



The Citizen's Guide to the 2021-2022 BUDGET

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MESSAGE FROM THE PRIME MINISTER AND THE MINISTER FOR FINANCE



Prime Minister
Honourable Allen M. Chastanet
Minister for Finance, Economic Growth,
Job Creation, External Affairs and the Public Service

The Government of Saint Lucia tabled the 2020/2021 budget amid much uncertainty arising from the emergence of the novel Coronavirus. No amount of foresight could ever have fully prepared us for the COVID-19 Pandemic and its aftermath. While the government successfully contained the spread during the earlier part of 2020, it came at a significant cost to the nation as we were forced into lockdown for several weeks. The pandemic has not only been a health crisis, but has also adversely impacted our economy, causing significant shortfalls in revenue collection and negatively impacting public finances and the business community, in particular small businesses.

In response to the pandemic, the Government adopted a three-pronged approach: (i) the Health Care Response Plan; (ii) the Social Stabilization Programme and (iii) the Economic Recovery & Resilience Plan (ERRP); which was the most expansive. The ultimate aim of this short-term strategy, encapsulated in these 3 plans, focused on saving lives, securing livelihoods and stimulating the economy.

Against this backdrop, our singular and most important goal is to ensure that we keep our people safe and our economy alive. There is still much uncertainty about economic recovery, which is compounded by the fact that we are confronting several unknowns, with limited fiscal resources, given the erosion of our public finances over the last year.

The Government will continue along the path of people-centric development, knowing that our work will help support and improve the quality of life of all Saint Lucians. Therefore, it is important for the people of Saint Lucia understand the budget process; government revenue, government expenditure and the policy initiatives that benefit all Saint Lucians. In this regard, the Government of Saint Lucia, via the Department of Finance proudly presents the first **Citizen's Guide to the Budget** for the financial year 2021/2022. The objective of the guide is to provide Saint Lucians with a simplified version of the budget that is engaging and easy to understand.

I would like to take this opportunity to thank the people of Saint Lucia for their cooperation and sacrifice during this pandemic. We know that there is so much more to achieve, and we are confident that our strategies and policies are working. I would like to express my gratitude to all the individuals and agencies that have contributed to the budget process as many dedicated public servants played a critical role in shaping the 2021/2022 budget, and for this, the Government is truly grateful. I wish to thank all the Ministries, Departments and Agencies that worked hard toward 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 budget process, and successfully completed the exercise.

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 this **Citizen's Guide to the 2021/2022 Budget**.

The Department of Finance is responsible for providing oversight and management of the process of developing the Saint Lucia National Budget each year. This year presented many challenges, the primary ones emanating from the COVID-19 Pandemic. COVID-19 has adversely affected lives and livelihoods domestically, regionally and internationally. The negative impact of the pandemic on Saint Lucia's productive sectors is correlated with the performance of the central government's revenue and by extension, its ability to support and finance its policy, regulatory and legislative reform agenda. Notwithstanding, the government has developed a comprehensive budget for the fiscal year 2021-22 with the expectation that there will be a rebound in the local economy, premised on the forecasted growth in the World's economies and domestic expansion.

This year's budget seeks to mitigate the adverse effects of the pandemic on the health and well-being of the citizenry, foster resilience building of the nation,

support the economic recovery strategy of the government, and to re-position the economy to take advantage of the anticipated global growth, as forecasted by the International Monetary Fund (IMF). Notwithstanding the fiscal challenges which began in 2020/21, as a result of the COVID-19 Pandemic, the government is optimistic in delivering on the programmed initiatives in the 2021/22 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 information, aimed at fostering greater awareness of the operations of government. It is against this backdrop that we developed this Citizen's Guide, which provides a very clear, concise and coherent presentation of the budget. It is anticipated that all Saint Lucians, all businesses, all organizations and other stakeholders will make good use of this document, to glean insights into the budget. This in turn is expected to generate greater interest in and knowledge of the entire budget process for all citizens.

The Citizen's Guide provides an overview of the budget cycle, the composition of the estimates of revenue and expenditures; the agencies that participate in the budget process; the policies, programme, projects and activities of the central government; the legal authority as provided by the passage of the Appropriation Bill; and the allocations provided to the various Ministries, Department and Agencies of the government.

I trust that every reader will find it interesting, captivating and informative.

INTRODUCTION

The objective of **The Citizen's Guide to the Budget** is to present the wider public with 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 of the budget information 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 next financial year (April 2021 - March 2022).

The 2021-2022 **Estimates of Revenue and Expenditure** provides details of the annual spending plans, projected revenue collection and programme performance information of all governmental units or departments. 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 **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 2021-2022 Budget**, along with other budget documents will be made 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](#).



THE BUDGET CYCLE

1. BUDGET PLANNING AND PREPERATION

1. The Ministry of Finance (**MOF**) prepares the Macroeconomic Outlook for the upcoming fiscal year where macroeconomic indicators are reviewed and projections for recurrent revenue, recurrent expenditure and capital expenditure are formulated.
2. A request/call for new initiatives for recurrent revenue, recurrent expenditure as well as capital expenditure are sent to ministries.
3. The fiscal targets including economic indicators are established to determine revenue and expenditure projections, which aid in establishing overall spending limits for the new fiscal year.
4. The MOF issues the Estimates Call. In this circular, the preliminary allocations are outlined as well as other requirements of the MOF.
5. The Minister for Finance invites the private sector to submit inputs for the budget.
6. The agencies submit their new initiatives. The MOF reviews the submission and prepares recommendations in consultation with agencies.
7. Technical Budget Committee meetings are held with staff of the MOF and Department of Economic Development to discuss recommendations, indicators and fiscal targets from the Budget Office, Debt Unit, Research Department and Department of Economic Development. This committee then formulates recommendations and submits to the Budget Policy committee for approval through several iterations.

2. FINALIZATION

1. After extensive reviews and dialogue the MOF present the draft estimates to the Minister for Finance.
2. The Minister and Finance Officials meet with Cabinet to finalize the estimates.
3. A second call circular is sent to the agencies communicating cabinet final approval of the Budget and changes required to be reflected in the estimates book, and any other relevant instructions.
4. Following the Cabinet meeting, MOF prepares the printed estimates and develops the budget papers.
5. The Ministry for Finance prepares and submits a draft appropriation bill to the Attorney General
6. The Attorney General reviews the Appropriation Bill and prepares the Resolution.
7. Minister for Finance tables the Resolution in the House of Parliament.
8. Members of the Lower House then debate the Estimates.
9. The Appropriation Bill is then tabled and debated.
10. When passed the Appropriation Act is then assented to by the Governor General and Gazetted.

3. BUDGET IMPLEMENTATION AND MONITORING

1. The MOF sends out a call to agencies to submit their expenditure request (recurrent expenditure, capital), revenue (actual and projections) and procurement plans on a quarterly basis.
2. The MOF releases the allocation to agencies on a quarterly basis. The release of allocation is based in part on the current revenue performance and projections for the year. Capital expenditure allocation is determined based on the availability of the loan, grant, bond or other fund raising and the status of the projects.
3. Agencies are required to submit monthly revenue reports and quarterly performance reports to the MOF.
4. The MOF is also required to produce and submit quarterly performance reports to the Minister for Finance.

PREPARING THE 2021-2022 BUDGET

WHO ARE THE AGENCIES PUTTING THE BUDGET TOGETHER?

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

Department of Finance

Department of Education, Innovation and Gender Relations

Department of Health and Wellness

Department of Infrastructure, Ports and Energy

Department of Home Affairs and National Security

Department of Equity, Social Justice, Local Government and Empowerment

Department of Economic Development, Transport and Civil Aviation

Department of Agriculture, Fisheries, Natural Resources

Department of Public Service

Ministry of Tourism, Broadcasting & Information, Culture

Department of External Affairs

Department of Justice

Department of Sustainable Development

Statutory Bodies

Department of Housing, Urban Renewal and

Telecommunication

Department of Physical Planning

Office of the Prime Minister

Ministry of Youth Development & Sports

Ministry of Commerce, International Trade, Investment, Enterprise Development and Consumer Affairs

Attorney General's Chambers

Electoral Department

Legislature

Department of Labour

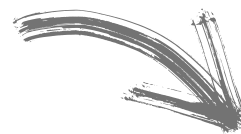
Audit Department

Governor General

Service Commissions

Private Sector Agencies

1. BUDGET PLANNING & PREPERATION



2. FINALIZATION



3. BUDGET IMPLEMENTATION AND MONITORING



HOW **BIG** IS THE NATIONAL BUDGET?

2021/2022 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 **2021/22 Budget**, total revenue and grants is projected at **\$1.119 billion**.

\$1.119 billion
Total Revenue & Grants

23%
above 2020/2021 total

\$1.639 billion
Total Expenditure

-3.5%
below 2020/2021 total

EXPENDITURE

This is all the money the Government of Saint Lucia has to spend on goods and services to achieve its objective. This include all government consumption, investment and transfer payments. Government expenditure is normally financed through government borrowing or taxes. The estimated expenditure for the **2021/22 budget** is **\$1.639 billion** (inclusive of principal repayments).

2021/2022 budget

WHERE DOES THE MONEY COME FROM TO FUND THE BUDGET?

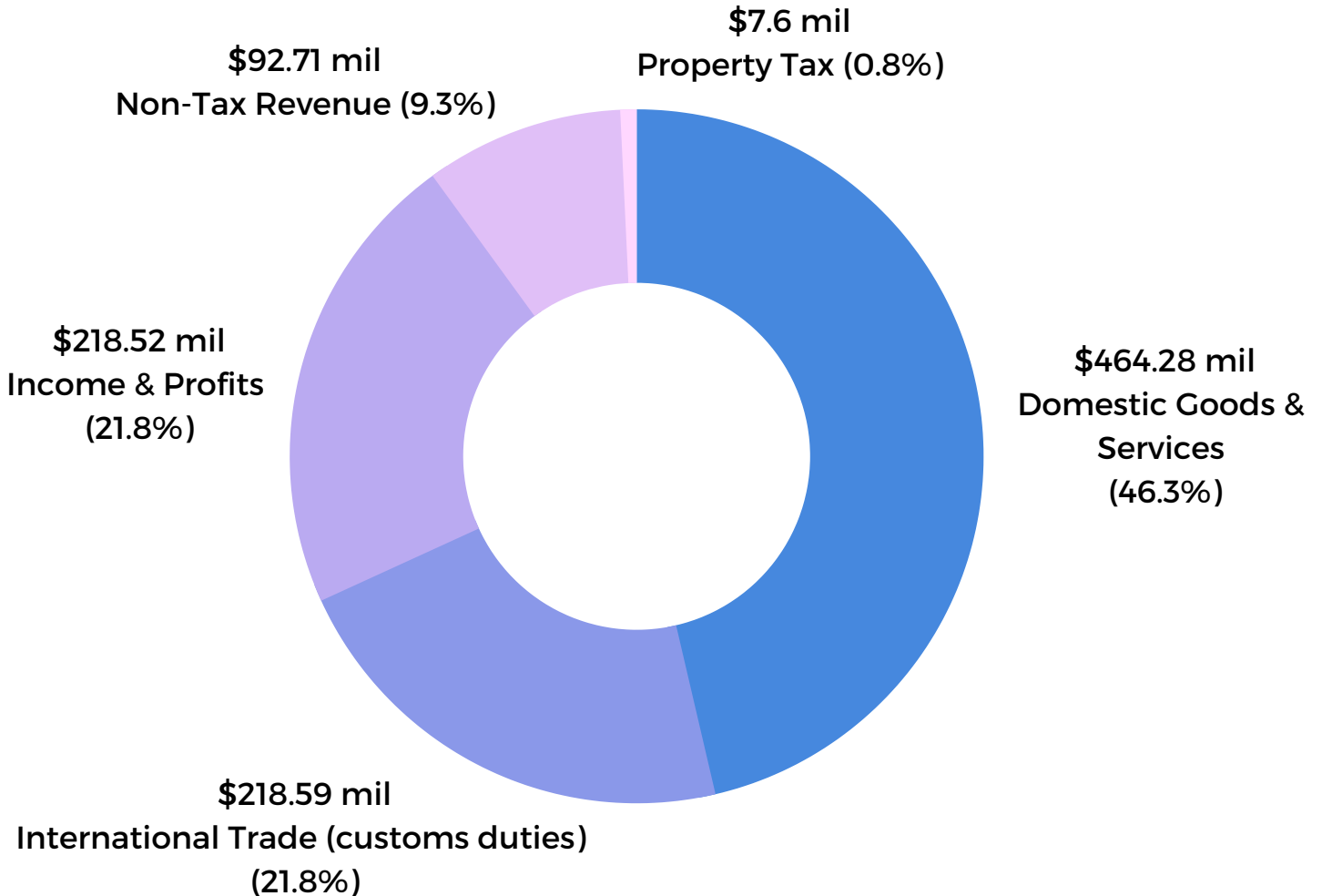
\$1.119 billion

Total Revenue & Grants

23%

above 2020/2021 total

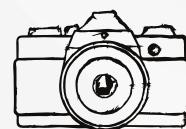
In addition to the **\$121.26 million** in grant funding the Government is expecting to receive based on commitments and agreements signed with development partners, Government will also utilize funds from tax and non-tax sources to fund its planned activities. The taxes that are projected to be collected are from:



Source: Government of Saint Lucia, Estimates of Revenue and Expenditure 2021/2022

Details of Revenue Line Items

The Big Picture!



The largest revenue line item is **Value Added Tax (VAT)**, which accounts for **25.8%** of the Government's total revenue.

REVENUE LINE ITEM	EC \$mil
1. Tax on Income and Profits	218.52
<i>Corporate Income Tax (CIT)</i>	61.56
<i>Income Tax (Individual)</i>	106.33
<i>Income Tax (Arrears)</i>	35.39
<i>Income from Property</i>	7.6
2. Tax on International Trade (Customs Duties)	218.59
<i>Import Duty</i>	105.83
<i>Excise Tax</i>	106.70
<i>Thru-Put Charges</i>	4.06
<i>Passenger Facility Fee</i>	2.00
3. Tax on Domestic Goods and Services	464.28
<i>VAT (IRD)</i>	144.89
<i>VAT (Customs & Excise)</i>	143.74
<i>Others</i>	175.65
4. Non-Tax Revenue	92.69
<i>Sale of Goods & Services</i>	48.06
<i>Voluntary Transfers</i>	36.63
<i>In-Transit Fees</i>	4.83
TOTAL RECURRENT REVENUE	1,001.71
<i>less refunds</i>	9.51
CURRENT REVENUE	992.19
Grants	121.26
Capital Revenue	6.05
TOTAL REVENUE AND GRANTS	1,119.50

Source: Government of Saint Lucia, Estimates of Revenue and Expenditure 2021/2022

2021/2022 budget

WHERE DOES THE MONEY GO?

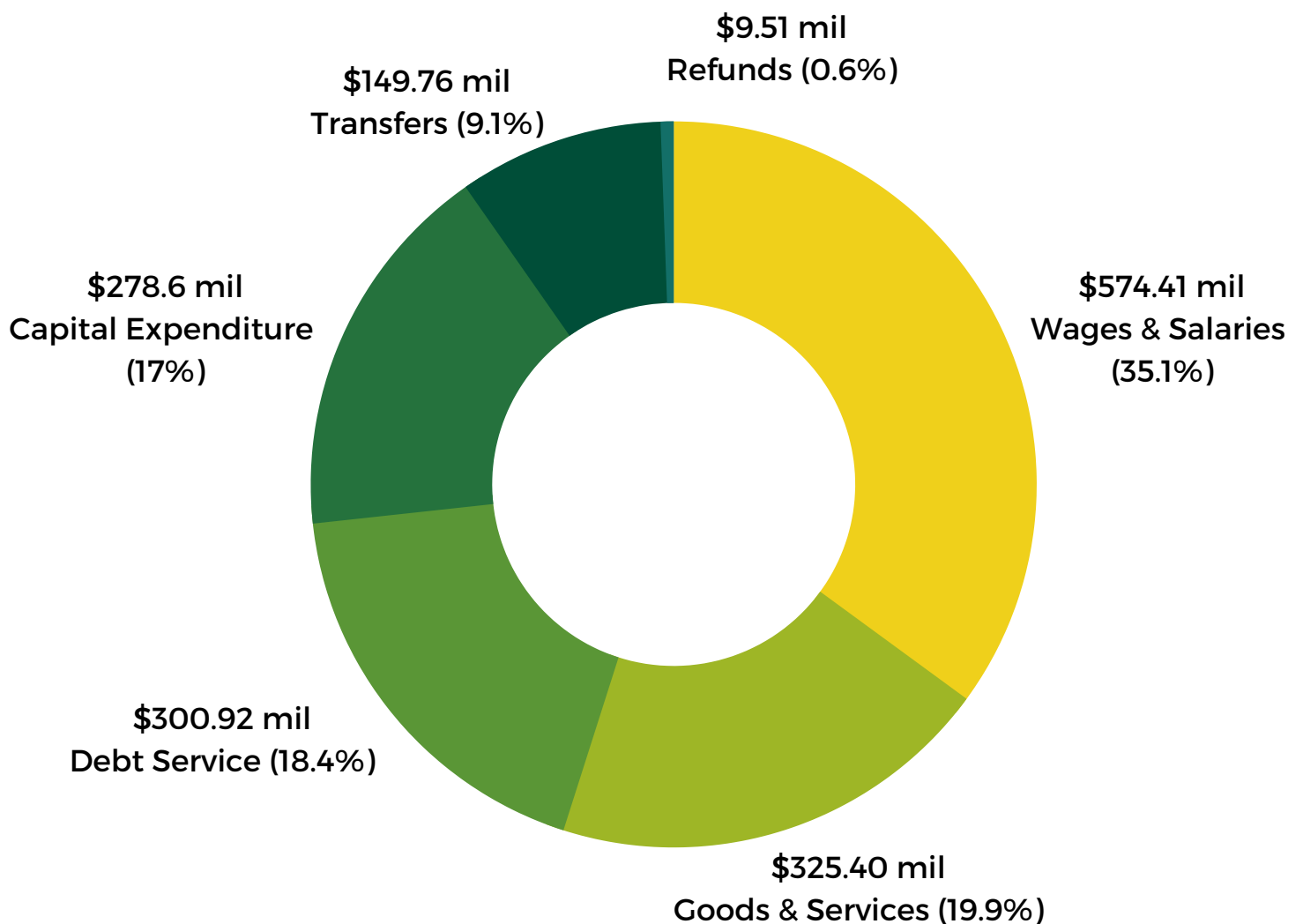
\$1.639 billion

Total Expenditure

-3.5%

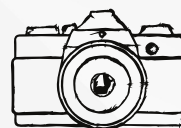
below 2020/2021 total

Wages and Salaries remains the largest expenditure line item for the Government. The total amount of **\$574.41 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:



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 \$574.41 million.

EXPENDITURE LINE ITEM	<i>EC \$mil</i>
<i>1. Wages and Salaries</i>	574.41
<i>2. Goods & Services</i>	325.40
<i>3. Transfers</i>	149.76
CURRENT PRIMARY EXPENDITURES	1,049.56
<i>4. Interest Charges on Debt</i>	175.12
CURRENT EXPENDITURE	1,224.68
<i>5. Principal Repayments (PR)</i>	125.80
<i>6. Refunds</i>	9.51
TOTAL RECURRENT EXPENDITURE	1,359.99
Capital Expenditure	278.60
TOTAL EXPENDITURE	1,638.60

Source: Government of Saint Lucia, Estimates of Revenue and Expenditure 2021/2022



2021/2022 budget

THE FINANCING GAP EXPLAINED

\$1.119 billion

Total Revenue (tax, non-tax & grants)

\$1.629 billion

Total Expenditure less refunds

-\$510 million
FINANCING GAP

The total estimated cost of the Government's plans and objectives for the financial year 2021-2021 amounts to **\$1.629 billion (less refunds)**, however the Government's projected revenue is **\$1.119 billion**. Therefore, the Government requires an additional **\$510 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 \$510 million (Financing Gap) it needs to meet its expenses.

52.7% OF THE FINANCING GAP IS EXPECTED TO BE FROM EXTERNAL SOURCES

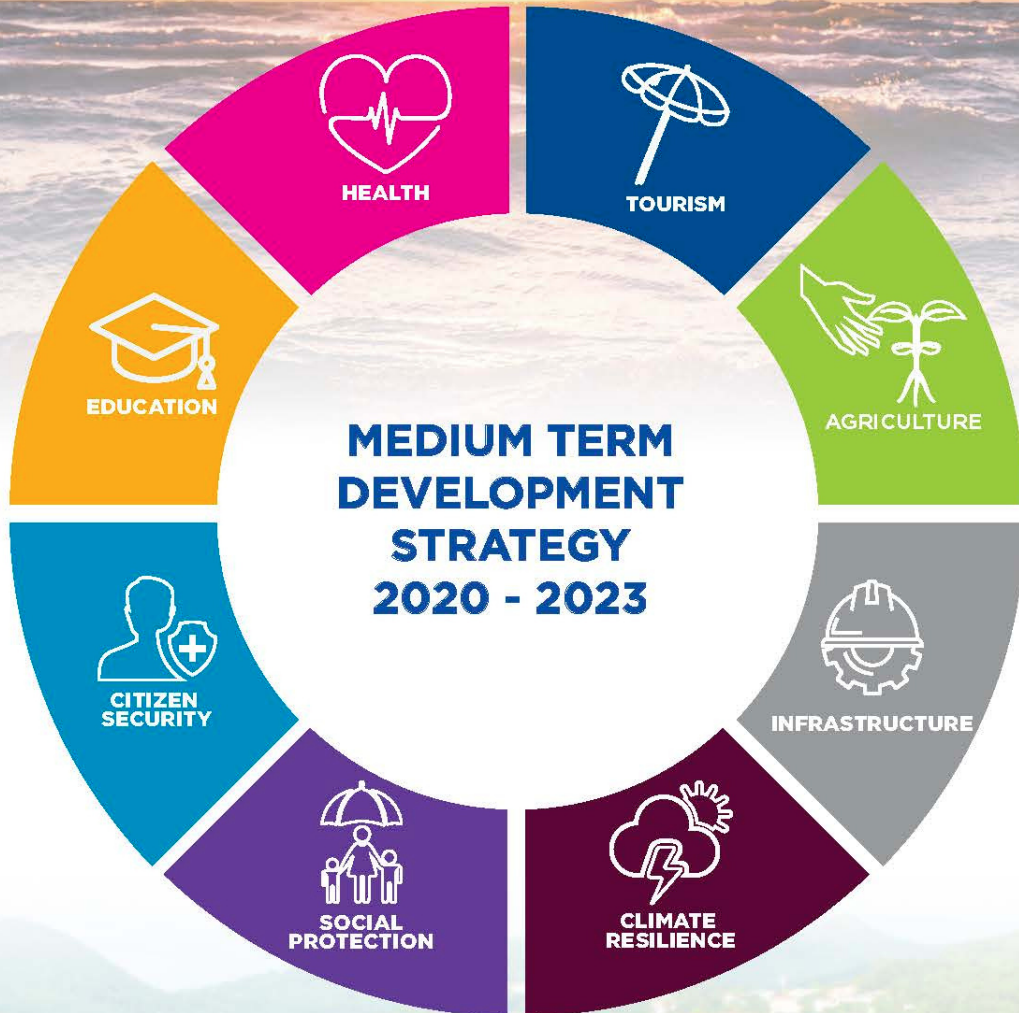
EXTERNAL AGENCY	EC \$Million
Caribbean Development Bank	\$56.62
World Bank (IDA)	\$42.19
World Bank (Development Policy Credit)	\$79.65
CARICOM Development Fund (CDF)	\$5.02
Republic of China on Taiwan EXIM Bank	\$91.24
TOTAL	\$274.72

Domestic financing requirement amounts to **\$240.86 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

2021/2022 BUDGET

THE APPROPRIATION BILL



Adapting, Overcoming and Persevering: We are a Resilient Nation

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 Gazetted.

The Appropriation Bill outlines the Government's plans for Saint Lucia and how these plans are financed for the 2021-2022 financial year.



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

POLICY INITIATIVES

2021/2022 FINANCIAL YEAR

NATIONAL ENERGY INFRASTRUCTURE

Lowering carbon emissions to assist with climate change adaptation and mitigation effort and boost our energy independence and overall resilience to shocks from volatile energy prices and adverse weather events.

Renewable Energy



LED Street Lighting

- Street lights will be replaced with LED lights for even more savings

Solar Energy for Schools

- Installation of at least 100 kW of Solar PV systems at 10 schools across the island
- 40 schools will be audited for lighting retrofits of over 6,700 florescent lights to LED lights as part of the **Energy Efficiency** promotion efforts

Solar Farm

- LUCELEC to develop a 10 MW AC solar farm with a 7MWh battery storage in Troumassee, Micoud

Legislation

- Consultation to introduce the **“Energy Efficiency Legislation”** to provide guidelines and support changes in attitudes and behaviours in relation to energy utilization

The Blue Economy

The **Medium Term Development Strategy (MTDS)** deems the Blue Economy, which includes our coastal zone and marine resources, to be integral to our development. The Government will work with the stakeholder Ministries including Sustainable Development, Agriculture and Fisheries and Commerce as well as with the OECS Commission and other regional bodies such as UN ECLAC to develop a national strategy and action plan to provide a more structured framework for implementation of the Blue Economy.



HUMAN CAPITAL RESILIENCE PROJECT

Strengthening the Social Protection Architecture

Strengthen the social policy framework:

- Update the National Social Protection Policy and associated legislation
- Develop standard operating procedures
- Develop a Graduating Strategy for beneficiaries
- Establish a Monitoring and Evaluation framework

Enhance programme implementation through:

- Modernization of the payment system
- Establishment of a robust social information system/registry
- Training capacity building for support staff
- Strengthening coordination among institutions and agencies



POLICY INITIATIVES

2021/2022 FINANCIAL YEAR

ECONOMIC INFRASTRUCTURE

Most of the infrastructure initiatives are funded using concessional sources (grants or concessional loans)

National Road Infrastructure:

- The Millennium Highway West Coast Road Rehabilitation Upgrade Project; **should commence shortly**
- Reconstruction of the Cul-de-Sac Bridge; **ongoing**
- The Road Improvement and Maintenance Programme (RIMP); **ongoing**
- National Road Rehabilitation Programme (NRRP)
- Gros Islet and Castries North Roads Project; **nearing completion**

\$120.5 million

Allocated to the Department of Infrastructure for the Road Infrastructure Programme

Under the Disaster Vulnerability Reduction Project (DVRP) **EC\$25.9 million** has been allocated for the rehabilitation of the (1) **Vanard to Venus Road**, (2) **Piaye Bridge** and (3) **the Vanard to Anse la Raye road**

Local Road & Community Infrastructure

\$10.7 million

Investment at the Community Level

Allocated to the Constituency Development Programme

\$10.0 million will be grants received from the Republic of China Taiwan (ROCT)

Sustainable Water Infrastructure

\$24.2 million

Funded by the Caribbean Development Bank

Allocated to the Vieux Fort Water Supply Redevelopment Project

The government will also finalize Phase II of the Dennerly Water Supply Redevelopment Project

Airport Infrastructure

The **Hewanorra International Airport (HIA)** project is expected to increase the carrying capacity by 250 percent as outlined in the Medium Term Development Strategy (MTDS) for economic development in Saint Lucia.

- Site preparation, including the driving of more than 3000 piles, is currently ongoing
- The project will include the construction of a new terminal and other airport rehabilitation work
- The World Bank has provided concessionary financing to address flooding mitigation, resurfacing of the runway and for installation of navigational equipment



POLICY INITIATIVES

2021/2022 FINANCIAL YEAR

TOURISM DEVELOPMENTS

The stage is set for people in local communities to own and operate tourism related businesses. The legislation that gives effect to the Village Tourism Agency will be passed shortly

Village Tourism

- Construction of a 10 room Bed and Breakfast in **Anse la Raye Village**
- Construction of restaurants on the waterfronts in **Soufriere and Anse la Raye**
- Upgrades for houses near the waterfront in **Anse la Raye**
- Construction of vending facilities in **Palmiste, Soufriere**
- Waterfront development and upgrade to the recreational park in **Gros Islet**
- Enhancement of the jetty in both **Gros Islet and Anse la Raye**



The OECS Regional Tourism Competitiveness Project

- Phase 2 of the **Castries Market redevelopment**
- Phase 2 of the redevelopment of the **Derek Walcott Square**
- Upgrade of the **Canaries Waterfront**
- Upgrades to the **Choiseul Arts and Craft Centre**
- Upgrade of the **Old Trafford complex in Soufriere**

Creative Sector Support

celebration of our indigenous festivals

hybrid of virtual and face to face elements

PUT MONEY DIRECTLY IN THE HANDS OF THOSE WITHIN THE CREATIVE INDUSTRY



POLICY INITIATIVES

2021/2022 FINANCIAL YEAR

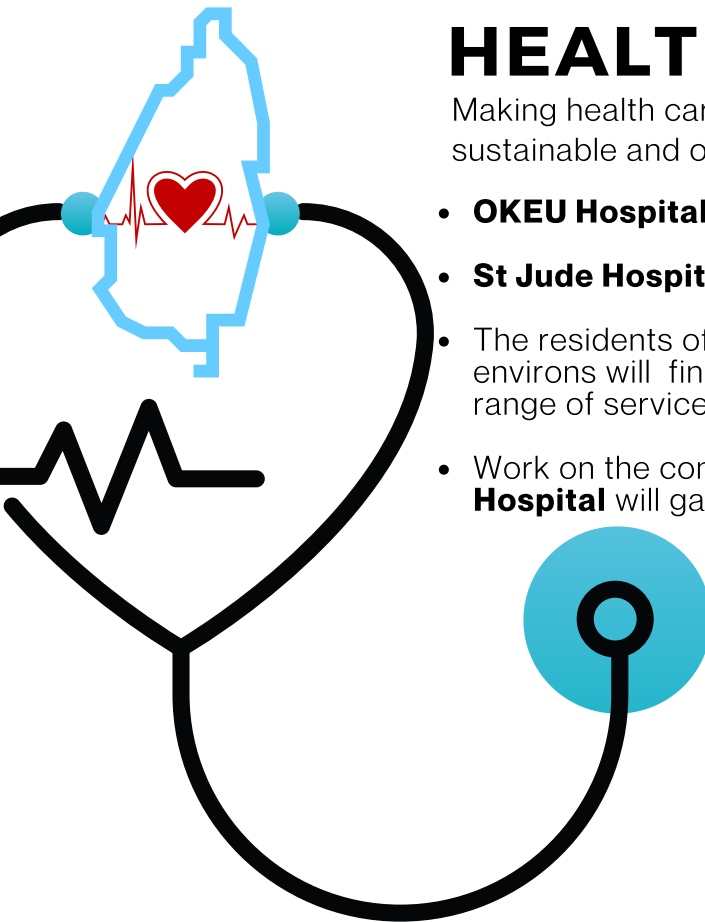
HEALTH

Making health care universally accessible, affordable, equitable, sustainable and of the highest international standards for Saint Lucians.

- **OKEU Hospital** will be fully transitioned
- **St Jude Hospital** will be completed
- The residents of **Anse la Raye** and **Micoud** and their respective environs will finally be able to access better quality and an increased range of services with the opening of their wellness centres
- Work on the construction of the **Dennerly Polyclinic** and **Soufriere Hospital** will gather pace

NATIONAL HEALTH INSURANCE (NHI)

With World Bank support, it is the Government's intention to operationalise the national health insurance programme before the end of 2021/2022



HOUSING /SETTLEMENT DEVELOPMENT

Our housing policy and related interventions have consistently been rooted in four main principles:

- To increase the number of Saint Lucian land/home owners
- To provide our citizens with access to safe and affordable housing
- To rationalise existing unplanned settlements
- To establish residential land developments in various location

SITES AND SERVICES PROGRAMME 2021/2022

- 1 Provision of approximately 133 lots in **La Fargue, Piaye, Monier and Riche Bois** (Ti Rocher, Micoud).
- 2 Commence two new housing developments in **Belair and Odsan**, that will hopefully impact on at least 200 households
- 3 Housing developments in **Choc, Talvern and Bois Jolie** will also gather pace
- 4 The review of the **National Housing Policy and Strategic Action Plan** that will be undertaken this year is most opportune.

POLICY INITIATIVES

2021/2022 FINANCIAL YEAR



CITIZEN SECURITY

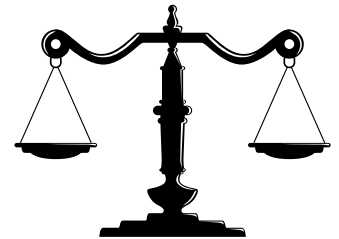
The Government remains resolute in the fight against crime and within this financial year, even more resources will be allocated to the Royal Saint Lucia Police Force. The Government will continue the roll out of CCTV cameras particularly across the city centre and within crime hot spots in order to improve the surveillance capabilities of the Royal Saint Lucia Police Force thereby, improving security.

POLICE HEADQUARTERS AND COURT FACILITIES

During 2021/2022, work will commence on the construction of a complex that will house the Headquarters of the **Royal St. Lucia Police Force (RSLPF)** and a **Remand Facility**. The facility will be constructed via a BOLT (Build Own Lease Transfer) arrangement.

During 2021/2022, the Government of Saint Lucia will:

- Undergo a full rehabilitation of the **Vieux Fort Police Station** facility
- Pursuing a home for the **Eastern Caribbean Supreme Court** headquarters
- The **Gros Islet Police Station** will get a new home
- Strengthening of the office of the **Director of Public Prosecution (DPP)**
- Assisting the **Magistrates Courts** to go digital
- Repairs to the **Second District Court** building
- Commencement of the **Judicial Reform and Institutional Strengthening (JURIST)** Project
- Assisting the **High Court** to go digital
- The **Bench Trials Committee** was established



FORENSIC LABORATORY

Saint Lucia's Medium Term Development Strategy (MTDS) emphasized the need to improve our investigative capacity, enhance crime detection and improve the rate of prosecution. In keeping with this thrust **the Scenes of Crime Office of the Royal Saint Lucia Police Force will be moved to the Forensic Science Laboratory.**

A new area of expertise called "**Firearms Examination & Analysis,**" will be introduced at the Forensic Laboratory. This new technology will assist the Police Force in connecting gun violence to perpetrators. This initiative will entail utilizing technology that would assist in linking crimes through bullet comparison.

The decision has been taken to procure two pieces of cutting-edge equipment, which will allow the staff of **the Forensic Laboratory to be able to perform human identity analysis and sequencing the human genome.**



POLICY INITIATIVES

2021/2022 FINANCIAL YEAR

AGRICULTURE

The objective is to broaden our capacity to feed our country and reduce our reliance on external sources as articulated by **Saint Lucia's Agricultural Strategy** in the Medium Term Development Strategy (MTDS)



The medium term plans for the Agricultural Sector are to:

1. Enhance Saint Lucia's food and nutrition security
2. Expand the Diversification of economic crops
3. Increase export revenue from agriculture
4. Improve self-sufficiency in selected locally grown crops

Seven Crops Project

The Expansion of Food Crop Production Programme or **7 Crop Project** is geared towards moving Saint Lucia closer to achieving food security. The project focuses primarily on producing **cabbage, tomato, lettuce, sweet pepper, watermelons, cantaloupe and pineapple** locally, in a bid to reduce the food import bill.



Some of the support to be provided under this project includes:

- Technical assistance to 200 farmers and 2 farmer cooperatives
- Enhancement of post-harvest processing techniques and establishment of fruit and vegetable packaging specifications and materials
- Training of Extension Officers
- Establishment of an agricultural intelligence information system based on farmers' production of produce and official market demand

Banana Productivity Improvement Programme

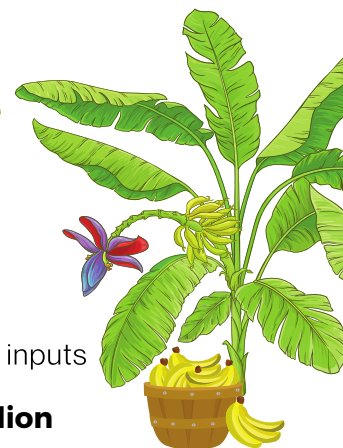
\$6.0 million

ALLOCATED to the Banana Productivity Improvement Programme (BPIP)

This project focuses on:

- Expansion of Acreage under cultivation
- Pest and disease control
- Increased productivity of banana farms
- Establishment of a Sustainable Finance Mechanism for inputs

The amount programmed for the BPIP in the 2021/22 budget is \$2.7 million



Building Resilience for Adaptation to Climate Change and Climate Variability in Agriculture

The project comprises of the following components:

1. Building resilience and sustainability of farming systems through interventions for water security, soil conservation and management
2. Establishing Green Agro-Parks, including the use of solar energy, for increased efficiency in resilience farming systems
3. Knowledge management and transfer to improve adaptive capacities.

The Government has leveraged the resources of an Adaptation Fund which was established under the **Kyoto Protocol of the United Nation Framework Convention on Climate Change** in the amount of approximately **US \$9.8 million** to build resilience

A total of **US\$6.1 million in 2021/2022** has been **budgeted** for this new financial year. The Ministry of Agriculture will receive a disbursement of **EC\$2.6 million** from the CDB in 2021/2022

ADDITIONAL MEASURES TO ASSIST THE PEOPLE OF SAINT LUCIA

**SALARIES & DEBT PAYMENTS
HAVE BEEN IDENTIFIED AS TOP
PRIORITY**

**“NO NEW TAXES” IN THIS
2021-2022 BUDGET**

Additionally, tax-related relief measures to targeted groups of households and businesses are being provided under the framework of the **Economic Recovery and Resilience Plan (ERRP)**.
(<https://www.errp.info>)



FRONTLINE WORKERS



The period for which frontline workers are able to **import vehicles duty free** has been extended to **SEPTEMBER 2021**

TAX FILING AND COLLECTION

The deadline by which taxpayers are required to file their taxes has been extended until **May 31st, 2021**. Efforts will also be directed at improving tax administration to boost revenue collection and assist with recoveries. This will include wider use of credit and debit card payments at point of sale terminals, online or e-payment options installed at Customs and other revenue collection points of the government.



PROPERTY TAX

The government intends to introduce a **revised ‘property tax’ system** that is simple, fair and equitable. The reformed property tax regime will result in a broadening of the tax base and will encourage higher rates of compliance.

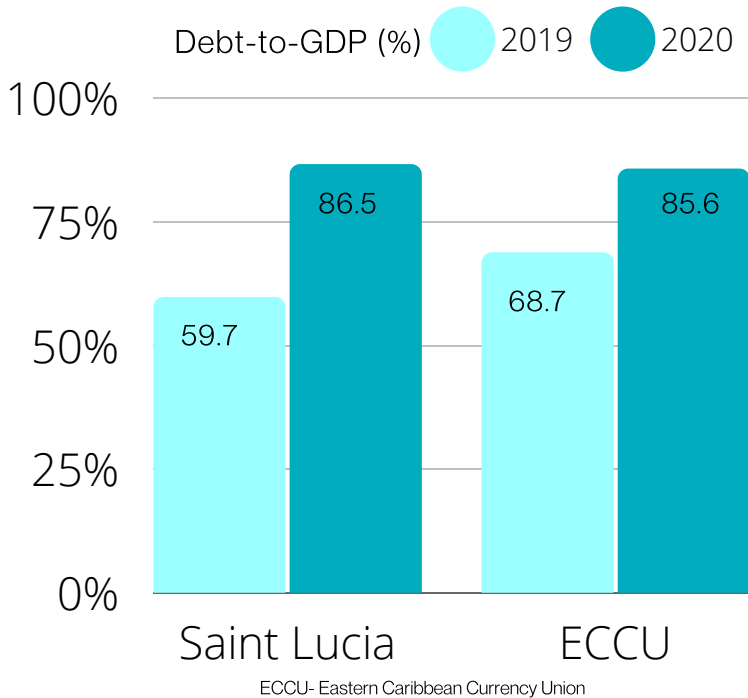
**THE GOVERNMENT HAS POSTPONED THE INTRODUCTION OF THE NEW
REGIME UNTIL JANUARY 1, 2022**

SAINT LUCIA'S PUBLIC DEBT

\$3.773 billion

Debt to GDP Ratio of 86.5%

Official stock of public debt as of December 2020



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.

Clearing Payables

The Government of Saint Lucia remains committed to reducing its outstanding payables to our local businesses. In that regard, the government has been accommodating set offs of some outstanding amounts against current tax liabilities of some entities. In 2021-22, the government intends to continue this practice, where possible. Going forward, a more comprehensive strategy will be developed in the coming months to settle these outstanding amounts in a manageable manner, in consultation with the central government's domestic creditors.

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.**

Given the outcome of the debt portfolio assessment, actionable steps were taken to **reduce the cost of debt through lower average interest rates and to lengthen the maturity profile of debt instruments** by attempting to reduce the share of short-term debt instruments and securities in our debt mix. This was done through actively seeking to refinance loans where possible with a view to securing more favourable terms including **more concessionary or lower interest rates, grace periods and longer maturity or repayment periods**, as a means of lowering the average effective interest rates. As a result, the share of concessionary financing in the debt portfolio has increased to 27% from 25%.

Debt Management Policy

As part of the Government's efforts to ensure proper management of the nation's debt, a **Debt Management Policy**, the first of its kind for Saint Lucia, was established. This has been critical to the adherence of best practices and has helped with the development of a unified public debt legislative framework for Saint Lucia. This **Debt Management Policy** document has been used to guide the drafting of the inaugural **Public Debt Management Bill** which will be presented to Parliament in the coming months.

Key Debt Management Indicators

	2016	2020
Average Time to Maturity	4.9 yrs.	5.7 yrs.
Weighted Average Cost of Debt	5.31%	4.86%

ALLOCATION OF EXPENDITURE ACROSS MINISTRIES AND GOVERNMENT DEPARTMENTS

AGENCY NO.	AGENCY	RECURRENT	CAPITAL	TOTAL	%
44	Department of Finance	495.36	5.67	501.03	30.6%
52	Department of Education	209.63	27.43	237.07	14.5%
53	Department of Health and Wellness	174.88	14.72	189.60	11.6%
43	Department of Infrastructure	41.64	113.43	155.07	9.5%
36	Department of Home Affairs	119.51	7.90	127.41	7.8%
51	Department of Equity	62.84	1.65	64.49	3.9%
56	Department of Economic Development	23.57	40.64	64.21	3.9%
41	Department of Agriculture	28.50	29.41	57.91	3.5%
22	Department of Public Service	42.75	3.64	46.39	2.8%
46	Ministry of Tourism	21.48	14.50	35.98	2.2%
45	Department of External Affairs	30.54	0.14	30.68	1.9%
35	Department of Justice	21.70	1.03	22.73	1.4%
55	Department of Sustainable Development	19.74	0.21	19.95	1.2%
48	Department of Housing	3.83	12.70	16.54	1.0%
47	Department of Physical Planning	12.20	3.00	15.20	0.9%
21	Office of the Prime Minister	12.97	0.04	13.02	0.8%
54	Ministry of Youth Development & Sports	7.17	2.17	9.35	0.6%
42	Ministry of Commerce	9.03	0	9.03	0.6%
32	Attorney General's Chambers	7.25	0	7.25	0.4%
14	Electoral Department	4.76	0.32	5.08	0.3%
12	Legislature	3.61	0	3.61	0.2%
49	Department of Labour	2.63	0	2.63	0.2%
15	Audit Department	2.01	0	2.01	0.1%
11	Governor General	1.27	0	1.27	0.1%
13	Service Commissions	1.14	0	1.14	0.1%
		1,360.00	278.60	1,638.60	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 2021-2022



2021-2022 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 include:

1. [Estimates of Revenue and Expenditure 2021-2022](#)
2. [Throne Speech by his Excellency Governor General Sir Emmanuel Neville Cenac](#)
3. [Prime Minister's Budget Presentation: Estimates of Revenue & Expenditure](#)
4. [Prime Minister's Policy Statement \(The Appropriation Bill\): "Adapting, Overcoming and Persevering: We are a Resilient Nation"](#)
5. [The Medium Term Development Strategic Plan](#)

Feedback on **The Citizen's Guide to the 2021/2022 Budget** may be sent to info@finance.gov.lc



Special thanks to all the Ministries, Departments and Agencies that worked hard toward 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 this process, and successfully completed the exercise.



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