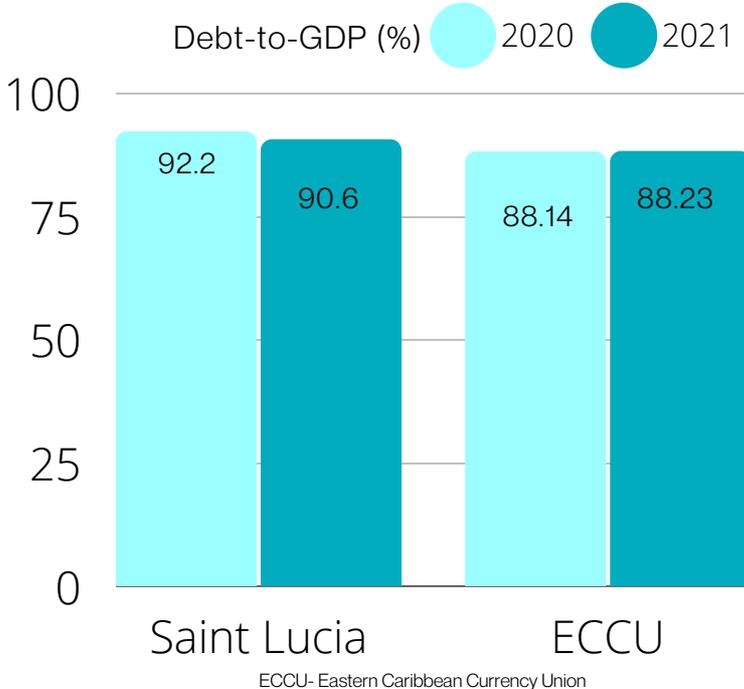
The Government has decided to make a one-off payment of **\$500** to all Government pensioners in **July 2022**.

SAINT LUCIA'S PUBLIC DEBT

\$4.135 billion

Debt to GDP Ratio of 90.6%

Official stock of public debt as of December 2021



ECCU- Eastern Caribbean Currency Union

The prudential **debt-to-GDP** level of 60% or less by 2030 is highly recommended by the Eastern Caribbean Central Bank (ECCB) and other International Financial Institutions.

Debt Policy Strategy

The Government of Saint Lucia remains committed to bringing its public debt under control. Currently, treasury bills, a short term debt instrument, is in excess of \$420 million of Saint Lucia's debt portfolio. Furthermore, the government has been rolling over the treasury bills. Going forward, the Government's immediate debt policy strategy is to reduce its dependence on short term high-interest bearing instruments, through the use of treasury bills, and to pursue long term financing with lower interest rates from multilateral agencies, financial institutions and friendly governments.

Saint Lucia's Debt Management Strategy

Debt management is of high priority for the Government. Therefore, the Government has developed a strategy to help ensure the sustainability of Saint Lucia's public debt over the medium term.

Under the debt management framework, the Government examined the parameters of Saint Lucia's debt portfolio in

terms of: **(i) the costs of debt and (ii) the risks profile of the debt based on the interest rates as well as the refinancing and roll over risks associated with the national debt stock.**

Addressing the untenable debt situation by converting short-term instruments into longer-term instruments, is in keeping with the Government's **Medium Term Debt Management Strategy (MTDS)**, which is to lengthen the maturity profile, reduce rollover risk and reduce the cost of borrowing by seeking lower interest rates.

Debt Management Policy

As part of the Government's efforts to ensure proper management of the nation's debt and return to prudential levels of borrowing, the 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. 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 respective Acts to make their application more practical for use in Government, Ministries, Departments and Agencies.

Key Debt Management Indicators

	2020	2021
Average Time to Maturity	5.7 yrs.	6.2 yrs.
Average Time to Re-Fixing	6.1 yrs.	5.5 yrs.
Weighted Avg. Cost of Debt	4.84%	4.49%

ALLOCATION OF EXPENDITURE ACROSS MINISTRIES AND GOVERNMENT DEPARTMENTS

AGENCY NO.	MINISTRY & DEPARTMENT DESCRIPTION	RECURRENT	CAPITAL	TOTAL	%
44	Department of Finance	398.70	121.67	520.37	28.2%
52	Department of Education	210.40	23.05	233.45	12.7%
43	Ministry of Infrastructure, Ports & Transport	46.29	156.59	202.89	11.0%
53	Ministry of Health, Wellness & Elderly Affairs	182.81	3.74	186.55	10.1%
56	Department of Economic Development & Youth Development	56.19	75.99	132.18	7.2%
36	Department of Home Affairs & National Security	120.00	9.91	129.92	7.0%
51	Ministry of Equity, Social Justice & Empowerment	56.58	4.93	61.51	3.3%
22	Department of Public Service & Gender Affairs	48.58	9.67	58.25	3.2%
41	Ministry of Agriculture, Fisheries, Food Security & Rural Development	31.00	24.87	55.87	3.0%
48	Department of Housing & Local Government	21.21	23.79	45.00	2.4%
46	Ministry of Tourism, Investment, Creative Industries, Culture & Information	25.33	18.79	44.12	2.4%
45	Ministry of External Affairs, International Trade, Civil Aviation & Diaspora Affairs	34.30	1.95	36.25	2.0%
55	Department of Sustainable Development	24.06	1.68	25.74	1.4%
35	Department of Justice	24.48	0.68	25.16	1.4%
42	Ministry of Commerce, Manufacturing, Business Development, Cooperatives & Consumer Affairs	16.43	7.06	23.49	1.3%
47	Department of Physical Development & Urban Renewal	9.77	5.03	14.80	0.8%
21	Office of The Prime Minister	13.30	1.01	14.31	0.8%
32	Attorney General's Chambers	10.17	0.00	10.17	0.6%
54	Ministry of Youth Development & Sports	7.15	2.61	9.76	0.5%
12	Legislature	3.58	0.13	3.71	0.2%
49	Department of Labour	2.59	0.03	2.62	0.1%
15	Audit Department	1.98	0.01	1.99	0.1%
14	Electoral Department	1.96	0.00	1.96	0.1%
13	Service Commissions	1.51	0.00	1.51	0.1%
11	Governor General	1.26	0.00	1.26	0.1%
		1,349.61	493.20	1,842.81	100%

Recurrent, Capital and Total figures are in **\$EC Million dollars**. Table is sorted in descending order per the **Total** column.

Source: Government of Saint Lucia: Estimates of Revenue and Expenditure 2022-2023



2022-2023 BUDGET

HOW TO ACCESS SAINT LUCIA'S BUDGET DOCUMENTS

The budget documents can be accessed via the Department of Finance website at <https://www.finance.gov.lc/>

Additional resources available include:

1. [Estimates of Revenue and Expenditure 2022-2023](#)
2. [Throne Speech by his Excellency Acting Governor General Mr Cyril Errol Melchiades Charles](#)
3. [Prime Minister's Budget Presentation: Estimates of Revenue & Expenditure](#)
4. [Prime Minister's Policy Statement \(The Appropriation Bill\): "Empowering our People, Transforming our Economy"](#)
5. [The Medium Term Development Strategic Plan](#)

Feedback on **The Citizen's Guide to the 2022/2023 Budget** may be sent to info@finance.gov.lc

Special thanks to all the Ministries, Departments and Agencies that were involved in the planning, preparation and compilation of the Estimates of Revenue and Expenditure. Special thanks to the management and staff of the Department of Finance, who spearheaded this process, and successfully completed the exercise within the time required by law.



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