



Budget2024

SAINT VINCENT AND THE GRENADINES



*Accelerating Sustainable Development, Propelling Inclusive Growth and
Advancing People-Centered Reforms to Build a More Resilient
Saint Vincent and the Grenadines*

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The *Budget Speech* is delivered annually, and precedes the Parliamentary debate on the Appropriations Bill. Budget 2024, and its attendant *Estimates of Revenue and Expenditure for the year 2024* are prepared under the guidance of Mr. Edmond Jackson, Director-General of Finance and Planning, Mr. Recardo Frederick, Director of Planning, Mr. Ken Morris, Budget Director, and the entire staff of the Ministry of Finance, Economic Planning, Sustainable Development and Information Technology. The *Budget Speech* and the *Estimates* are published by the Government Printery.

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Government of Saint Vincent and the Grenadines

2024 BUDGET SPEECH

*"Accelerating Sustainable Development, Propelling Inclusive Growth and
Advancing People-Centred Reforms to Build a More Resilient
Saint Vincent and the Grenadines"*

Honourable Camillo Gonsalves
Minister of Finance

8 January 2024

Budget 2024:



\$1.6b

Estimated Revenue and Expenditure, an 11.8% hike over the approved 2023 Budget



-\$25m

Projected current account deficit, as recovery and investment continue



92

New posts included in the Budget, to aid service delivery and implementation



\$571m

Budgeted Capital expenditure, surpassing the approved 2023 allocation by \$99 million



\$43m

Budgeted to the National Road Rehabilitation Project, part of a major national road repair thrust



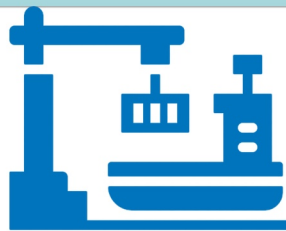
\$24m

To build 234 new homes and rehabilitate 520 more, for vulnerable Vincentians



\$15m

Budgeted to improve cricketing facilities in advance of Cricket T20 World Cup tournament



\$101m

Budgeted for development of the modern cargo port at Rose Place



\$27m

Budgeted for production support to the Agriculture and Fisheries Sector

by the numbers



\$11m

Budgeted expenditure for coastal defense work at Sandy Bay



\$1,000

Absolute minimum monthly wage for full-time workers. Other positions have higher minimums



\$43m

Budgeted expenditure for hotel development at Diamond and Mt. Wynne



\$7m

To begin construction of Cultural and Artistic Hubs in Belle Vue, Troumaca and Petit Bordel



\$19m

For school construction, repairs to schools and expansion of TVET training centres



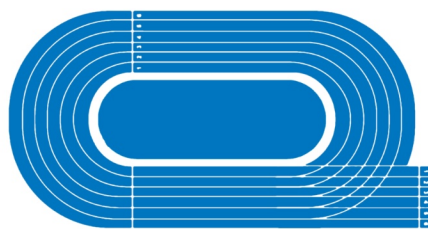
\$5m

To improve airport facilities and infrastructure in Bequia, Canouan and Union Island



\$35m

To begin construction of the \$248 million Acute Care Hospital at Arnos Vale



\$15m

Budgeted to enhance the Sir Vincent Beache Athletic Stadium at Diamond



5.5%

GDP growth predicted in 2024 by Economic Commission for Latin America and Caribbean

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EXECUTIVE SUMMARY

Saint Vincent and the Grenadines withstood the COVID Pandemic and volcanic eruptions better than expected, and has returned to a path of strong growth. Saint Vincent and the Grenadines rebounded to pre-Pandemic levels of production by 2022, and preliminary estimates suggest 6 percent growth in 2023. Growth is projected at 5.5 percent in 2024.

Budget 2024 is crafted to build upon the ongoing economic reform through people-centred investments in transformative development projects and reforms that ensure long-term fiscal sustainability.

The \$1.6 billion Budget 2024, which projects a current account deficit of \$25 million, enters the second year of its three-year wage enhancement package for public servants, with a 2 percent salary increase across the board. Nurses, who are in demand globally and being poached at an alarming rate by developed countries, receive an extra 5 percent boost for the first six months of 2024.

Budget 2024 includes a record \$570.5 in planned capital expenditure, following record implementation of approximately \$350 million in capital projects in 2023. The Capital programme is led by the continued construction of the Modern Cargo Port, which is allocated \$101 million.

The continuation of the Government's thrust on road repair and rehabilitation hits full stride in 2024. The National Road Rehabilitation Programme is allocated \$43 million out of approximately \$70 million dedicated to road repair in Budget 2024.

Similarly, construction of the Acute Care Hospital at Arnos Vale is will also begin in 2024. This critically-important resilience project is budgeted \$35 million this year. The work of strengthening healthcare resilience goes well beyond a new hospital, and the other work of healthcare reform will also continue.

As part of our continued recovery from the impacts of the 2021 volcanic eruptions, Budget 2024 invests \$ 24 million for the construction or repair of over 750 homes nationwide. The provision of building materials to vulnerable homeowners, to assist them in the repair and safety of their houses, also continues.

Support for the agriculture and fisheries sectors transitions from surviving COVID and the volcanic eruptions, to increasing production and capacity in the face of new demand opportunities. A \$27 million injection of production supports will support food security with investments in equipment, livestock, tools and fishing supplies.

The imminent opening of the largest hotel in Saint Vincent and the Grenadines, the 300-room Sandals Resort at Buccament Bay, heralds the dawn of a new phase in tourism development. The Sandals Resort, whose construction cost over \$600 million, will hire 550 Vincentians at by March, and top out at 900 local employees by the end of its first full year of operation. The Government's investments in an additional 350 hotel rooms, from the Holiday Inn Express and Marriott Resorts brands, will add further room stock, jobs, and capacity to the hospitality sector.

Sports and Culture enjoy heavy investments, with \$15 million being invested in cricket infrastructure in advance of the T20 World Cup tournament. A further \$15 million is invested in expansion of the Sir Vincent Beache Athletic Facility in Diamond. Construction of three Cultural, Artistic and Production Hubs begins this year, to bolster youth access to the arts, and to the opportunities necessary to bolster their skills. The Government will also support the creation of a National Youth Orchestra.

Education investments of \$19 million in Budget 2024 are headlined by the continuing comprehensive school repair programme, and the construction of state-of-the-art secondary schools in two locations: Sandy Bay and Brighton.

The Government's Digital Transformation agenda takes a great leap forward in 2024, with planned implementation of a series of citizen-focussed initiatives that will revolutionise the ways in which people pay their taxes, navigate Customs imports, renew or apply for critical documents, purchase land, and interact with the State.

The complex minimum wage architecture, last adjusted in 2017, will receive an important update in 2024 that ensures no full-time worker earns less than \$1,000 per month. Simultaneously, the Government is raising the standard income tax deduction to \$25,000 annually, to ensure that low wage earners will have greater freedom from taxes.

The social security system undergoes critical reforms to ensure its sustainability, and push the so-called "exhaustion date" from 2035 to 2060. The reforms include an increase in contributions, disincentives to take early pensions, increased insurable wages, improved benefits to vulnerable Vincentians, and changes to the ways in which pensions are computed.

Conversations on public pension reform and tax reform are slated to continue in 2024.

Budget 2024 raises minimum wages, increases public sector salaries, and beneficially alters tax deductions. Budget 2024 safeguards the sustainability of the NIS for decades to come. Budget 2024 invests more money than ever before in the types of infrastructure that drive developmental

transformation and resilience: Roads. Schools. Clinics. Hospitals. Houses. Hotels. Digital Transformation. And a state-of-the-art port facility.

Budget 2024 seizes this moment of recovery and growth to ensure that transformational development is accelerated, and that resilience to external shocks, including climate change, is improved. The critical economic and social sectors that underpin Vincentian society all receive significant, targeted investment, in line with the Government's vision to create in Saint Vincent and the Grenadines a modern, post-colonial, competitive economy, that is at once local, regional and global.

Madame Speaker, Honourable Members,

I. Introduction

We begin, as always, by giving thanks. The Bible reminds us to “*give thanks in all circumstances; for this is the will of God in Christ Jesus for you.*”¹ We have much to be thankful for, and must never take for granted the myriad blessings and mercies that the Lord has bestowed upon us, as individuals, and as this great nation of Saint Vincent and the Grenadines. One need only to turn on the world news to see how truly fortunate we all are in this, the Land of the Blessed.

Yet, while we must be ever thankful for our blessings, it is a truism that human nature often takes progress for granted, assuming that it is inevitable, while quickly forgetting the trials and tribulations that preceded the triumphs.

This very building in which we now present Budget 2024 is an example of that truism. Almost exactly one year ago, the Budget Speech was delivered in a decaying building, with treacherously rotting floors, and a roof and walls that did more to invite the outside elements than repel them. Today, we inhabit a thoroughly modern building, in comfort, in security and in stability befitting the seat of our democracy. A scant six months and eight sittings of Parliament since its opening, we take this building for granted, but it is far too soon to forget the progress that it unmistakably symbolizes.

In many ways, being taken for granted is the sincerest compliment for the progress achieved under this Government. It means that we have become a familiar and trustworthy presence in the lives of Vincentians, and that our tremendous progress has made the revolutionary seem routine. We accept that compliment with humility, even while insisting that we celebrate – however fleetingly – the many developmental triumphs that we have achieved in the past year.

In addition to opening this magnificent temporary Parliament Building, we have, in recent months:

- Built an additional 52 homes in the Red Zone, and distributed them to persons affected by the 2021 volcanic eruptions;
- Assisted over 1,300 students with scholarships, exhibitions, bursaries and tuition scholarships – the most Vincentian students ever assisted with tertiary education in a single year;
- Distributed 3,000 Chromebook computers to students, furthering our longstanding commitment to prepare our children for a digital future;
- Completed a food science and technology laboratory at the Community College campus in Arnos Vale, enhancing our ability to deliver TVET education;

¹ 1 Thessalonians 5:18

- ❑ Completed a temporary primary school in Union Island and substantially completing a fully rebuilt the Bequia Community High School, to significantly enhance the conditions for the delivery of education in the Grenadines;
- ❑ Substantially completed the Barrouallie Blackfish Processing Plant, which will be officially opened in the coming weeks, to enhance the standards and help modernise fishing activity on the Leeward Coast;
- ❑ Built or rebuilt hardcourts in Chilli and Glenside, providing top class recreational facilities for netballers and basketballers, and providing important community spaces;
- ❑ Substantially advanced the construction of the Modern Port at Kingstown, the second-largest infrastructural project ever attempted in our Country;
- ❑ Migrated into a thoroughly modern Inland Revenue Department building, enhancing the customer experience and improving the conditions for staff;
- ❑ Built a new clinic in South Rivers, as the precursor to a widespread upgrade of clinics across Saint Vincent and the Grenadines;
- ❑ Commissioned this country's first MRI machine, providing magnetic resonance imaging services to Vincentians for the first time, a quantum leap forward in diagnostic care;
- ❑ Completed critical road repairs and footpaths in Diamond, Stubbs, Dundo Hole, Pepper Village, Chapmans; and, more importantly, signing multiple contracts to start roadwork in 41 communities across Saint Vincent and the Grenadines as part of our policy of building roads from recovery to resilience;
- ❑ Generated more employment than ever in the history of Saint Vincent and the Grenadines, even as the population remains basically the same since 2001; the numbers of active registrants on the NIS rolls – the best proxy for employment – attest to this; and
- ❑ Experienced an estimated 6% in Economic growth in 2023 – pushing our economy well beyond pre-COVID levels – and fulfilling what we called in last year's budget address “the promise of growth.”

And many others, some of which will be further discussed in this Budget Speech. However, the developmental triumphs of 2023 pale in comparison to our plans for 2024, which are breath-taking in their scope and transformative potential.

This year, we will:

- ❑ Host Cricket World Cup T20 games after a \$35 million upgrade to our sporting facilities;
- ❑ Host the Leaders' Summit for CELAC, the Community of Latin American and Caribbean States – the largest and most significant international political gathering ever attempted in Saint Vincent and the Grenadines;

- See the opening of the Holiday Inn Express hotel and Sandals Resort, adding almost 400 quality rooms to our tourism product;
- Distribute \$27 million of supplies, equipment and assistance to farmers, one of the most significant one-time injections of support to aid agricultural production;
- Expand the Sir Vincent Beache Athletic Facility with additional seating, lighting and administrative buildings;
- Begin or complete construction of over 19 miles of roads in more than 58 locations nationwide;
- Construct some 250 houses and repair 500 more homes for vulnerable Vincentians;
- Begin construction of the Modern Diagnostic Hospital at Arnos Vale;
- Begin construction of the Marriott Resort in Mt Wynn;
- Begin the construction of seven clinics and polyclinics nationwide;
- Begin the construction of cultural hubs in Belle Vue, Petit Bordel and Troumaca;
- Begin construction of state-of the art secondary schools at Sandy Bay and Brighton;
- Begin construction of a Multipurpose Community Centre in Diamond;
- Accelerate construction of the critically-important Sandy Bay Sea Defence;
- Improve airport infrastructure in Bequia, Union Island and Canouan;
- Welcome a major new airline to Saint Vincent and the Grenadines, and increased international flights from existing carriers;
- Ensure a further moderation of inflation and the impacts of inflation on Vincentians;
- Usher in fundamental reforms to ensure the long-term sustainability of our National Insurance Service and pension arrangements; and
- Generate even more economic growth and create significantly more permanent jobs of quality

And much more, as part of a budget that allocates a record amount of money to a record number of projects and a number of far-reaching policy reforms that we will outline over the course of this week.

The Budget being presented today is one of a country on the right track. Budget 2024 sticks to the plan of accelerating our unmistakable people-centred developmental momentum, and building ambitiously on the gains of recent years. This is the budget of a country with a growing economy, a growing record of tangible gains to benefit our people, and a growing confidence in our collective capacity to implement our forward-looking transformative agenda.

II. BUILDING A MORE RESILIENT SAINT VINCENT AND THE GRENADINES

A. GLOBAL, REGIONAL AND LOCAL ECONOMIC ENVIRONMENT

Budget 2024 is crafted against a backdrop of international volatility, high inflation, a global economic slowdown, and a deeply-scarred region that is still regaining its footing in the wake of the COVID pandemic. The ever-present, ever-intensifying threat of destructive weather and climactic events also looms large.

The world is three years removed from the COVID pandemic, which was the largest global economic shock experienced in the last 75 years. The world is also just turning the corner on the highest levels of global inflation since the mid-1990s.² According to the World Bank, multiple factors – including COVID, inflation and the war in Ukraine – have conspired to drive an additional 75 to 95 million people into extreme poverty, compared to pre-pandemic projections.³ While most countries are recovering from the post-COVID shock, the IMF has pointed to signs that the “rebound is fading.”⁴ Accordingly, the IMF has adjusted its international economic projections downwards, predicting 2.9 percent global growth in 2024 – slightly below 2023 growth, and well below 2022 numbers.⁵ The IMF observes that “*medium-term prospects for economic growth remain the lowest in decades, with middle- and lower-income countries facing a slower pace of convergence toward higher living standards.*”⁶

The war in Ukraine shows no sign of abating, and has already demonstrated its ability to affect food security and prices globally. The ongoing genocide in Palestine is, first and foremost, a humanitarian catastrophe and a diplomatic debacle. However, economically, it is self-evident that the genocide has the real potential to expand into a wider conflict that affects fuel prices and inflation. Similarly, if recent diplomatic gains between Guyana and Venezuela are reversed, either by local actors or external provocateurs, the implications for regional stability could be catastrophic.

The United Nations has pointed out that “[w]e have entered an age of polycrisis. Conflict, climate change, the lingering effects of the COVID-19 pandemic and other global challenges are threatening to derail hard-earned progress towards the [Sustainable Development Goals].”⁷ It goes on to warn that “[i]t is time to sound the alarm. At the midpoint on our way to 2030, the Sustainable Development Goals are in deep trouble.”⁸

² See, Jongrim Ha, et al., “What Explains Global Inflation” Nov. 2023, p 2 (<https://www.imf.org/-/media/Files/News/Seminars/2023/ARC/session-ii-second-paper-kose-et-al.ashx#:~:text=Last%20year%2C%20global%20inflation%20reached,its%20level%20before%20the%20pandemic.>)

³ Daniel Mahler et al., “Pandemic, Prices and Poverty,” *Data Blog*, World Bank 13 April 2022 (<https://blogs.worldbank.org/opendata/pandemic-prices-and-poverty>)

⁴ WEO, p3

⁵ WEO, p11

⁶ WEO, p 10

⁷ *The Sustainable Development Goals Report 2023: Towards a Rescue Plan for People and Planet*, United Nations (2023) p. 3 (<https://unstats.un.org/sdgs/report/2023/The-Sustainable-Development-Goals-Report-2023.pdf>)

⁸ *The Sustainable Development Goals Report 2023: Towards a Rescue Plan for People and Planet*, p. 4

Thus, while we are recovering well from recent shocks, overall development objectives remain in jeopardy.

Within the Caribbean Community (CARICOM) and the Organisation of Eastern Caribbean States (OECS), most countries were not as fortunate as Saint Vincent and the Grenadines, which returned to pre-COVID levels of growth in 2022 and surpassed those levels in 2023. For many countries in our subregion, 2024 is projected to be the year that they finally surpass their pre-COVID levels of production. All CARICOM economies are projected to grow in 2024 – some as part of their post-COVID rebound, and others as true expansion beyond 2019 levels.

The Economic Commission for Latin America and the Caribbean (ECLAC) projects that the economies of the Caribbean (excluding Guyana) will grow by 2.6 percent in 2024.⁹ That growth will be led by the Eastern Caribbean Currency Union (ECCU), whose members, according to the IMF, will grow by an average of 4.0 percent in 2024.¹⁰

The economy of Saint Vincent and the Grenadines is expected to outperform both CARICOM and ECCU projections. While there are some discrepancies between the latest IMF and ECLAC reports, both organisations expect Saint Vincent and the Grenadines to experience growth between 5.0¹¹ and 5.5¹² percent, in addition to the strong growth experienced in 2023. It is absolutely important to recognize that the Saint Vincent and the Grenadines' economic growth in 2023 and projected growth in 2024 is not merely the growth that happens when you emerge from a downturn. Our post-COVID rebound took place back in 2021 and 2022. The growth in the Vincentian economy for 2023, and the projected growth in 2024 is real, significant, and helping to drive the developmental transformation that is taking place in our country. Our current growth spurt, but more importantly, our sustained development, is part and parcel of our Prime Minister's plan to create a modern, competitive, post-colonial economy that is at once, local, regional and global. We have a plan. We are sticking to our plan. And our plan is working, to the benefit of all Vincentians.

⁹ Economic Commission for Latin America and the Caribbean (ECLAC), *Preliminary Overview of the Economies of Latin America and the Caribbean*, 2023 (LC/PUB.2023/22-P), Santiago, 2023, p. 136 (<https://repositorio.cepal.org/server/api/core/bitstreams/16783e9f-6195-433d-9a5a-4c38c47432b9/content>)

¹⁰ WEO, p. 42

¹¹ WEO, p. 125

¹² *Preliminary Overview of the Economies of Latin America and the Caribbean*, p. 136

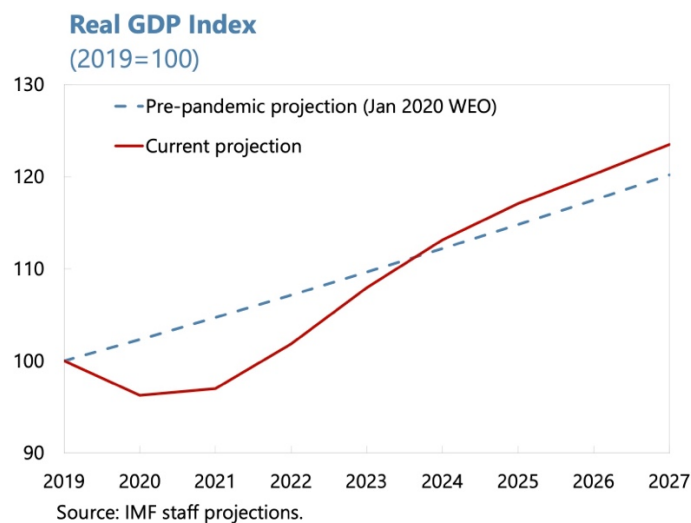


Figure 1: IMF Pre- and Post-Pandemic GDP projections for Saint Vincent and the Grenadines

Indeed, the IMF, in its recent Article IV consultations with Saint Vincent and the Grenadines,¹³ noted that our current growth trajectory is not simply back on track with pre-COVID projections; but that our economy is more robust than it was before, and that it is on track to surpass where they thought it would be in the medium term. In other words, our economy, like our country, is on the right track.

Nonetheless, there are many downside risks that could negatively affect our economy in 2024.

First and foremost, the danger of natural disasters and severe weather events is ever-present. Since 2020, we have experienced volcanic eruptions, Hurricane Elsa and one of the worst droughts on record in Saint Vincent and the Grenadines.

The devastating human and economic impacts of the COVID Pandemic are fresh in our minds. The threat of a COVID resurgence, or similar public health emergency, would derail the best laid plans of our Government.

Further, in our local context, inflation, implementation capacity constraints and inordinate delays in major projects can also hinder development.

Finally, while most countries in the world are continuing to rebound from the economic impacts of the COVID pandemic, the countries of the developing world, including Saint Vincent and the

¹³ International Monetary Fund, Saint Vincent and the Grenadines: 2022 Article IV Consultation—Press Release; Staff Report; and Statement by the Executive Director for St. Vincent and the Grenadines, November 17 2022 (<https://www.imf.org/-/media/Files/Publications/CR/2022/English/1VCTEA2022001.ashx>)

Grenadines, are undoubtedly more fragile than we were before the pandemic. The process of recovery increased sovereign debt burdens, and further constrained fiscal policy space. The global business investment climate remains tepid, high inflation has put a damper on manufacturing, and consumer savings are stretched. Advanced economies are forecasting anaemic growth in 2024, and projections for the large developing economies of China, Mexico and Brazil are all being adjusted downwards.

Nonetheless, we are guardedly optimistic that we will meet, and possibly exceed, the robust projections for our economy in 2024. The reality of life, living and production in a small island developing state like ours is that there will always be downside risks, and that there will always be events beyond our control that can derail our plans. Budget 2024 is about building resilience and buffers to withstand those unpredictable shocks, while sticking to the plan of crafting a modern, competitive, post-colonial economy that is at once local, regional and global.

Today's Budget Speech will present some of the major initiatives that this Government will pursue in furtherance of our plan. Throughout the remainder of this week, we will delve more deeply into those initiatives.

III. ENABLING SECTORS

A. AGRICULTURE, FORESTRY AND FISHERIES

Agriculture – and the farmers and fishers of Saint Vincent and the Grenadines – remain at the heart of our national development. Unlike some of our neighbours, this Government will not abandon agriculture in a reckless pursuit of fast but fleeting money. Nor will we sideline the agricultural sector to place all of our developmental eggs in a single, fragile basket. Agriculture is a buffer against shocks, it is a wealth creator, it is a guarantor of improved food security, and it is one of Saint Vincent and the Grenadines' chief competitive advantages in a region of largely homogenous economic models. This was made clear during regional COVID shutdowns, when many of our neighbours looked to us to supply them with essential foodstuff.

The farmers and fishers of Saint Vincent and the Grenadines have endured a three-year barrage of negative challenges: the volcano, the Pandemic and a drought made mere survival seem like success. During that period, the Government gave multimillion dollar supports to the agricultural sector. We pumped more than \$15.7 million into direct supports to farmers. But the support was symbiotic. It was our economic diversity, led by our farmers, that helped Saint Vincent and the Grenadines to withstand the Pandemic downturn better than any other country in the OECS.

Today, new and lucrative opportunities abound for farmers and fishers. Led by an increasingly-vibrant private sector, which has invested heavily in fisheries centres, restaurants and hotels, farmers and fishers are well poised to take advantage of our economic rebound.

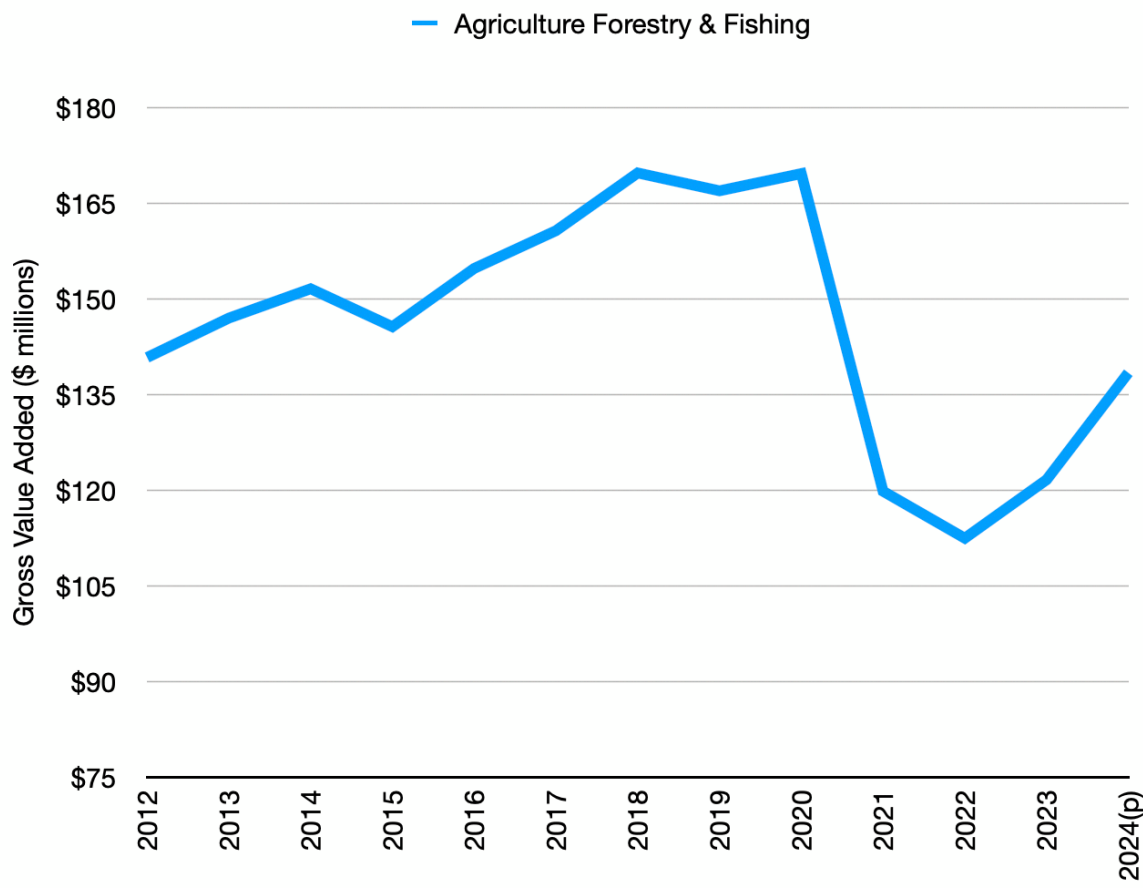


Figure 2: Agricultural production, Gross Value Added, 2012 - 2024 Source: ECCB

The Agriculture and Fisheries Sector is one of the few major economic sectors that has yet to return to pre-Pandemic levels of production. The reason for this slower rebound is devastatingly simple: Our farmers and fishers had much more than a Pandemic to deal with.

The lasting economic effects of the volcanic eruptions are most acutely felt by our farmers. Apart from being driven from their lands for months, the sheer volume of ash that coated their farms has proven to be a severe impediment to improved production. In the 1979 eruption, less intense ashfall actually helped soil fertility and agricultural production. Back then, the ash mixed with the soil. In the aftermath of 2021, in the hills of the Red Zone, impenetrably thick layers of ash sat atop the soil, or mixed in such volumes as to significantly affect soil composition. Today, farmers are reaping peanuts, other root crops and some vegetables to find that they are significantly smaller and less healthy than they were before the eruption.

Further, repeated, and severe droughts have hamstrung production and recovery. On the heels of the debilitating 2020 drought – our worst in seven decades – Saint Vincent and the Grenadines has withstood multiple years of excessive heat and insufficient rain. As will be discussed later in this Speech, 2023 rainfall also remained below historical averages.

Yet, despite these challenges and impediments, there is considerable cause for optimism. The Minister of Agriculture is spearheading an unprecedented effort to boost agricultural production in Saint Vincent and the Grenadines. At the centrepiece of that effort is a 1-year direct injection of over \$27 million worth of tools, supplies, equipment and livestock into the hands of farmers and fishers. Last year, the Government announced this \$27 million programme as one of the “Fresh Initiatives” of Budget 2023. We spent 2023 contracting and procuring the items, over \$20 million of which are already in hand or *en route* to Saint Vincent and the Grenadines. Beginning in the first quarter of 2024, farmers and fishers will see the fruit of this Fresh Initiative: \$6.75 million worth of greenhouses, \$2.3 million in Fish Aggregating Devices, \$2 million in safety gear for fishers, \$1.4 million worth of livestock (calves, goats, rabbits and sheep), \$1.3 million in general production tools for farmers, \$835,000 in irrigation supplies, \$315,000 in broiler hatching eggs and day-old chicks, and a host of other items, including water tanks, seeds, fertilizers, mulch, liquid nitrogen machinery to facilitate artificial insemination, and retractable canopies and bait wells to augment comfort and efficiency of fishing vessels.

You can search every budget book from 2023 back to independence, and you will not find a similarly large, similarly ambitious, similarly impactful single-year injection of production supports for farmers and fishers in Saint Vincent and the Grenadines. We have pivoted seamlessly from helping farmers and fishers survive the recent disasters, to helping them take advantage of the upcoming opportunities. We have moved from income support to production support, and we are facilitating an agricultural revitalisation designed to position our sector to take full advantage of new opportunities.

In keeping with this shift from survival to success, Budget 2024 will also advance our ambition to provide our traditional arrowroot farmers with a modern and efficient processing factory in Owia. We anticipate completion of the factory shell this year, as well as the procurement of the necessary pulverization and production equipment.

- **Fisheries**

Our fisheries subsector continues to be a resilient bulwark against the challenges that have beset the wider agricultural sector. While lobster production remains reduced since the eruptions of La Soufriere, all other seafood production is performing swimmingly. We view our fishers as the first beneficiaries of our thrust to enhance the Blue Economy through sustainable use of our vast ocean

resources, and Budget 2024 invests accordingly. Over \$11 million will be spent this year to enhance the safety, comfort and productivity of fisherfolk.

Through the Volcanic Eruption Emergency Project (VEEP), Budget 2024 will complete designs and commence construction and rehabilitation activities on fisheries centres in Chateaubelair, Owia and Calliaqua. These rehabilitations will improve productivity, safety and the comfort of both fishers and consumers.

Last year, the contractor building the Modern Cargo Port in Kingstown requested permission to dredge for sand off the coast of Brighton Bay. While concluding the necessary environmental, bathymetric and social impact studies, we consulted with the fisherfolk in Calliaqua and Shipping Bay about the plans, impacts and implications of the proposed dredging. Independent experts advised that there was no measurable environmental downside to the dredging. However, some fishers thought that the activities of the dredging vessel may obstruct their transit through the Brighton Bay area, or somehow temporarily affect fishing activity in areas adjacent to the dredging site while the dredger was in operation. As a result, some fishers decided to alter their own fishing practices during the five-week dredging period.

The Government decided to set aside some of the money earned from the sale of that Brighton Bay sand for the benefit of fishers in Calliaqua and Shipping Bay, as well as those who were displaced from Rose Place to Lowman's Bay by port construction activity. Last year the Government made \$5,000 *ex gratia* payments to 81 fisherfolk operating out of Calliaqua and Shipping Bay. This year, Budget 2024 allocates an additional \$750,000 from the money earned from the dredging activity to establish safe and sanitary facilities for the fishers operating out of Lowman's Bay and Shipping Bay.

Similarly, Budget 2024 will spend \$1.6 million to complete the Barrouallie Black Fish Processing Facility. This facility – the first seafood processing facility dedicated to a single type of marine life – will improve the handling, processing, storage and marketing of blackfish and its by-products both locally and regionally. Further, on the heels of their active cooperation in building the Barrouallie Blackfish Processing Plant, the Japanese Government has very recently agreed to provide a \$5.6 million grant to procure equipment in support of the fisheries subsector – particularly at the Kingstown Fish Market and the Barrouallie Blackfish facility. This equipment – which will include refrigeration systems, ice makers, sealers, vacuum packers and lifts – will be procured this year, and will boost the quality and “exportability” of seafood.

There is a well-known and ancient adage that says *“if you give a man a fish, you will feed him for a day; but if you teach a man to fish, you feed him for a lifetime.”* While our talented local fishers do not need to be taught to fish, they do need greater experience operating larger, modern, commercial fishing vessels. Recognising this need, and hoping to move more fishers from near shore subsistence fishing

to more commercially viable production, we have collaborated with the ALBA bank to introduce the Solidarity Fishing Fleet Enhancement Programme. The Solidarity Fishing Fleet project will spend \$4.4 million this year to purchase and equip 4 modern tuna boats, in the first instance, and to train fishers in the operation of those vessels and the business of commercial fishing. On completion of their training, we will assist fishers with demonstrated interest and aptitude to operate their own commercial tuna boats.

For those fishers more interested in procuring their own boats and engines, Budget 2024 continues Phase II of the Fishing Development Project, which provides the down payment to fishers seeking to borrow money for smaller boats and supplies. The \$500,000 allocated to this project in 2024 will unlock \$2.5 million worth of private sector financing for fishers. The \$27 million worth of production supports to farmers and fishers also includes safety gear for these fishers, bait wells for their boats, and retractable canopies to keep fishers and their catch out of the sun.

The \$11 million investment in fishing, and the \$27 million allocation to production supports are exciting and powerful catalysts for improved production in the agriculture and fisheries sector. However, we do have challenges still to overcome.

As predicted, Climate Change is an ever-present threat to the agriculture sector. After an unprecedented drought in 2020 – the worst in over 70 years – we are again experiencing drought conditions in Saint Vincent and the Grenadines. According to data from the Meteorological Office, Vincentian farmers in 2023 experienced 20 percent less rainfall than the average of the last 30 years. That is a serious shortage. This year, the Meteorological Office is again predicting drought conditions in Saint Vincent and the Grenadines. Budget 2024 provides resources to educate farmers, as well as equip them with water tanks and drip line irrigation equipment in our common battle against drought.

The lingering effects of the massive ash deposits from the 2021 eruptions, as well as rapidly-warming seas, continue to impact our fisheries sub-sector. Traditional near-shore lobster fishing grounds along the windward coast were affected by the eruptions, and we continue to monitor the post-volcano recovery of our lobster stock. Additionally, through the FAO-funded “Support for Climate Change Adaptation,” we will collaborate with exponents of lobster aquaculture in the British Virgin Islands, with a view to learning from their best practices.

Our farmers are ageing, many are retiring, and not enough youth are answering the call to take their place. To be sure, there are scores of innovative young farmers, fishers and agroprocessors in Saint Vincent and the Grenadines bringing new ideas and energy to food production. Many of these young agro-entrepreneurs have already benefitted from PRYME and Women’s Empowerment grants. But we need more youth in the sector. 2024 will also mark the beginning of a reenergized, collaborative

thrust from the Ministry of Agriculture, the Ministry of Education, the Ministry of Youth and the Centre for Enterprise Development to highlight the money to be made in farming, fishing and agro-processing.

Many traffickers in agricultural produce are currently experiencing difficulties in obtaining their foreign exchange allocations from Trinidad and Tobago for their sales in Trinidad and Tobago. The arrangement which had hitherto been fashioned between the Central Bank of Trinidad and Tobago, the Eastern Caribbean Central Bank and the Bank of Saint Vincent and the Grenadines (BOSVG) has been peremptorily terminated by the Central Bank of Trinidad and Tobago. Our Prime Minister has written his Trinidadian counterpart on the matter and is engaged with the Eastern Caribbean Central Bank and BOSVG on a solution to this ongoing challenge. The Prime Minister will address this matter fully later in this Budget debate.

Our logistics and value chains have evolved to satisfy traditional markets locally and regionally, but now have to be upgraded to keep pace with the demand for our high-quality agricultural produce. Agriculture Minister Saboto Caesar is working tirelessly with local farmers and private sector aggregators to ensure that, for example, some of Sandals Resorts' demand for 700,000 lbs of fresh fruit and vegetables can be reliably satisfied by local farmers. Similarly, more and more superyachts are docking in Saint Vincent and the Grenadines, and requesting large quantities of fresh produce for their provisioning. There are real opportunities for wealth creation in these growing local markets. But they require greater collaborations and more decisive shifts from traditional methods of production and transportation to properly connect producer and purchaser. Continued collaborative efforts among farmers, financiers, aggregators and the Government will undoubtedly create the necessary efficiencies.

Nonetheless, despite these few isolated challenges, 2024 will undeniably be a period of growth and development in agriculture. Indeed, most of the challenges can be characterized as the growing pains of a sector in the process of catching up with sudden, but sustainable, explosions in demand and potential markets. We are determined to approach both our challenges and our opportunities with resolve, enthusiasm and data-driven scientific analysis. For example, as part of the Government's Data for Decision Making initiative, Budget 2024 will allocate \$300,000 to an Agriculture and Fisheries Census. This Agricultural Census will go well beyond who is growing what: It will help connect producers to markets, identify roadblocks, and capitalize on the burgeoning opportunities for our farmers and fishers.

Immediately after the completion of the Argyle International Airport, the Government repeatedly urged the private sector to prepare for and capitalize on the imminent growth of the hospitality sector. Even though the volcanic eruptions, the COVID pandemic and the LIAT collapse intervened, the predicted boom in the hospitality sector is now apparent for all to see; as is the

evidence of those private sector entities with the vision to get themselves ready for the opportunities that manifested themselves. Today, the Government is making the same call to the private sector – from the financiers to the traffickers to the agro-processors to the farmers and fishers themselves – a boom in demand for Vincentian agricultural products is imminent. We have persevered through the rough times that beset us, and now we are awash in opportunities. Now is the time to invest in agriculture and fisheries; in production, in storage, in logistics, in value chains and value-added activities. Not since the collapse of UK preferential market access for Caribbean bananas has the Vincentian farmer enjoyed this diversity of markets and opportunities. However, farming skill and Government support alone cannot fully take advantage of these opportunities. To complete the equation, we need the skills and efficiencies of private sector actors, and we need them now. Make no mistake – the markets opening up today will not stay patiently open and wait for locals to satisfy them.

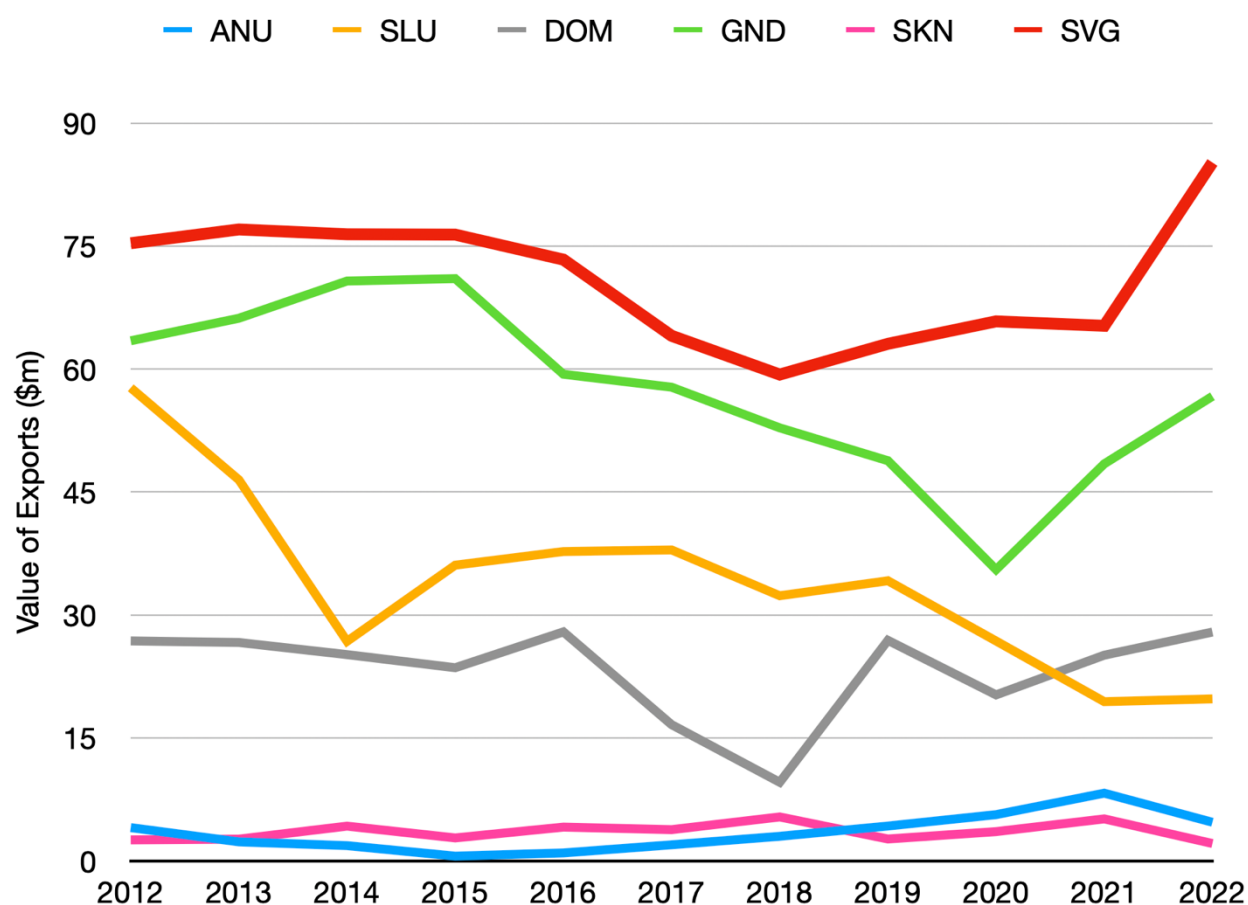


Figure 3: Total Exports of Agricultural Crops and Livestock, OECS. Source: ECCB

Saint Vincent and the Grenadines remains the breadbasket of the Eastern and Southern Caribbean. We continue to lead the OECS in the export of food and live animals, and supply more food, to more people, than any other island in the region. We are proud of our traditional dominance in

this field, because we know that agriculture is one of the leading means to create wealth and build resilience. Further, our pride in being a market leader in agricultural exports pales in comparison to our excitement in recognising that there is much more that we can do to take advantage of fresh demand and improved linkages with other growing economic sectors.

Budget 2024 lays the groundwork for the transition from survival to success for this vitally important sector. A new phase of our agricultural journey has begun.

B. TOURISM

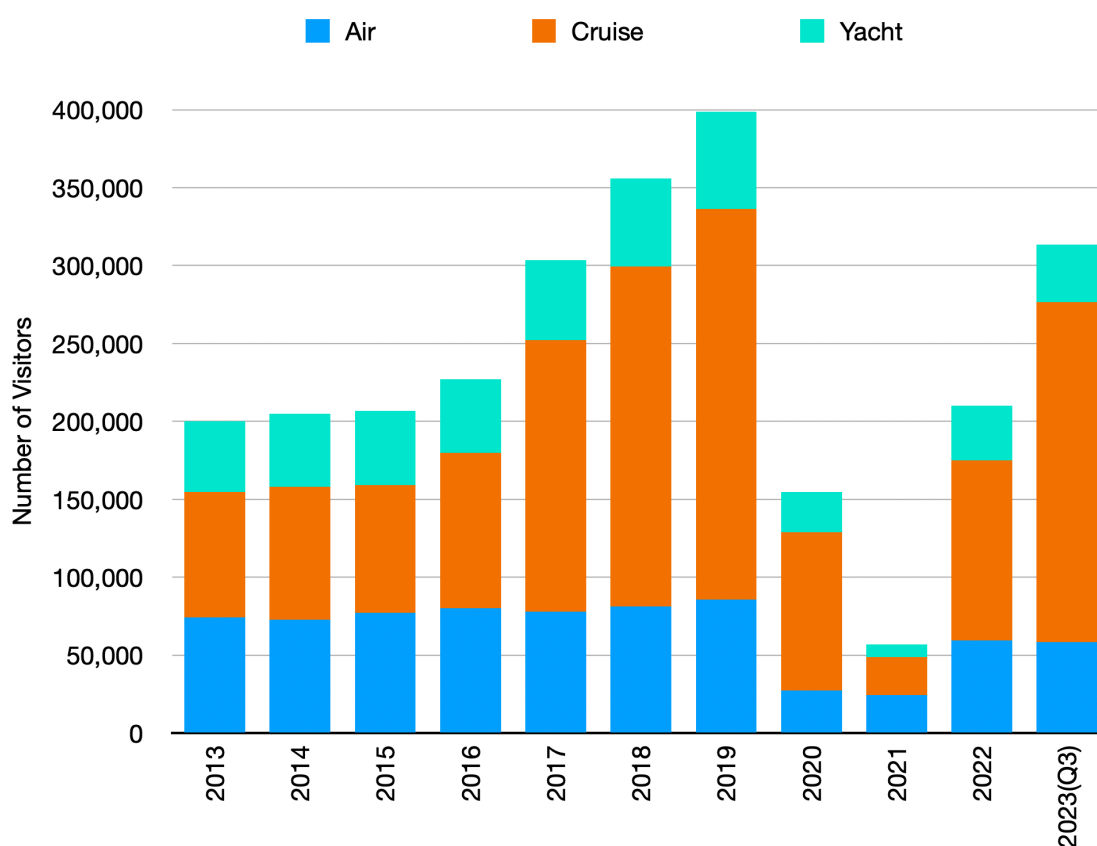


Figure 4: Tourism arrivals to SVG, 2013-2024 (3rd quarter)

The future of tourism is bright in Saint Vincent and the Grenadines. Buoyed by recovery in air travel and strong growth in cruise ship calls, total tourism arrivals in 2023 are predicted to top the record levels experienced in 2019, the last pre-Pandemic year. But these record numbers are just the beginning. With the opening of new hotels and resorts, projected upticks in yacht and cruise arrivals, and additional airlift coming on stream, the next two years have the potential to dwarf our previous high-water marks.

Budget 2024 builds upon the Government's ambitious plans to invest in and incentivize growth in the hospitality sector in a way that maximizes job creation and opportunities for entrepreneurial Vincentians to benefit. Budget 2024 builds hotels, improves airports and tourism sites, increases the marketing budget of the Tourism Authority, improves hospitality training and extends incentives and supports to farmers and operators of taxis, tour buses and catamarans.

Based on third-quarter data, air arrivals from the USA and Canada will end the year at 25% and 54% above their pre-Argyle International peaks, respectively. The thrice-weekly direct flight from the UK is also performing well. We expect that the opening of Sandals Resort early this year, as well as the pending announcement of twice-weekly flights from new air carrier out of the United States, to dramatically improve those numbers across the board.

Before its demise,¹⁴ roughly 3,500 passengers per month, on average, came to Saint Vincent and the Grenadines via LIAT. InterCaribbean Airlines now brings about 1,100 passengers per month, less than one third of the LIAT airlift. Even with increased regional flights from Caribbean Airlines; Saint Vincent and the Grenadines, and the rest of the Eastern Caribbean, remains woefully underserved.

The Argyle International Airport continues to spur interest in Saint Vincent and the Grenadines, in the form of hotel construction, increased airlift and greater engagement from the global hospitality industry. Let's put it this way: If not for the Argyle International Airport, we would not be on the verge of welcoming Sandals Resorts to Buccament. Indeed, the final cost of the Sandals Resort will almost equal the cost of constructing AIA itself. In turn, the opening of the Sandals Resort has already helped us to secure commitments of additional flights from existing air carriers as well as at least one new major North American carrier, who will announce its 2024 schedule in the coming months.

The Sandals Resort at Buccament will open in late March, with 550 Vincentian staff. By the end-of-year holiday season, it is predicted to be at near full capacity, with all 303 rooms occupied, and a staff of 900 Vincentians. Sandals Buccament Bay, which cost well over \$600 million to build, comes to Saint Vincent and the Grenadines with the type of marketing might and know-how that we have simply not been able to access in the past. Additionally, Sandals has committed to a multifaceted

¹⁴ See, "BREAKING NEWS: LIAT to suspend regular service for 2 weeks," *Antigua Observer*, 3 April 2020 (<https://antiguaobserver.com/breaking-news-liat-to-suspend-regular-service-for-2-weeks/>); "LIAT passenger flights further suspended until May 15," *Nation News*, 19 April 2020 (<https://www.nationnews.com/2020/04/19/liat-passenger-flights-further-suspended-until-may-15/>); "LIAT to be liquidated and new airline formed – PM Gaston Browne," *Barbados Today*, 27 June 2020 (<https://barbadostoday.bb/2020/06/27/from-all-indication-liat-will-be-liquidated-pm-browne/>); Wong, Melissa "PM Gonsalves: LIAT liquidation unanimously agreed last month," *Loop Caribbean*, 9 July 2020 (<https://caribbean.loopnews.com/content/pm-gonsalves-liat-liquidation-unanimously-agreed-last-month>)

promotional campaign of their newest resort – and the destination of Saint Vincent and the Grenadines – that will dwarf the Tourism Authority’s annual promotional Budget. We are coordinating closely with Sandals to maximize the impact of their massive investment in our country.

The Sandals Resort will be a game changer, but there is more to come. This year, we will begin construction on the Marriott Resort, which was delayed for reasons related to capacity constraints and the conclusion of negotiations with our regional private sector partners. The Marriott Resort will add a further 250 high-quality suites to our tourism room stock, and complement the development of our leeward coast, from Buccament to Peter’s Hope, as the new go-to destination for 5-star facilities in Saint Vincent and the Grenadines.

We are also confident that other major tourism developments, in which negotiations are tantalisingly close to completion, will be announced in 2024. Stay tuned.

Around the same time that Sandals opens, we will also be opening the Holiday Inn Express and Suites hotel at Diamond. Along with the Cobblestone Inn, it will be the Government’s second state-owned hotel. The Holiday Inn Express’ proximity to both the airport and our athletic complex is no accident. We envisage the Holiday Inn Express as being vital for business travellers, vacationers and visiting athletes. When we began constructing the Holiday Inn Express, we indicated that the Government’s interest in hotel construction related to our desire to rapidly increase room stock, not the long-term management or ownership of multiple facilities. We will actively pursue our objectives of ensuring that this hotel is operated in the most efficient manner possible by suitable private sector interests.

In light of these new opportunities, Budget 2024 invests heavily in the work of our Tourism Authority, which will spearhead efforts to leverage the growing interest in our destination and the post-COVID explosion of vacation travellers, particularly from North America. Budget 2024 increases the subvention to the Tourism Authority by \$3 million, to \$19 million, on the basis of a clearly articulated plan to increase marketing activity, engage with airlines, and collaborate with the promotion efforts that have been laid out by international air carriers as well as the Sandals Resorts and Marriott International companies.

Sports tourism will receive a boost this year with the hosting of Cricket World Cup T20 games at the Arnos Vale Playing Field. While we cannot control which team wins what group, there is a tantalising possibility that we will be able to host Super 8 games featuring teams with some of the most loyal fan bases in the world. On a more modest level, a series of sporting events, from the CBN/Winlott Inc. Windward Islands Schools Games, to the Independence International Masters T20 Festival, to sailing events, to various regional squash and tennis tournaments, will ensure a steady stream of sports enthusiasts visit Saint Vincent and the Grenadines in 2024.

Through BRAGSA, many existing tourism sites will enjoy comprehensive rehabilitative work in 2024. Additionally, Budget 2024 invests in upgrading the Mt. Wynne Beach Facility and the development of a fresh tourism site at Troumaca. Our dynamic Minister of Tourism, no stranger to Troumaca, will no doubt expound on this development.

Another development in Budget 2024, likely to be popular among tourists and locals alike, will be the Brighton Recreational Park, a fresh initiative in this year's Budget. A portion of the proceeds from the sale of dredged sand off the coast of Brighton Bay will be used to develop 16 acres of land along the coast into a recreational park and bird-watching retreat. The evolution of the Brighton Bay – from one where trucks and bulldozers excavated sand for years, to one which will feature a walking track, lookout towers and picturesque views of our rugged Windward coastline – is a journey from eyesore to attraction. With popular private sector ATV tours of the Brighton area already a huge hit with tourists, and Brighton Salt Pond as one of our leading attractions, we look forward to adding the regenerating dunes of Brighton to this growing tourism hub.

We are at an inflection point in the development of tourism in Saint Vincent and the Grenadines. The days of incremental gains and limited capacity will soon be memories. Our challenge today is to leverage our coming boom in visitor arrivals, while learning from other countries' best practices to ensure that tourism serves the national interest, and not vice-versa. Budget 2024 makes the targeted investments to ensure that we will end the year 2024 with more rooms, more airlines, more visitors, more jobs and more announcements about additional expansion in this exciting sector.

C. CONSTRUCTION AND INFRASTRUCTURE

We are building a modern, competitive, post-colonial and decidedly sustainable Saint Vincent and the Grenadines, and we are doing it brick by brick. There is an unprecedented construction boom taking place in Saint Vincent and the Grenadines, and the evidence of that boom is apparent with all who have eyes to see. Cranes dot our skyline and shoreline like never before. The steady monotony of pounding hammers and whirling drills have blended seamlessly into the background bustle of our capital city. Massive dump trucks jostle with commuters for space on our roads. And barges of stone, sand and aggregate arrive at our ports on a near-weekly basis.

A few months ago, in the midst of this boom, a prominent opposition politician claimed that the construction sector was “on auto pilot” and that nothing was happening in Saint Vincent and the Grenadines. In the face of obvious and overwhelming evidence to the contrary, the revised position is now that yes, the construction sector is booming, but that it is just a series of “bricks and mortar” projects with little impact on the people of Saint Vincent and the Grenadines. It is, in short, a feeble

effort to turn virtue into vice. We take these false political flailings as the high unintended compliments that they are: an acknowledgment that “*big tings a’ gwaan*” in Saint Vincent and the Grenadines, and a recognition that even the most politically blinkered peddler of alternative facts cannot ignore that we are in the midst of a transformative and sustained expansion in people-centred infrastructural developments. While we’re working hard to construct schools, clinics, hotels, roads, sea defences, a modern port, others are working to create an alternate reality where “*nuttin’ nah gwaan*.” We wish them well. The people of Saint Vincent and the Grenadines are eyewitnesses to the truth.

• Port Modernisation

Prime Minister Gonsalves’ bold decision to build a Modern Cargo Port near Rose Place is quickly becoming a reality. Faced with an antiquated port in Kingstown, a shoddily built one in Campden Park, and an opportunity to revitalise the western end of our Capital, Prime Minister Gonsalves conceptualised this project and structured its financing with the same innovative zeal that he employed to build the Argyle International Airport.

Our Port, when completed, will be among the most modern in the Caribbean. It will be climate resilient, expandable and sustainable. By consolidating port operations in one modern facility instead of juggling two ageing ones, we will be more efficient, and better suited to facilitate marine trade for our private sector.

Today, we are entering the 20th month of active construction on the modern Cargo Port in Kingstown. In 2023, we moved physical works from roughly 14 percent complete to almost 50 percent complete. While we originally budgeted for \$89 million to be spent on the Port in 2023, revised workplans and efficient work by the contractor allowed us to spend \$163 million instead. We hope that the project will similarly exceed expectations and projections in 2024.

Budget 2024 will advance the physical construction of the port from its current 50 percent to approximately 90 percent this year; and keep the project on schedule for completion in mid-2025. The \$101 million allocated to the Port in Budget 2024 will be utilised primarily to (1) complete ground improvement works, including piling for the quay wall construction, anchor wall construction, and foundations for essential buildings on site; (2) Install pavement and complete other civil works; (3) continue construction on the administrative building, as well as the construction of the container freight station, break bulk warehouse and workshops; and (4) begin installation of operational facilities, fencing and gates.

Additionally, Budget 2024 provides resources to mobilise a dredging vessel to return to Saint Vincent to remove excess material from in front of the quay wall, down to the required design depth.

We are hoping to be able to leverage the presence of the dredging vessel to engage in other costal enhancement works elsewhere in Saint Vincent and the Grenadines.

Source	2021	2022	2023	2024
UKCIF Grant	0	26,337,085	39,246,963	24,309,906
CDB Loan	125,000	82,214,457	123,889,513	54,021,200
Taiwan Loan	0	0	0	19,794,160

The construction of the Modern Cargo Port is primarily funded from three separate sources: The Caribbean Development Bank, the Government of Taiwan, and the United Kingdom Caribbean Infrastructure Partnership Fund (UKCIF). In 2024, we will exhaust the final \$24 million of the UKCIF's original \$88 million grant, and begin to draw down on the \$167 million generously loaned to us by the Taiwan Export-Import Bank.

It is important that we thank the Government and People of the United Kingdom for their generosity in supporting this Modern Cargo Port. Back in 2015, then UK-Prime Minister David Cameron announced a £300 million fund to finance infrastructure works across the Caribbean. Today, Lord Cameron, now the UK's Secretary of State for Foreign, Commonwealth and Development Affairs will witness the exhaustion of his government's valuable contribution.

We must recognise, again, the crystal clarity of the Prime Minister's vision and his decisiveness in navigating the challenges and seizing the opportunities throughout this process. It was the Prime Minister who realised that the UKCIF grant could be used to reduce the construction cost of a larger, more transformative project than the grant itself suggested. It was the Prime Minister who insisted on first class homes to be built on an idyllic bluff overlooking Lowman's Bay, for the people displaced by the Port construction process. It was the Prime Minister who insisted on generous compensation of waterfront vendors, who led negotiations for the sale of local sand, and who directed that the proceeds of that sale be used to benefit the fishers and communities closest to construction-related activities. Like the Argyle International Airport, our Modern Cargo Port simply would not have gotten off the drawing board without the leadership and engagement of the Honourable Prime Minister.

- **The National Road Rehabilitation Project**

After a number of challenges over the years, our road rehabilitation revolution is well and truly underway. Last year, we unveiled the fresh initiative of the Taiwan-funded \$120 million National Road Rehabilitation Project. Last year, we promised to spend \$27 million of that money to get the three-year project underway. We are happy to report that the Ministry of Transport and Works spent the full \$27 million allocated in 2023, mainly to mobilize contractors to carry out rehabilitation works on 21km of roads of varying widths. Fifteen such contracts were executed in 2023, to

commence roadworks on sites from Colonaire to Chapmans to Calliaqua to Cumberland to Canouan.

Budget 2024 allocates an additional \$42.6 million to the National Road Rehabilitation Project. The Project Management Unit has informed the Government that work on 52 separate project sites will be ongoing in 2024, over a total of 32km of roads. Twenty nine of those 52 road projects will be completed in 2024, representing 40 percent of the total roadworks, by length of road. The remaining roads under this programme will be completed in 2025.

The success in achieving our 2023 goals in preparatory and procurement works, as well as the assurances of the Project Management Unit, is giving us confidence that the National Road Rehabilitation Project will meet its scaled-up ambitions in 2024. Such is our confidence that we are attaching to this Budget Speech a list of the 41 roads for which contracts have already been executed. These 41 roads represent \$77.3 million, or almost two-thirds of the total budget allocated to the National Road Rehabilitation Project.

However, the National Road Rehabilitation Project is not the only roadworks initiative in Budget 2024. In fact, it is less than half of Budget 2024's total allocation for the construction, rehabilitation and design of roads and bridges. On the Capital expenditure side of Budget 2024, roughly \$70 million is allocated for those purposes. Additionally, BRAGSA will receive a \$1 million bump in its annual subvention, taking the total to \$17 million.

- **National Disaster Management Rehabilitation and Reconstruction Programme**

Budget 2024 allocates almost \$21 million to works under the CDB-funded National Disaster Management Rehabilitation and Reconstruction Programme (NDM). This suite of projects had been underperforming due to a set of specific implementation bottlenecks and challenges with the CDB. Strong political leadership by the Honourable Montgomery Daniel and high quality professional leadership turned things around. Today, 10 NDM projects are well underway, and an additional seven will begin in 2024. The total NDM portfolio of projects is valued at over \$107 million. All 17 projects are slated to be completed by late 2024 or mid 2025.

The largest project in the NDM portfolio is the existentially-important Sandy Bay Sea Defence project. This massive \$39.2 million undertaking will partially protect the historic village of Sandy Bay from sea level rise and storm surges. This project builds on lessons learned from recent sea defence projects in Georgetown and Sans Souci along our highly vulnerable Windward coastline. This phase of the effort to help Sandy Bay adapt to the grave threats of climate change has been divided into three sub projects, two of which are already underway.¹⁵ The third component, which

¹⁵ Lot 1: From Kayo River Extending North (\$12,866,269); and Lot 3: From Karo River Extending South (\$11,766,918).

will erect sea defence along the coast between the estuaries of the Kayo and Karo rivers, is slated to begin in August.

Currently, the NDM is funding repair and construction on the Chapmans, Dickson, God Save the Queen and Union River bridges; as well as river defense and training works along the Yambou and Teviot rivers in Mesopotamia. These works, when completed will cost over \$22 million. The reconstruction of Mesopotamia Community Centre is also underway, at a total cost of \$7 million.

By the middle of 2024, the road repair components of the NDM will begin. Between the NDM and the European Union Feeder Road Programme, work starting in 2024 will include rehabilitation in Dandrade, Maroon Hill, Orange Hill, Palmiste, Perseverance and Rock Gutter. We estimate that these six roads will cost almost \$30 million to complete.

The cost of the NDM projects is \$107 million, but their value is immeasurable. In some of the most vulnerable corners of our most vulnerable island we are building bridges, repairing critical access roads, and protecting villages from flooding rivers and rising seas. Adapting to climate change means protecting people with climate resilient infrastructure. Our Government is deeply committed to this mission.

Major infrastructural projects discussed elsewhere in this Speech merit at least a mention here. Budget 2024 dedicates \$34.6 million to the construction of the Acute Care Hospital, \$15.2 million to the Arnos Vale Sporting Complex, \$7 million to the Modern Parliament and High Court projects, \$4.5 million to physical upgrades of our airports, and \$43 million to the Holiday Inn Express and Marriott Hotels.

The number of infrastructural projects already taking place in Saint and the Grenadines, and slated to begin in 2024, is simply astounding.

Again, we implore the private sector, particularly our contractors to invest in themselves and their ability to keep pace with the Government's transformative ambitions. As will be explained later in this speech, one of our growing developmental challenges is not the availability of financing to fund our plans, but the capacity of our local contractors to qualify for and complete multiple projects simultaneously.

Lost in the simplistic political sloganeering of "projects vs people" is this inconvenient truth: Historically, it was the absence of certain critical projects that proved to be anti-people and anti-development. It was the philosophy of do-nothing, spend-nothing, book-balancing, austerity that unbalanced the country and curtailed opportunities in Saint Vincent and the Grenadines. This Government builds projects that build Saint Vincent and the Grenadines. This Government builds

people-centred projects. The bricks and mortar of the Rabacca Bridge connected thousands of historically-neglected people with the rest of Saint Vincent. The project of the Modern Medical and Diagnostic Centre means that people can get cancer care and MRIs without having to fly overseas. The hardcourts and playing fields and even our athletic track – not-too-recently derided as “just asphalt” by some misguided politician – are the places where young people play, compete, hone their skills, create opportunities and avoid more destructive pursuits. The Argyle International Airport begat hotel expansion and hundreds of jobs for our people; the Modern Cargo Port, too, is a people-centred project. Any commentary to the contrary is false, as it is politically self-serving sophistry of the emptiest kind.

Budget 2024’s infrastructure investments will save the people of Sandy Bay from sea level rise and storm surges. They will provide modern schools to educate our young people. They will build roads to connect people safely from where they are to where they want to go. They will engender a quantum leap forward in people’s healthcare. They will provide safe and comfortable homes for people. They will create jobs for people. And they will ensure that Saint Vincent and the Grenadines is resilient, and that our people can better withstand the climate catastrophes that are sure to come.

D. CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION

Last month, the countries of the world gathered in Dubai for the 28th annual attempt to do something meaningful about climate change. This meeting took place 31 years after the famous “Earth Summit” in Brazil, where global leaders first acknowledged that “*human activities have been substantially increasing the atmospheric concentrations of greenhouse gases,*” that “*additional warming of the Earth’s surface and atmosphere... may adversely affect natural ecosystems and humankind,*” and pledged to “*stabiliz[e] greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.*”¹⁶

31 years later, the annual pageant of summitry is producing exponentially more handwringing and increasingly diminishing returns, as the political processes, pollution promises and pledges of assistance are increasingly out of touch with the devastating realities of climate change today. The progress achieved at the summits is glacial, while glaciers melt. The amounts of money pledged to support affected countries rise far slower than the rising seas.

COP28 had two signature “achievements:” First, to pledge US\$700 million to a Loss and Damage Fund, which, previously, embarrassingly, had no funds at all. And second, to set the year 2050 – 58

¹⁶ “United Nations Framework Convention on Climate Change,” 9 May 1992
(https://unfccc.int/files/essential_background/background_publications_htmlpdf/application/pdf/conveng.pdf)

years after the original Earth Summit – to achieve the undefined status of “net zero,” where emissions and reductions cancel each other out.

Context is important. The Loss and Damage Fund is for vulnerable countries around the world that are hit hard by climate disasters. It currently has a total of US\$700 million to spend for this global support. When Hurricane Maria hit Dominica in 2017, it caused US\$1.4 billion in losses and damage¹⁷ – twice the current endowment of the entire global fund.

A recent feasibility study in preparation for the Georgetown Sea Defence project indicated that, over the last 40 years, seas have encroached by 180 feet along many sites on the Windward coast of Saint Vincent, due to intensifying coastal erosion and sea level rise. In Sandy Bay, the rate of erosion is 8-10 feet per year. By 2050, this new “net zero” deadline, and at the current rates of intensification, the seas will come ashore in some places by another 200 feet, at least.

Set aside the thoughts of hurricane damage and floods for a moment. Think about our Windward coast, and think about how many roads, homes, schools, churches, playing fields, guest houses and the like are already a stone’s throw from the encroaching seas, and think about if we have time to wait until 2050.

We do not.

Budget 2024 is a budget crafted in the shadow of intensifying climate change, global foot-dragging and urgent adaptation needs for the people of Saint Vincent and the Grenadines. The professionals in the Ministry of Finance will tell you that we have allocated \$92.8 million to the functional classification of “Environmental Protection” this year, and that the second-highest allocation of capital expenditure is for Environmental Protection. In reality, our expenditure on climate adaptation is much higher, as many of our existing infrastructure projects are a direct response to climate realities, or have within them a critical climate adaptation component.

This Speech has already discussed \$21 million to be spent this year under the National Disaster Management Rehabilitation and Reconstruction Programme, and the \$11 million allocated in 2024 to begin protecting roughly half a mile of the most vulnerable coastline in Sandy Bay.

Last year, we conceded ground to the invading seas in one small battle along our long coastal frontline. We have decided that 750-foot stretch of the Windward Highway at Shipping Bay cannot safely exist where it is, and must be shifted further away from the coast. Under the National Road

¹⁷ Post-Disaster Needs Assessment: Hurricane Maria September 18, 2017, Government of the Commonwealth of Dominica, 15 Nov 2017, p.xiii (https://www.gfdr.org/sites/default/files/publication/Dominica_mp_012418_web.pdf)

Rehabilitation Project, a \$1.9 million contract has been signed to complete this road and ancillary drainage works. Additionally, at the same location, the “South Windward Coastal Works”¹⁸ project will complete 210 feet of coastal defence, to help stave off further losses. This one corner of road, less than a quarter-mile long, will consume \$3.4 million in expenditure to protect it from coastal erosion. It is a microcosm of our ongoing war against the elements, and our efforts to protect us all from the worst impacts of climate change. A similar project is taking place in Bequia, where works are underway along the coast in Paget Farm.¹⁹

Budget 2024 continues our concerted multi-year quest to protect people and property from increasingly-frequent floods, with river defence projects at Campden Park, Clare Valley, Cumberland, Layou and Yambou, among others.

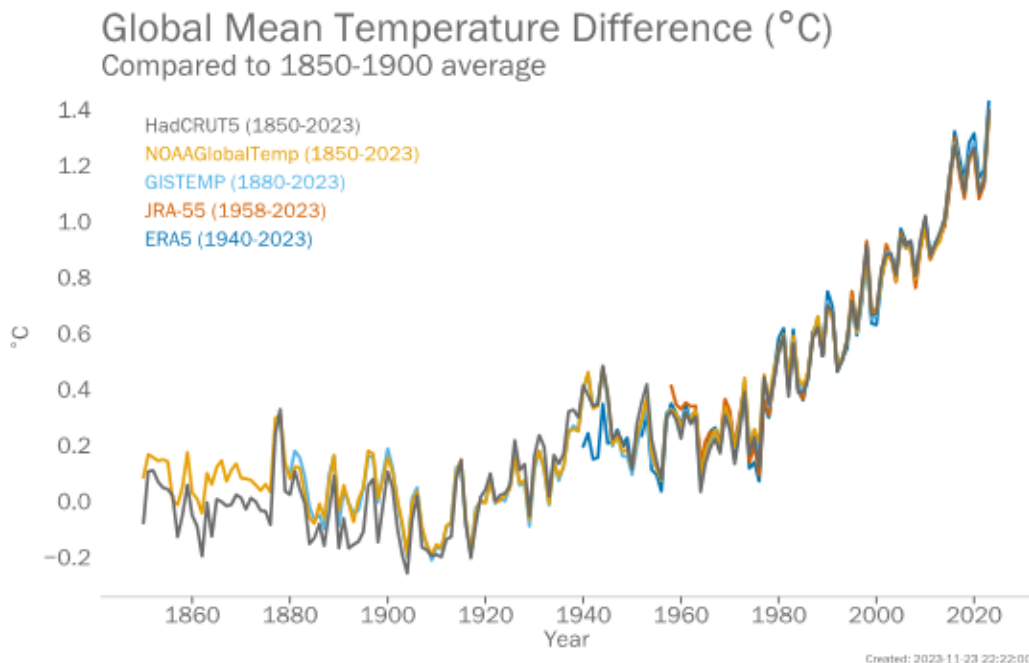


Figure 5: Global Mean Temperature Difference 1850-2023 (Source: World Meteorological Organization)

The year 2023 was the hottest year, ever, on planet Earth.²⁰ The last six months of 2023 were the hottest six months, globally, in history.²¹ Saint Vincent and the Grenadines was no exception. In September, we experienced a record 25 consecutive days of above-average temperature.²² Taking into

¹⁸ *Estimates of Revenue and Expenditure 2024*, pp. 820-821

¹⁹ “Rehabilitation of Paget Farm Road – Bluff Realignment,” *Estimates of Revenue and Expenditure 2024*, pp. 820-821

²⁰ See, “2023 shatters climate records, with major impacts,” World Meteorological Organization, 30 Nov 2023 (<https://wmo.int/news/media-centre/2023-shatters-climate-records-major-impacts>); “Record warm November consolidates 2023 as the warmest year,” Copernicus EU Earth Observation Programme, 7 Dec 2023 (<https://climate.copernicus.eu/record-warm-november-consolidates-2023-warmest-year>)

²¹ “Record warm November consolidates 2023 as the warmest year,” Copernicus

²² Saint Vincent and the Grenadines Meteorological Service

account the heat index,²³ September 2023 felt like it was between 38° and 48°C (100°-109°F). Over the 92-day stretch from August 1st to October 31st in Saint Vincent and the Grenadines, 73 days experienced above average temperatures.

Month	Ave. Rainfall (91-20) mm	2016	2017	2018	2019	2020	2021	2022	2023
JAN	127.9	90.3	105.6	N/A	70.2	108.2	87.8	97.9	56.1
FEB	93.8	31.5	63.6	120.1	28.6	44.2	65.8	66.2	65.4
MAR	94.6	86.7	136.3	164.7	180.8	57.6	73.5	64.9	17.0
APR	105.8	31.4	174.2	59.3	144.2	74.8	320.3	30.7	50.3
MAY	114.2	118.8	84.7	91.0	108.6	43.2	43.9	64.3	46.3
JUN	196.5	172.3	236.7	114.3	200.9	159.7	213.1	136.7	150.1
JUL	220.2	274.9	171.7	216.0	212.6	153.5	136.6	109.3	197.9
AUG	231.9	90.8	333.5	189.1	173.7	303.1	401.5	184.1	273.0
SEP	230.6	327.3	244.7	144.2	163.1	116.1	165.9	191.5	172.7
OCT	285.5	233.0	343.9	413.8	209.1	311.2	191.5	192.2	212.1
NOV	293.1	691.2	136.9	184.3	161.7	340.2	207.4	295.3	
DEC	160.6	220.1	126.4	101.7	106.3	80.6	88.5	58.0	
Yearly Total (mm)	2154.7	2368.3	2158.2	1798.5	1759.8	1792.4	1995.8	1491.1	1240.9
Yearly Total (in)	84.83	93.24	84.97	70.81	69.28	70.57	78.57	58.70	48.85
Yearly Loss or Gain (%)	+ -0	+9.89	+0.16	-16.5	-18.3	-16.8	-7.4	-30.8	

Figure 6: Rainfall in Saint Vincent and the Grenadines 2016-2023 (Source: SVG MET Office)

Further, according to our MET Office, 2023 was our sixth consecutive year of below-average rainfall. The implications of heat and drought are obvious for farmers, for the Central Water and Sewerage Authority, for vulnerable Vincentians, and for our national development plans. Budget 2024 includes production supports for our farmers, as previously outlined, including irrigation and water harvesting equipment. Additionally, as part of the Regional Disaster Vulnerability Reduction Project (RDVRP), equipment and training were provided to CWSA staff to assist in grappling with these new climate realities. The ongoing Volcanic Eruption Emergency Project (VEEP) has awarded a contract to the CWSA to design and construct enhancements to the North Windward water supply.

• Preparing for the Next Disaster

Global temperature rise and the recent record heat are the essential prerequisites of more intense storms and hurricanes. The realities of climate change and our inbuilt vulnerabilities assure us that we will experience more climate disasters in the near future. We know they will happen; we just

²³ "What is the heat index?" NOAA National Weather Service (<https://www.weather.gov/ama/heatindex>)

don't know when. In that light, our controversial 2017 decision to establish and operationalise a Contingencies Fund has proven to be prudent. The Fund, which is capitalized by a tax on consumption and a levy on visitor accommodations, now stands at \$61.1 million. We have never before had more money set aside to respond to a rainy day.

The Contingencies Fund is now better financed than the World Bank funded US\$20 million Catastrophe Deferred Drawdown Option (CatDDO)²⁴ that we utilised in the wake of the 2021 volcanic eruptions. However, the US\$20 million CatDDO was an essential tool in our response to that disaster. To operationalise a CatDDO, we essentially tell the World Bank that we will not utilise the full amount of money that we are entitled to borrow for projects, and we ask them to set aside the unused portion for us to be able to draw upon immediately in the wake of a disaster. We are currently in negotiations with the World Bank to make another CatDDO available to Saint Vincent and the Grenadines, essentially complementing our own \$61 million Contingencies Fund with a further \$54 million to be accessible in the wake of a natural disaster.

This is prudent planning and preparation. There is a lot that we could do with \$115 million today. But we must make the difficult decisions to balance the needs of today with the challenges of tomorrow. This Government has amassed vast experience in what it takes to prepare for and respond to a natural disaster. We are certain that we must continue to build up buffers and reserves to help us prepare for the next, inevitable flood, drought, storm, hurricane, eruption or other disaster.

- **Geothermal Energy**

Despite multiple assertions by the opposition, as recently as two weeks ago, that our national geothermal project is “dead,” we continue to assure the public that the reports of its death are greatly exaggerated. The Government is currently in discussion with multiple private sector entities with an interest in using the site for the generation of geothermal energy, including one who has submitted to Cabinet a proposal for scaleable, modular geothermal production at the site that could generate an initial 5MW within 24 months of activity. Undoubtedly, the lack of permeability in the rocks surrounding La Soufriere dealt a setback to our geothermal ambitions. But unlike those steeped in the ethos of learned helplessness, we do not accept setbacks as defeats. We see them as an opportunity to regroup and advance. We hope to be able to make an announcement in the first half of this year as to the next phase of our geothermal project.

²⁴ “IBRD Catastrophe Deferred Drawdown Option (Cat DDO),” The World Bank (<https://thedocs.worldbank.org/en/doc/1820b53ad5cba038ff885cc3758ba59f-0340012021/original/Cat-DDO-IBRD-Product-Note.pdf>)

E. PRIVATE SECTOR, INVESTMENT, INNOVATION & ENTREPRENEURSHIP

The private sector is an indispensable partner in the development journey of Saint Vincent and the Grenadines. Our strong post-COVID, post-eruptions recovery would not have been possible without strong investment and innovation from the local, regional and international private sector. Some of the largest recent capital investments in the country have come from the private sector, and the strongest job growth in recent years can be causally connected to major private sector investments.

At the same time, in small open economies like ours, development cannot be outsourced to relatively small local companies or rapacious global conglomerates. A progressive government has many roles to play – as a visionary pursuer of catalytic investment; as an enthusiastic enabler of competition; as the facilitator of an enabling business environment; and as an active regulator and vigilant watchdog to safeguard social and environmental standards, reduce inequality and strengthen social protections. To truly accelerate development, the State must also be entrepreneurial and enterprising in its economic leadership, partnerships and participation.

Our Government is under no illusion that it is the only seat of innovation, investment and initiative in Saint Vincent and the Grenadines. However, we are equally convinced that our small economies and underdeveloped private sectors benefit from our active participation far more than they do our laissez-faire neglect. In Saint Vincent and the Grenadines, and elsewhere in the Caribbean, the State is a force for good.

Our private sector has been recovering well since the post-Pandemic, post-eruptions economic contraction. Ministry of Finance data indicate that, in real terms, revenues from corporate income tax, excise duties, import duties are all returning to or exceeding pre-Pandemic levels. These are useful proxies for economic activity in Saint Vincent and the Grenadines. Further, it is useful, though not determinative, to note that total net business income for all companies filing returns with the IRD topped \$200 million in 2022 – the first such result since 2016, and a \$66 million jump from post-Pandemic lows. While total net business income is an imperfect metric for a number of reasons, and influenced by too many variables, the 47 percent spike in post-Pandemic business income aligns with other scientific and anecdotal data suggesting a strong economic recovery.

In addition to recovery, we have been heartened to see businesses expand and invest in growth and development. We welcome, for example, the further development of the Coreas distribution and retail centre in Diamond, the ongoing expansion of Hotel Alexandrina, the opening of the Buccaneers Bar and Grill in Buccament, the establishment of multiple Medicinal Cannabis consumption lounges, the expansion of the footprint of various banks and credit union branches beyond the boundaries of Kingstown, and the construction of new facilities at the Flour Mill, to name but a few illustrative examples. These expansions create jobs and spur economic activity.

The Everything Vincy Expo, which took place over the independence holiday, is another useful barometer of local businesses and entrepreneurial activity. Not only did the Expo host a record number of exhibitors and visitors, but there was palpable excitement about the myriad new opportunities emerging for enterprising businesspersons across Saint Vincent and the Grenadines.

As always, this Government is a willing and active partner with the private sector. In addition to cutting income taxes last year, we introduced or extended a host of concessions and incentives geared towards increasing investment in the hospitality, transportation, construction, light manufacturing and fisheries sectors. Budget 2024 extends incentives and concessions. Other changes, like our adjustment to the tariffs and duties regime for vehicle imports, made local auto dealers more competitive and improved their bottom line. Invest SVG, ably led by its new Managing Director, is shepherding a number of exciting new initiatives, particularly in the hospitality sector, that will be announced in the coming months.

Additionally, in the wake of consultations in preparation for Budget 2024, Invest SVG and our Doing Business Unit have facilitated important discussions between the financial sector and other sectors seeking to capitalise on opportunities in the hospitality and agriculture sectors.

There are many strong convergences between Government plans and private sector interest. Five years ago, we declared that *“2018... marks the beginning of a new thrust in the expansion of our hotel room stock to capitalize on the opportunities created by the opening of the Argyle International Airport.”*²⁵ Since then, we have seen impressive increases in private sector investment in the construction and expansion of hotels nationwide. More such exciting announcements will be made later this year.

Similarly, in our 2021 budget speech, we highlighted the importance of the Blue Economy, and said that *“a renewed focus on the developmental potential of our marine resources will be a primary pillar of the Government’s economic strategy for the upcoming decade.”*²⁶ Since then, we have dedicated more resources to training and equipping private fisherfolk, invested in fleet expansion, privatised fisheries centres, and welcomed the opening of Rainforest Seafoods. This year, we will begin implementing the “Unleashing the Blue Economy” project through the Ministry of Tourism. We are also currently evaluating three separate proposals from the private sector – one local, and two regional – for contracts to rehabilitate and operate the Ottley Hall Marina.

²⁵ “2018 Budget Address – Continuity and Change: Job Creation, Resilience, Sustainable Development and New Opportunities in a Rapidly-Changing Global Environment,” 5 Feb 2018 p. 20 (<https://pmoffice.gov.vc/pmoffice/images/stories/Speeches/2018-Budget-Address.pdf>)

²⁶ “2021 Budget Speech: Overcoming today’s challenges, building resilience, strengthening social protection, creating jobs and accelerating transformational development”, p. 19 (https://pmoffice.gov.vc/pmoffice/images/stories/PDF/SVG_Budget_Address_2021.pdf)

In all cases, the private sector is our partner in national development.

The Government continues to invest in entrepreneurship. The PRYME programme continues to be a popular and transformative programme for microenterprises. A recently-concluded survey of 277 randomly-selected PRYME beneficiaries indicated that 88 percent of their businesses experienced revenue increases as a result of the PRYME programme. The data from this sample also show that as many as 138 jobs were created from that sample. Further, the first PRYME Empowerment Zone was created in Glen, to offer retail spaces to community entrepreneurs. A similar set of shops and stalls is nearing completion in Buccament. While these shops were also conceptualised by the PRYME unit, their construction was funded by Sandals Resorts, as part of that company's corporate social responsibility.

Many of the entrepreneurs and vendors who operate in the capital city of Kingstown pay a small rent to the Kingstown Town Board for the maintenance of order and cleanliness in the city. Last year, the Town Board successfully embarked in a "Kingstown Clean-up" campaign that rationalised vending activity, to the benefit of buyers and sellers alike. In our preparation for the Kingstown Clean-up campaign, we reviewed the arrears owed by vendors to the Town Board, as well as the impact that COVID had on foot traffic and sales. Accordingly, the Honourable Prime Minister instructed that officials engage in full review of all debts owed to the Kingstown Town Board by vendors. The review is almost complete. We will announce a package of relief and waivers for our hardworking vendors on March 1 2024.

We continue to encourage our private sector partners to pay attention to both the opportunities and incentives presented by Budget 2024. After loudly and repeatedly heralding the coming construction boom, and offering deep concessions on construction machinery, many local contractors were still caught unaware and underequipped to deal with the demand for their services. Similarly, there was an initial muted response from the transportation sector to our predictions of growth in tourism and demand for services like night buses, although interest is now appearing to rise.

Budget 2024's message to the local private sector in this period of growth and change is to take advantage of opportunities, or someone else will. Our developmental transformation is accelerating, and opportunity may only knock once, and oft-times fleetingly, on your door. As the Vincentian economy grows, and as more regional companies continue to look farther afield for investment opportunities, local businesses of all sizes will face increased competition from regional companies within CARICOM and our OECS single economy. We unabashedly welcome the recent influx of businesses from our sister islands of Saint Lucia, Trinidad, Jamaica and Barbados – from financial institutions to food processors to contractors to security companies to retailers and service providers. But they are merely the tip of the iceberg. Our local private sector will have to be nimbler and more entrepreneurial to expand their foothold in the Vincentian economy.

As we should all know by now, our developmental plan centres on the creation of an economy that is modern, competitive and outward-looking. These pillars of our vision require a vibrant private sector as a critical stakeholder and partner in progress, a provider of income, jobs, goods, and services to enhance people's lives and livelihoods, alleviate poverty and build wealth.

We need the innovation, responsiveness, efficiency, skills and resources of the private sector to improve lives and Lift SVG Higher. The message of Budget 2024 is that we are ready – and eager – to partner with you more closely than ever in pursuit of our shared developmental aspirations.

F. DIGITAL TRANSFORMATION

The great Robert Nesta Marley once sang “*Good God, I think it’s illiteracy/It’s only a machine that makes money,*”²⁷ brilliantly connecting the challenges of poverty, inequality, education, industrialisation and wealth creation in a single couplet. The haves were separated from the have-nots by a chasm of education and knowledge of technology.

Today, five decades after Bob Marley sang “Slave Driver,” it sometimes seems that only Artificial Intelligence makes money. Or digital technologies. Or possibly smartphone and social media companies. The exponentially rapid change taking place during the current digital revolution presents multiple challenges and opportunities for Vincentians, and for our Government, as we try to ensure that our developmental aspirations are not thwarted by digital illiteracy.

A decade ago, Klaus Schwab, Founder of the World Economic Forum, wrote an influential article named “The Fourth Industrial Revolution: what it means, how to respond.”²⁸ Schwab argued that we were at the dawn of the Fourth Industrial Revolution, coming on the heels of the mechanization, electrification and automation. This revolution could “*lead to a supply-side miracle, with long-term gains in efficiency and productivity.*” But it could also “*yield greater inequality, particularly in its potential to disrupt labor markets.*”

The response to the blindingly fast changes of Industry 4.0 is digital transformation. At all levels, corporations and governments must embrace the integration of digital technology into all areas of business and governance, fundamentally changing how interactions take place.

²⁷ The Waliers, *Catch A Fire*, Island Records 1973

²⁸ Schwab, K., “The Fourth Industrial Revolution: what it means, how to respond” *Foreign Affairs* 12 Dec. 2015 (<https://www.foreignaffairs.com/world/fourth-industrial-revolution>); Schwab, K., “The Fourth Industrial Revolution: what it means, how to respond” World Economic Forum, 14 Jan 2016.

Two years ago, the Government introduced digital transformation as a fresh initiative of Budget 2022. We explained that our digital transformation initiative *“is specifically tailored to create citizen-centric technological solutions to the challenges people experience in their interactions with the State.”* We have invested \$81 million in a World Bank-funded Digital Transformation project that will create a digital enabling environment; build digital government infrastructure, platforms and services; and enable digital skills and technology adoption.

The painstaking preparatory work that is the foundation of our Digital Transformation initiative is nearing completion. In 2023 we spent roughly \$4 million to advance work on a Tax Information Management System, piloted an Electronic Payment platform, completed design and site selection for a state-of-the-art data centre, launched a pilot for the Unique Identification system, procured the necessary services to upgrade the civil registry, and did the critical background work to prepare for the launch of a single window to deal with land transactions, customs payments, tax filings and other services.

Budget 2024 sets aside an additional \$22 million for advancing the Government’s Digital Transformation agenda. This year, we will roll out our Unique ID system, which will be the basis of most digital interactions with the State. We will install a unified land information system, a modern digital tax system and an updated process for interacting with Customs. We will complete the critical work necessary to integrate systems, build security and roll out version 1.0 of our Citizen Portal, where you will be able to complete tasks that currently take hours in lost productivity and frustration.

Too often, in a project geared by policy makers toward digital transformation, the technocrats focus on the “digital” – computers, servers and software; and not enough on the “transformation” – a fundamental and meaningful change in the way people interact with the Government and get their business done. We are determined to stay focused on our goal of transformation and keeping apace with the rapid changes taking place in the world. We cannot be *“modern... competitive... and global”* without also being digital.

Additionally, Budget 2024 makes some additions to the staff of the Information Technology Services Division and allocates an additional \$1.5 million for equipment, hardware, software licenses, as well as computer replacements for secondary schools. Our digital transformation agenda for 2024 also includes the formulation of a digital strategy and action plan, the expansion of the use of electronic documents, and legislative reviews to keep our laws up to the time.

Sometimes lost in our developmental mantra of more devices, more connectivity, is the detrimental downside of making dangerous content more accessible to people. During the budget preparatory process, the Government received a thoughtful correspondence from a member of the clergy regarding the increasingly insidious role of social media algorithms in facilitating the delivery of

foreign, destructive and explicit content directly to the hands and homes of impressionable youth. The clergyman questioned whether the State possessed the technical capacity to block or counter these algorithms in a way that “*deliberately prompts and promotes local values and educational content.*” Sadly, while we cannot at this point engineer a counter-algorithm to negate the built-in tools in Facebook, Instagram, TikTok, Twitter (X) and the like, there is much more that the educational system, parents and the church can do to teach critical thinking and responsible consumption of content. It is a crucial part of the digital transformation agenda, and one in which mature, collaborative and sustained action is necessary.

The time between being able to take advantage of technological change and being left behind by technological change is vanishingly short. Budget 2024 positions Saint Vincent and the Grenadines to be a regional leader in the embrace and adoption of technology, and will continue to equip the people of Saint Vincent and the Grenadines with the tools and training to take advantage of this new industrial revolution.

G. YOUTH, SPORTS AND CULTURE

Budget 2024 makes transformative investments in sports, culture and the development of our youth.

In the 4th century BC, Greek philosopher Diogenes asserted that “*[t]he foundation of every state is the education of its youth.*” This Government agrees wholeheartedly with that timeless assertion, and Budget 2024 builds upon our unparalleled commitment to improving access, quality and transformative potential of education on the lives of our youth. As we have discussed elsewhere in this Speech, Budget 2024 ensures that our youth will have more classroom spaces, more teachers, more scholarships, more diverse subject offerings and more opportunities to receive technical training than at any point in our history. In our unshakeable commitment to education and opportunity, this will always be a Youth-focussed Government.

As we have pointed out elsewhere in this Speech, the PRYME programme remains one of our most popular and sought-after initiatives. Young microentrepreneurs continue to receive grant supports of up to \$40,000 to launch or expand a variety of small businesses nationwide. For our 44th Anniversary of Independence, the Prime Minister announced a fresh batch of 44 PRYME awardees, who received close to \$300,000 worth of grants. Budget 2024 provides resources to ensure that more and more entrepreneurial youth will be supported by this revolutionary initiative.

Last October, the Honourable Prime Minister launched the Prime Ministerial Advisory Council on Youth.²⁹ The Council's core committee has hit the ground running, participating in budget preparation consultations, visiting the sites of ongoing projects, and developing a work plan for the coming year centred on education, outreach and participatory democracy. The Youth Advisory Council will have a direct line to the highest levels of Government, to ensure that young people in Saint Vincent and the Grenadines are intimately involved in the prioritisation of issues, the crafting of solutions and the implementation of policies that are central to national development. Budget 2024 augments the recurrent allocations to the Office of the Prime Minister to fund activities of the Youth Advisory Council.

In addition to their participation in the decision-making process, the Youth Advisory Council will be a strong influence of the first "Prime Minister's National Youth Awards for Excellence." The National Youth Awards will recognise and honour youth achievement in Saint Vincent and the Grenadines, with input from the public regarding young people in different categories most deserving of recognition. The talented, hardworking, innovative and paradigm-shifting youth of Saint Vincent and the Grenadines must be lifted up and celebrated; not only in recognition of their individual brilliance, but as inspirational examples of what is positive in among the custodians of our future.

Budget 2024 makes massive investments in sports infrastructure. As we prepare for Cricket World Cup 2024, Budget 2024 sets aside \$15.2 million for upgrades to the Arnos Vale Stadium and facilities in Cumberland and Sion Hill.³⁰ Already, we have procured Stadium lighting for \$12.8 million and an electronic replay screen for \$1.7 million. This year, we will install those items, upgrade and add seating at various facilities, enhance field equipment and construct fresh pitches. A series of cosmetic improvements to the buildings and pavilions at Arnos Vale, valued at just under \$2 million, will also take place. This June, for the first time, we will host night cricket matches at Arnos Vale. Having seen the draw for Cricket World Cup, we can only hope that the West Indies comes out on top in Group C, which also includes New Zealand, Afghanistan, Uganda and Papua New Guinea. If the Windies win Group C, we will be able to cheer on our team during night game on June 22, likely against England or Australia; and a second night game on June 24, probably against either South Africa or Sri Lanka.

It is important to recognise that the investment in Arnos Vale and ancillary facilities is not just to host a couple of games. Indeed, the plan to add lights and a scoreboard was in place well before World Cup bids were announced. The World Cup is a happy coincidence, and catalyst for accelerated investment. While we look forward to quality games and energetic audiences at the

²⁹ "Council launched to advise on matters affecting young people," *Searchlight* 26 Oct 2023 (<https://www.searchlight.vc/front-page/2023/10/26/council-launched-advise-matters-affecting-young-people/>)

³⁰ See, *Estimates of Revenue and Expenditure 2024*, p. 800-801 [Improvement to Arnos Vale Sporting Complex \$15.2m]

World Cup, our overriding ambition is to improve our sporting infrastructure, and provide an opportunity to inspire the next generation of young cricketers.

It is important to recognise that this World Cup Bid would not have been successful if we didn't have the Sandals Resort opening before the games begin. We simply would not have had the room stock to house the teams and officials. Sandals, of course, wouldn't be here without out the Argyle International Airport. In the mid 1980s there was a popular television series called the A-Team. It's lead character, John "Hannibal" Smith, was fond of ending episodes with the declaration "I love it when a plan comes together." So do we. Build it and they will come. The planes will come. The hotels will come. The major sporting events will come. The jobs will come. The development will come.

Budget 2024 also significantly advances the quality of the facilities at the Sir Vincent Beache Athletic Stadium in Diamond. Last year, we improved restrooms, began constructing roofs over the bleachers and improved the irrigation system under the field. This year, with significant support from the Saudi Fund for Development, \$14.5 million will be spent to continue our progress towards a first-class athletics facility in Saint Vincent and the Grenadines.³¹ In 2024, we will add lighting, construct locker rooms and administrative buildings, add additional seating, and begin work on a warm-up track.

Later this year, from July 27th to August 3rd, Saint Vincent and the Grenadines will host the 2024 CBN/Winlott Inc. Windward Islands Schools Games. It will be the first regional event hosted primarily at the Sir Vincent Beache Athletic Stadium. Our Minister of Sport is excited to host these games in his constituency. However, he is more excited to be giving our young athletes a world-class facility to practice and compete in, day in and day out, as they hone their considerable natural talents.

Around the corner from the Sir Vincent Beache Athletic Stadium is the Home for Football in Brighton, operated by the Saint Vincent and the Grenadines Football Federation. Thanks to an important collaboration between the Government and the Federation, top quality lighting is also being installed at that facility.

By the end of the year, therefore, we will be able to host night events in athletics and cricket at the highest levels, as well as welcoming another facility capable of hosting night games in football. We will end the year with five lighted playing fields, and 23 lighted hardcourts and other facilities

³¹ See, *Estimates of Revenue and Expenditure 2024*, p. 804-805 & 806-807 [Diamond Sporting Facility - Phase I \$4.5m (local) and \$10m (SFD)]

nationwide, capable of hosting sporting events at night. These lighted facilities form a big part of our plans for youth engagement and community-based crime fighting initiatives.

Last year, the Government announced the fresh initiative of constructing cultural, education and production hubs in Belle Vue, Petit Bordel and Troumaca. Together, these hubs will include recording and dance studios, performance spaces, a full band room for live music rehearsal and recording, as well as spaces for painting, sculpting, digital editing, design and animation. The Hubs will focus on nine cultural domains: crafts, folk art, painting, designs, dance, film, literature, media arts, and music. Additionally, the centre at Belle Vue will provide an agro-product and agro-processing unit, including a market.

We are on target to begin construction on all three Hubs this year, as promised in last year's budget. Concept designs are complete and approved, and contracts have been awarded to three separate firms to develop the concept designs into construction drawings. We anticipate that all design work will be completed in April, and that construction will begin around mid-year. As such, Budget 2024 commits \$7 million to the development of these important cultural hubs.³²

As part of the development of the Cultural, Artistic and Production Hubs in Saint Vincent and the Grenadines this year, and the creation of a large physical space for music rehearsal, production and performance, 2024 will mark the launch of Saint Vincent and the Grenadines' first national orchestra. The preparatory process has already begun among our talented young musicians and educators; while discussions have commenced with bilateral partners about the best way to create a sustainable youth orchestra structure. We look forward to our youth orchestra entertaining Vincentians at home and in the Diaspora, taking Vincy culture around the world, and developing their skills, creativity and discipline in a structured, enabling environment.

Similarly, we have received a proposal from private individuals for the establishment of a National Youth Choir. The Government has also committed support to this worthy endeavour.

H. FOREIGN AFFAIRS

For the years 2018 and 2019, Saint Vincent and the Grenadines was elected to the United Nations Economic and Social Council, earning the distinction of being the smallest state ever to serve as president of the ECOSOC. In 2020 and 2021 we became the smallest nation elected to serve on the United Nations Security Council. In 2023 Saint Vincent and the Grenadines again made history, becoming the first CARICOM nation and smallest country ever elected to the Presidency of the

³² See, *Estimates of Revenue and Expenditure 2024*, p. 802-803 & 806-807[Cultural, Educational and Production Hubs \$7m]

Community of Latin American and Caribbean States (CELAC). We have utilized that presidency to conduct innovative outreach and establish ground-breaking cooperation initiatives with the European Union and the African Union. There is no CARICOM state, and probably no Small Island Developing State, that can point to a stronger track record of activism, advocacy and success in multilateral diplomacy over the last five years.

Last year, as well, Saint Vincent and the Grenadines played an indispensable role in convening and facilitating direct, face-to-face talks between the Presidents of Guyana and Venezuela on their vexing border controversy. While there are many external actors eager to disrupt this embryonic peace initiative, it is undisputed that the efforts of Saint Vincent and the Grenadines and the unique status and influence of Prime Minister Ralph Gonsalves, contributed immeasurably to the cause of peace in our region.

Many other initiatives, by their very nature, cannot be trumpeted as loudly as these recent achievements. Saint Vincent and the Grenadines' diplomatic capital, influence and unique status as a trusted friend of all nations across the ideological spectrum, have allowed us to facilitate many other backchannel initiatives between antagonists, in furtherance of the goal of hemispheric peace and cooperation.

This year, in early March, we will host the Summit of Heads of State and Government of the Community of Latin American and Caribbean States. With over 33 countries attending, many at the highest political levels, and over 250 participants, the CELAC summit will be the largest and most significant diplomatic gathering ever hosted in Saint Vincent and the Grenadines.

The diplomatic capital of Saint Vincent and the Grenadines has never been higher. Similarly, we are maximizing our ability to harness that capital, along with our principled stances and the instruments of our sovereignty, in the interest of our people's humanization. The increased influence and assertiveness of Saint Vincent and the Grenadines on the world stage, and the Government's increased confidence in our ability to deliver on our developmental ambitions at home, are interrelated in complex ways.

Budget 2024 allocates resources to the hosting of the CELAC Summit in March. Saint Vincent and the Grenadines' role as host will give us unparalleled access to the leadership of all the countries of Latin America, and a rare opportunity to shape the regional cooperation agenda. Minister Keisal Peters has anchored our preparations for the CELAC Summit with vision, energy and dedication over the last few months. She will ensure that the Summit is a success – as a standalone event, and as an opportunity to strengthen beneficial linkages with friendly nations.

The Government is strengthening its development partnership with the Kingdom of Saudi Arabia, and Budget 2024 testifies to the improvement of that cooperation. Other critical multilateral and bilateral cooperation, from partners as diverse as Morocco, Cuba, Venezuela, Taiwan, the United Kingdom, the United States of America, Canada, Japan, South Korea, the United Arab Emirates, Kuwait, India the African Union, CELAC, ALBA, ACS, the Commonwealth, the European Union, and the United Nations, among others, are apparent in the pages of the Estimates of Revenue and Expenditure for 2024.

The global and regional stature of Saint Vincent and the Grenadines is not simply a tool to be used for narrow national benefit. As we strive for a better world, we use whatever platform or access that we have to be strong, activist advocates for the matters that are critical to our country, our region and the global good. Chief among these matters is advocacy related to climate change, regional cooperation and integration, peaceful settlement of disputes, South-South cooperation, an end to imbalances in rulemaking and global trading arrangements. In our just and urgent quest for reparatory justice for the victims of native genocide and slavery, Budget 2024 makes provision to fund greater outreach, education and advocacy for this critically important struggle.

The Ministry of Foreign Affairs, through its Minister and her Regional Integration and Diaspora Unit, will strengthen outreach with our vibrant Diaspora communities around the world. As technology and improved air access make us more and more connected to our family overseas, we are excited about greater opportunities for all Vincentians to benefit from the knowledge, skill, experience, ideas and passions reposed in our Diaspora; and for our Diaspora citizens to feel more connected to home, with communication, consultation, and accurate information.

Countries with imperialist dispositions, hegemonic aspirations and genocidal intentions continue to prosecute and pursue wars across our planet. All of these nations, and their wars have one thing in common: They treat international law as malleable, and the adherence to international law as optional. As we continue to punch above our weight in international relations, Saint Vincent and the Grenadines will continue to advocate, loudly and consistently, for adherence to the rule of law and the principles of the United Nations Charter. Not simply because it is the right thing to do, or because we enjoy inserting ourselves into distant geopolitical arguments. But because consistent adherence to international law is the greatest guarantor of peace right here in Saint Vincent and the Grenadines, and in our region. Because if the disregard of international law can plunge the 187 million people of Russia and Ukraine into war; or the 14 million people of Israel and Palestine; or the 96 million people in the Democratic Republic of Congo; or push the 31 million people of Venezuela and Guyana to the brink of conflict, then it would be nothing to subject the 110,000 people of Saint Vincent and the Grenadines to the whims and fancies of imperialist aggressors.

Without wealth or weapons, our continued existence as a peaceful, sovereign state is assured primarily by the global commitment to international law. We will defend it because we must. We will defend it because our silence compromises our own safety and survival.

War is the greatest enemy of development. Peace is the greatest guarantor of progress. And Saint Vincent and the Grenadines, as friends of all, will continue to strive for a better world.

IV. SOCIAL DEVELOPMENT SECTORS

A. HEALTH AND WELLNESS

Our Government continues to invest significantly in enhancing the availability and quality of health care in Saint Vincent and the Grenadines. Between recurrent and capital expenditure, Budget 2024 allocates \$163 million to healthcare. That is more than 10 percent of the total national budget this year. Just 10 years ago, the recurrent budget of the Ministry of Health, Wellness and the Environment was \$63 million. Today, it is almost \$104 million. That extra \$41 million is being well spent, in the interest of the people.

When this Government was first elected, the staff of the entire Ministry of Health was roughly 1,000 employees. Today it is over 1,500, driven by massive increases in the number of doctors and nurses available to serve the public. The construction of additional clinics, polyclinics and hospitals has also taken quality healthcare to the people, in communities across Saint Vincent and the Grenadines. When our Acute Care Hospital is completed in 2026, another jump in staffing will take place, as it did when we opened the Modern Medical and Diagnostic Centre in Georgetown.

By the way – and again, because we often take major advances for granted – the Modern Medical and Diagnostic Centre opened in mid-2018.³³ By the end of 2024, patients will be able to receive physiotherapy, speech therapy, dialysis, chemotherapy, mammograms, CT Scans and MRIs at the facility. Just five short years ago, the majority of those treatments and procedures were unavailable to most Vincentians. This is people-centred transformation in action. We continue to celebrate the magnificent accomplishment that is the Medical and Diagnostic Centre, and the truly visionary leadership that allowed that facility to be built in Saint Vincent and the Grenadines.

Budget 2024 heralds another quantum leap forward for medical care in Saint Vincent and the Grenadines, as we begin construction of the Acute Care Referral Hospital in Arnos Vale. As most

³³ “Modern Medical Complex now officially open,” *Searchlight*, 3 July 2018 (<https://www.searchlight.vc/front-page/2018/07/03/modern-medical-complex-now-officially-open/>)

Vincentians now know, this 134-bed hospital will be built at the top end of the former ET Joshua airport tarmac. At 200,000 square feet, the Acute Care Hospital will be 50 percent larger than the Milton Cato Memorial Hospital, and use that extra space in a far more efficient manner.

It has taken us many years to get to this point. First, we asked the World Bank to help identify the ideal site for a new hospital. Then, again with the help of the World Bank and the Pan American Health Organization, we completed detailed designs for the Hospital. Those designs were subjected to further review and revision, particularly in light of lessons learned after the COVID Pandemic and the Volcanic Eruptions. Various consultants and advisors essential to the process had to be hired. Critically, additional funding had to be secured, because the cost and scope of our ambitions exceeded our allocation at the World Bank. Today, we are at the point where we will select the contractor who will actually build the hospital. Physical construction will begin in the second half of 2024.

The Acute Care Hospital will cost approximately \$200 million to build and \$40 million to equip. It will provide services in all domains of acute hospital care including trauma care, acute care surgery, urgent care, critical care, emergency medicine, inpatient stabilization, and outpatient care. The facility will also offer a full range of allied health services required to support diagnostic, treatment, and rehabilitative interventions including medical laboratory technology, radiography, pharmacy, audiology, optometry, physical therapy, psychology and social work. The Acute Care Hospital will also contribute to an increased capacity to treat climate-induced diseases and injuries, such as those resulting from heatwaves, hurricanes, and other climate shocks, which are expected to increase in frequency and severity in the future. Critically, the Hospital will also play a major role in the management and treatment of non-communicable diseases.

The Milton Cato Memorial Hospital, in turn, will continue to offer its own accident and emergency services, while also becoming a specialist hospital for the health and wellbeing of women, children and families.

However, while construction of the Acute Care Hospital will begin this year, the Hospital itself is part of a wider ongoing healthcare reform initiative called the “Strengthening Health System Resilience Project.” The entire project is a \$265 million operation that also includes technical assistance, capacity building and infrastructure to create a safe, resilient, and transparent environment for sustained health service delivery and strengthened hospital performance. Budget 2024 allocates \$33.5 million to the project this year.

Under this reform initiative, we will develop a Health Information System Action Plan, procure hospital management information systems, implement transition plans, including the hospital-

specific plan for contingency and service continuity planning to effectively respond to public health emergencies, such as outbreaks, pandemics, disasters, and climate related extreme weather events.

Additionally, the project is focussed on strengthening the quality of health services and referral systems. The Acute Care Hospital will improve the quality and efficiency of hospital services, strengthen the continuum of care between primary and secondary care, build a patient-centred health care environment, and maintain the privacy and dignity of all patients. In achieving these goals, the Ministry of Health will implement more holistic and robust quality assurance and quality control programmes, strengthen guidelines, and improve standard operating procedures.

Project resources are also allocated to provide training for frontline staff to support victims of Gender Based Violence. Importantly, the Strengthening Health System Resilience Project will also review and strengthen the legislative and regulatory framework governing the provision of health services and goods through the public and private sectors. Indeed, there are now 40 private health facilities of varying size and complexity in Saint Vincent and the Grenadines, including three small private hospitals that offer outpatient and inpatient care. As more services are offered by the State; as more private sector clinics, hospitals and laboratories open; and as the public's expectations evolve, it is important that our regulatory framework keeps pace with our modernising healthcare sector.

The Acute Care Hospital component of the Strengthening Health System Resilience Project is funded by a complex and innovative partnership between the World Bank and the OPEC Fund for International Development (OFID). The Ministry of Health and the Economic Planning Division in the Ministry of Finance must be commended for the painstaking work that they did to harmonise the policies and expectations of these two development partners, and to ensure that we have the money to match our transformative ambitions for the health sector.

In the past, the commencement of a state-of-the-art \$200 million Hospital would be the only major project in the budget of a Small Island Developing State like ours. In Budget 2024, however, the Hospital jostles for attention with a \$667 million Modern Cargo Port, \$250 million in hotel development, and a \$100 million road rehabilitation project, to name just a few major initiatives. Even within the health sector itself, the Acute Care Hospital is but one of many important infrastructural improvements that will begin this year.

Budget 2024 features \$9 million in allocations towards constructing, expanding and refurbishing healthcare facilities in Bequia, Biabou, Byrea, Calliaqua, Cedars, Central Kingstown, Diamonds,

Enhams, Greiggs, Lowmans Windward, Overland and South Rivers.³⁴ In all, when completed, these upgraded and rebuilt clinics will cost over \$37 million. It is an incredible investment in community and rural healthcare facilities. An additional \$2.4 million is allocated this year for improvements at the Mental Health Centre, the Modern Medical Complex and the Milton Cato Memorial Hospital.

There's more. Budget 2024 includes \$6.8 million for the OECS Regional Health Project, which is designed to improve health facilities and laboratory capacity, as well as to strengthen public health surveillance and emergency management. This year, this World Bank-funded project will begin construction of a SMART health clinic in Belair and an isolation centre at the Buccament Polyclinic. We will also complete designs for a modern national public health laboratory, which will significantly advance diagnosis, analysis and treatment of illnesses across Saint Vincent and the Grenadines. Similarly, with the help of the Maria Holder Memorial Trust, we are refining designs for a modern elder care facility in Glen, at the site of the former Lewis Punnett Home.

• “Bigger Up” The Nurses

Nursing and midwifery personnel (per 10,000)

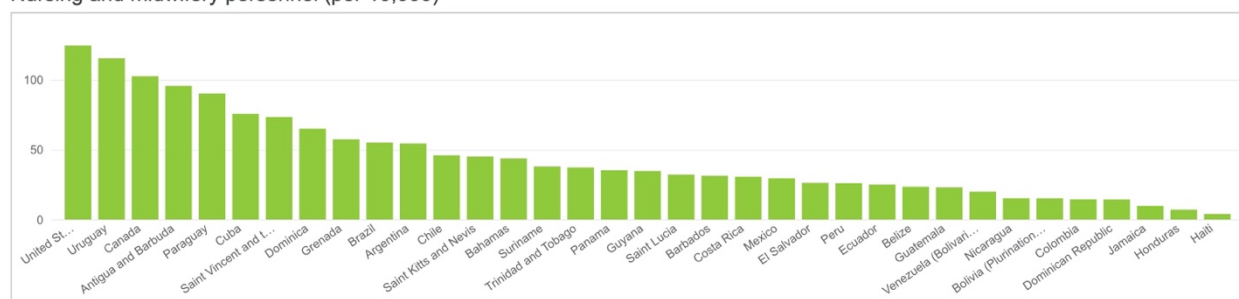


Figure 7: Per capita nursing and midwifery personnel, The Americas. Source: World Health Organisation

The story of how Prime Minister Gonsalves drastically expanded opportunities for Vincentians to pursue a career in nursing is well known. From offering incentives to study nursing, to collaborations with friendly governments for training, to the recent offering of Bachelor of Science degrees in nursing at our Community College, the Prime Minister, and successive ministers of education and health, have viewed nursing as both a needed skill and a rewarding career option for young people. Since taking office, this Government has more than doubled the number of nurses offering quality care to the people of Saint Vincent and the Grenadines. The post of Staff Nurse, for example, has moved from 133 positions to 335 positions – growth of over 150%; and the starting salary of a Staff

³⁴ Construction of Redemption Sharpes Health Clinic – (\$715k); Reconstruction of Paget Farm Health Centre – (\$714k); Bequia Hospital Expansion Project – (\$555k); Biabou Health Centre Improvement – (\$440k); Construction of Calliaqua Polyclinic – (\$1.58m); Construction of Byera Clinic – (\$910k); Construction of Diamond Clinic – (\$500k); Enhams Wellness Centre – (\$1.3m); Strengthening Health System Resilience Project – (\$1.1m); Modern South Rivers Clinic – (\$700k)

Nurse has increased from \$18,216 in 2001 to \$35,256 today.³⁵ This growth in nurses has resulted in Saint Vincent and the Grenadines having one of the larger nursing staffs in the region, on a per capita basis. According to the World Bank, within CARICOM, only Antigua and Barbuda has more nurses and midwives per capita than Saint Vincent and the Grenadines. Within all of Latin America and the Caribbean, Saint Vincent and the Grenadines is fourth.³⁶ The World Health Organisation, which uses a slightly different methodology, also places Saint Vincent and the Grenadines near the top in terms of the size of our nursing population.³⁷

However, our skilled and hardworking nurses are in high demand across the region and the world. Many are taking opportunities to practice overseas, where an acute shortage of nurses is driving demand and inflating salaries for skilled medical professionals.³⁸ Recognising this challenge, and also “Target 3c” of the Sustainable Development Goals, which states that countries should “substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States,”³⁹ Prime Minister Gonsalves has directed both short and medium term interventions to both show appreciation and attempt to retain more nurses.

In his 2023 Independence Address, Prime Minister Gonsalves said:

[A]s of January 2024, all nurses, nursing assistants, and nursing aides – some 750 in all – will be paid a monthly supplementary, non-taxable, income, for an initial six-month period, amounting to 5 percent of their salary, to ease certain specific challenges which they currently face. This will cost the Treasury

³⁵ Compare “Appendix III, Salary Scales: Grade 05,” *Saint Vincent and the Grenadines 2001 Estimates*, pp. 472-473 to *Saint Vincent and the Grenadines Estimates of Revenue and Expenditure*

³⁶ “Nurses and midwives (per 1,000 people) - Latin America & Caribbean,” World Bank 2019 (https://data.worldbank.org/indicator/SH.MED.NUMW.P3?locations=ZJ&most_recent_value_desc=true)

³⁷ See “Nursing and midwifery personnel (per 10,000),” World Health Organisation ([https://www.who.int/data/gho/data/indicators/indicator-details/GHO/nursing-and-midwifery-personnel-\(per-10-000-population\)](https://www.who.int/data/gho/data/indicators/indicator-details/GHO/nursing-and-midwifery-personnel-(per-10-000-population)))

³⁸ See, e.g., Smout, Alistair “Britain plugs nursing gaps with international staff amid WHO concern,” *Reuters* 23 May 2023 (<https://www.reuters.com/world/uk/britain-plugs-nursing-gaps-with-international-staff-amid-who-concern-2023-05-23/>); Neville, Sarah, “Number of UK nursing students plummets despite NHS shortages,” *Financial Times*, 21 Sept 2023 (<https://www.ft.com/content/c4209bbe-86db-40aa-9090-1fef80b0c6cf>); Prof. James Buchan, “How reliant is the NHS in England on international nurse recruitment?” *The Health Foundation*, 12 June 2023 (https://www.health.org.uk/news-and-comment/charts-and-infographics/how-reliant-is-the-nhs-in-england-on-international-nurse-recruitment?gclid=CjwKCAiA4smsBhAEEiwAO6DEjSp_QFNxzp23NSdM2HLHMLwNpfCG_Ebko9XzFcl3UA8EBba9qaEB0C2hIQAvD_BwE); “Fact Sheet: Nursing Shortage,” *American Association of Colleges of Nursing*, Oct. 2022 (<https://www.aacnnursing.org/Portals/0/PDFs/Fact-Sheets/Nursing-Shortage-Factsheet.pdf>); Azar, Alex II, “To Solve the U.S. Nursing Shortage Crisis, the Country Must Change Its Immigration Policies,” *Time* 5 June 2023 (<https://time.com/6284104/nursing-shortage-crisis-immigration-reform/>); Winegarden, Wayne “Greater Immigration Can Alleviate Troubling Skilled Nurse Shortage,” *Forbes*, 14 Aug 2023 (<https://www.forbes.com/sites/waynewinegarden/2023/08/14/greater-immigration-can-alleviate-troubling-skilled-nurse-shortage/?sh=55087eb059b8>)

³⁹ https://sdgs.un.org/goals/goal3#targets_and_indicators

*approximately \$1 million. A review will be done thereafter to address a possible upgrading and reclassification of these posts in the nursing profession. Let us big up the nurses!*⁴⁰

Budget 2024 operationalises this commitment. We “big up” the nurses. Not only will they receive this 5 percent raise on top of the general 2 percent increase that all public servants get this year, but analysis has already begun regarding ways in which the nurses’ salary bands can be adjusted or reclassified to take into account the current local and international demand for these heroic professionals.

As we markedly upgrade and modernise our hospitals, clinics and healthcare infrastructure, and as we hire more doctors and nurses, our challenges in collecting fees for services become more urgent. According to a recently-commissioned World Bank study of our healthcare financing:

Revenues from fees are insignificant due to an outdated fee schedule and lack of incentives at the facility level to collect fees. The 1995 act introduced a limited official co-payment regime with an EC\$5 co-payment or ‘stamp’ on prescriptions and with a large number of defined exemption categories. MCMH has limited charges for bed days (EC\$10/day) and some fees for laboratory and radiology procedures determined by the MOHWE in consultation with MOF. The revenues from these sources account for a modest source of financing for the public health system. Revenues from fees at the MCMH account for around 8 percent of operating costs. Because fees are not retained at the hospital level or in the sector, there is limited incentive to collect fees. Estimates indicate that about 80 percent of the patients that are expected to pay do not contribute due to weak revenue collection. The co-payment law that regulates revisions to the fee schedule and exemption rules limits financial flexibility.

In short, 80 percent of the people who can and should pay their bills at the hospital do not do so. Revenues from fees pay less than 10 percent of the bills. And there is a generally lackadaisical attitude about fee collection.

In 2022, the Milton Cato Memorial Hospital saw 11,604 inpatients, and billed them a total of \$2.3 million. The Hospital then applied \$260,000 worth of discounts for age, ability to pay, and certain categories of patients, like unionised workers, nurses and the police. Of the \$2 million remaining to be collected, the Hospital received a scant \$253,000. Over 85 percent of bills owed were uncollected, and the 11,604 inpatients paid, on average, \$22 for their healthcare.

This is not good enough.

⁴⁰ Gonsalves, Ralph E., “SVG is on the Right Track Despite External Burdens and Some Domestic Challenges,” 27 Oct 2023, pp 15-16 (https://pmoffice.gov.vc/pmoffice/images/stories/Speeches/2023_OFFICIAL_INDEPENDENCE_MESSAGE_-_FINAL.pdf)

The Strengthening Health System Resilience Project will include expert advice about fee revisions and collections, to come into effect when the Acute Care Hospital is opened. In the meantime, we will redouble efforts to collect fees from those who can afford to pay for their hospital services but choose not to. However, we do not want to waste time pursuing old and uncollectible debts. As such, the Honourable Prime Minister requested a complete review of all the debts owed by patients and their families to the Milton Cato Memorial Hospital, and all other hospitals in Saint Vincent and the Grenadines up to the 27th October, 2022. That review is not yet complete. When it is, the Government will clear the slate of old and uncollectible debts, apply the appropriate relief and waivers, and move forward with a more focused debt collection process between now and the application of our new fee structures.

The Government's plan for healthcare in Saint Vincent and the Grenadines is both simple and profoundly far-reaching: Vincentians must enjoy universal health coverage in a modern system that is resilient, sustainable, affordable and high quality. We have made tremendous strides in pursuit of this goal, but there is still much work to be done.

Budget 2024 advances our plan and moves us significantly closer to our goals. We have begun the process of updating an ageing model of service delivery and regulation. We are creating a functional and integrated health information system to modernise patient care. We are expanding the scope and improving the quality of secondary care services. We will begin construction of the Arnos Vale Acute Care Hospital. We will upgrade the Milton Cato Memorial Hospital to serve as a Maternal and Child Health Hospital and paediatric surgical centre of excellence. We will improve the delivery of primary care, through more and better clinics and polyclinics across Saint Vincent and the Grenadines, with improved service quality, modern referral systems and advanced care for the management of NCDs.

This is a healthcare Budget.

B. EDUCATION

The ongoing Education Revolution is a triumph of people-centred developmental transformation. The broadening and deepening of the Education Revolution is a central plank in our plan to accelerate the developmental transformation of Saint Vincent and the Grenadines. As mentioned earlier in this Budget Speech, it is almost a compliment for sustained excellence and achievement to be taken for granted. We are thrilled that the parents and students of Saint Vincent and the Grenadines expect that there will be a place for them in secondary school and community college. That they expect the Government to conduct multi-million dollar school repairs each summer, and multimillion dollar expansions and upgrades to school premises. That they expect to hear of record

numbers of scholarships and bursaries each year. And that they expect to receive support to go on to pursue tertiary education, in the form of tuition scholarships and economically disadvantaged student loans. Those expectations are testament to the longevity and success of the Education Revolution.

However, it is another thing entirely to become so accustomed to the Education Revolution that you question its value to the youth of Saint Vincent and the Grenadines, and our national development. Back in 2014, a leading opposition politician claimed that Community College degrees were “*not worth the paper that they are written on.*”⁴¹ That, at least, was a targeted critique, however misguided it was. A few months ago, however, the Leader of the Opposition questioned the relevance of the Education Revolution outright, and asked, rhetorically, “where is the success of the Education Revolution?”⁴²

Coming from a political party that once asserted that universal secondary education was not feasible before the year 2030, this was quite a question. But it provides an opportunity to remind Honourable Members, however briefly, of some of the successes that might have been overlooked by the inattentive or the insincere.

When this Government was elected to office, the Common Entrance pass rate was 37 percent, and those 37 percent of children were the ones who could go to secondary school. Today, the pass rate for children leaving primary school has moved from 38 to 85 percent, and 100 percent of children have a place in secondary school each year.

In the days before the Education Revolution, a grand total of three lucky students per year received government scholarships to pursue university education – three. Last year alone, this Government awarded 26 national scholarships, seven exhibitions, four special awards and 29 bursary awards, for a total of 66 scholarships – 22 times the earlier amount. That same year – 2023 – a whopping 1,250 additional students received tuition scholarships. There is no pre-Education Revolution comparison for tuition scholarships, because this programme that helped those 1,250 students attend university in 2023 simply didn’t exist back then.

State expenditure per student has increased by 160% in secondary school and 185% in primary school. The total number of teachers in secondary school has more than doubled, and there are more than three times more graduate teachers in secondary school today than there were before the Education Revolution was initiated. There are 1,500 more students in Community College today

⁴¹ “My Statements About Associate Degrees Were Not Inaccurate – Eustace,” *Searchlight*, 7 Oct. 2014 (<https://www.searchlight.vc/news/2014/10/07/my-statements-about-associate-degrees-were-not-inaccurate-eustace/>)

⁴² “Opposition Leader questions the benefit of the Education Revolution,” *Searchlight*, 8 Aug 2023 (<https://www.searchlight.vc/news/2023/08/08/opposition-leader-questions-benefit-education-revolution/>)

than there were in all phases of post-secondary school activity back then. In 2001, University of the West Indies enrolment peaked at 175 students. Last year, there were 475 students at Cave Hill, Mona and St. Augustine, plus an astounding 1,046 more enrolled at the UWI Global Campus. Compare the zero students who received scholarships to study in Taiwan back then, with the 33 such awards last year, and the 269 scholarships over the life of the programme to date.

Let the doctors, architects and engineers who went to universities in Cuba say that there is no value in the Education Revolution. Let the beneficiaries of five rounds of free laptop and tablet distribution say so. Or the ones who receive \$500 cash awards for passing more than five subjects at CSEC. Let the students and teachers in the newly built schools say so, or those utilising the National Library, or the thousands of beneficiaries of adult literacy training, or those receiving TVET training in the Learning Resource Centres scattered across the country. Indeed, Saint Vincent and the Grenadines is currently the exemplar in the OECS in TVET, in all its iterations, modalities and programmes.

As Buju Banton once sang, we “*could go on and on, the full has never been told.*” But there is no need to. The value of the Education Revolution is irrefutable and unassailable. It has changed lives. It has empowered the children of poor and dispossessed parents who had no such opportunity in their youth. It has created wealth across this country. It is creating an educated and informed citizenry, who won’t accept the type of partisan drivel that would spur anyone to question the most sustained commitment to life-altering educational opportunity in the history of this country, from colonial times to the present day.

This Government is the Education Government. Indeed, the most eloquent testimony about our continued belief in the power of education, and in our deepening of the Education Revolution, is found here in the pages of Budget 2024.

The Functional Classification “Education” receives \$204 million in Budget 2024, an increase of over \$18 million versus the 2023 allocation. Budget 2024 empowers both the Minister of Education and the Minister of Post Secondary and Higher Education to continue the inclusive expansion and evolution of initiatives aimed at improving educational access, outcomes and focus on producing future-ready learners.

Let us start with the fundamentals. It is intuitively and analytically clear that educational inputs – namely, quality schools, knowledgeable teachers, experienced principals and adequate time in the classroom – are critical preconditions and even strong determinants of student learning. Research suggests that:

*having a fully functioning school – one with better-quality roofs, walls or floors, with desks, tables, and chairs, and with a school library – appears conducive to student learning. . . On the personnel side, the most consistent [positive] results reflect having teachers with greater knowledge of the subjects they teach, having a longer school day, and providing tutoring.*⁴³

Budget 2024 refocuses upon these fundamental building blocks of student success by rehabilitating schools, constructing additional schools, and providing additional training to teachers.

Budget 2024 allocates \$15 million to the rehabilitation or construction of schools in Saint Vincent and the Grenadines. The construction of two brand new secondary schools will begin in 2024: The Sandy Bay Secondary School, funded by the Caribbean Development Bank, and the Brighton Secondary School, financed by the Saudi Fund for Development. The original Sandy Bay Secondary School was badly damaged in the 2021 volcanic eruptions, and students were relocated to a very good temporary facility in Black Point. However, we made a commitment in our 2022 budget to rebuild a first-class secondary school in Sandy Bay itself. Last year, we did substantial conceptual and design work on the improved Sandy Bay Secondary School. This year, we will complete the preparatory work and begin construction by the third quarter.

Although East Saint George is the most populous constituency in Saint Vincent and the Grenadines, it is the only constituency in the country that lacks a secondary school. With school proximity and access being strong determinants of educational success,⁴⁴ Budget 2024 makes provision for a thoroughly modern secondary school to be built in Brighton. The school will also be a centre of excellence for education in artistic and technical fields. We hope to begin construction in the second half of 2024.

The CDB-funded School Improvement Programme has now successfully completed extensive rehabilitations – valued at \$3.5 million – on the Barrouallie Anglican Primary School, Barrouallie Government School and Saint Vincent Grammar School. A further \$9 million worth of rehabilitative work on the Bequia Community High and St. Clair Dacon Secondary Schools will be completed in the first quarter of 2024.

Work on the Girls High School is ongoing, and activity on the Thomas Saunders Secondary and Kingstown Anglican School will commence this year. The Girls High School project has been plagued by conceptual and contractor-related challenges, the main one being the belated decision to demolish the existing Grimble Hall and replace it with a completely redesigned building. Those designs are now completed, and awaiting final CDB approval. While the Girls High School

⁴³ Glewwe, Paul, ed. *Education Policy in Developing Countries*, University of Chicago Press, 2014, pp. 47-49

⁴⁴ See, e.g., Damon, A., Glewwe, P., et al., *Education in Developing Countries: What Policies and Programmes Affect Learning and Time in School?* Elanders Sverige AB, 2016 (<https://www.oecd.org/derec/sweden/Rapport-Education-developing-countries.pdf>)

rehabilitation is taking longer than originally anticipated, we can assure students, parents and staff that it will definitely be worth the wait.

Further, Budget 2024 is making an important additional commitment to the maintenance of schools in Saint Vincent and the Grenadines. Through the Basic Needs Trust Fund, the Government will build and upgrade 20 classrooms in time for the September school term, as well as train a 25-person team to assist with the routine maintenance of educational institutions.⁴⁵ As the number of schools and students increases, so too must our efforts to proactively maintain our institutions.

• **Post-Secondary and TVET Education**

In 2019, the Government declared Technical and Vocational Education and Training (TVET) to be the next major phase of the Education Revolution. In that year's budget speech, we pledged to "deepen the scope and reach of the Education Revolution through a marked expansion in skills training and technical and vocational education."⁴⁶ The pledge may have been overlooked at the time; so much so that, four years afterwards, some are now belatedly trumpeting the value of TVET education. But while our declared focus might have missed some, the impact of that focus has been profound and far-reaching. Our pledge is being made manifest in policy and in practice, with Budget 2024 continuing to make TVET more accessible, and better suited to bridge the gap between what is taught by educators and what is in demand in the job market.

2023 was another banner year in the award of Caribbean Vocational Qualifications and National Vocational Qualifications to TVET learners. Since the declared focus on TVET education and certification in 2019, we have gone from issuing fewer than 200 CVQs to over 1,000 last year.

Our collaborative initiatives through numerous TVET training programmes – most notably SKYE, ANEW, and YATE – has served to increase our ambition and learners' appetite for more employment-focussed TVET training. Through our Youth and Adult Training for Employment (YATE) Programme, for example, 1,325 students have received TVET training in a variety of job-focussed areas, from plumbing to electrical installation to spa services and computer repair.

Budget 2024 invests heavily in improving TVET facilities nationwide. In Union Island, the Saudi Fund will finance the construction of a modern \$3 million TVET Centre adjacent to the Union Island Secondary School. Further, the \$600,000 TVET Infrastructure Improvement Project will upgrade the Petit Bordel Multi-purpose Centre, plus build and equip a food preparation and construction laboratory at the Canouan Secondary School.

⁴⁵ See, *Estimates of Revenue and Expenditure 2024*, p. 507

⁴⁶ Budget Speech, "Foundations for Growth, Jobs and Transformative Sustainable Development," 4th Feb. 2019, p. 6

In 2023, the Government completed a modern food science and technology laboratory on the site of the Saint Vincent and the Grenadines Community College Campus in Arnos Vale. That facility, when officially opened in the days immediately following this Budget debate, will provide students with practical technical education in food engineering and processing, food chemistry, nutrition, food preservation, processing, packaging, distribution, and safety.

The CDB-funded “Technical and Vocational Education and Training Development Project” has spent \$16 million to date on a variety of important TVET initiatives, including constructing Smart Classrooms in Campden Park; constructing the Barrouallie Technical Institute and purchasing supplies, furniture and equipment for multiple Technical Institutes. This year, the Barrouallie Technical Institute will begin courses in marine technology and small engine repair to develop skills in the repair of fishing boat engines.

The policy of “learning for jobs” through TVET training is increasingly entrenched as a critical component of the Education Revolution. Budget 2024 will continue to train more learners, in more fields, to better prepare students for a rapidly changing job market. We are determined to ensure that our TVET programmes both increase competitiveness and meet labour market needs. Our preliminary analyses suggest that the Government’s investments in TVET are yielding positive returns, and worth expanding. However, we have also seen that there is a need for more than technical training. Many students – in both TVET and other fields – have strong job skills but lack the “soft skills” and wider competencies to sustain career development. The Prime Minister is therefore piloting an initiative to ensure that young people also enter the job market armed with the type of soft skills that can often make the difference in an interview, on the job site, and in interacting with fellow workers.

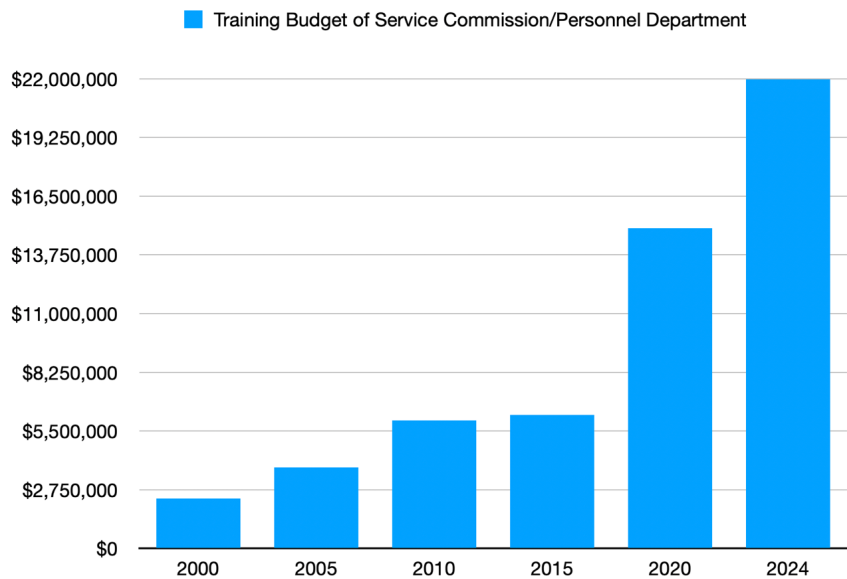


Figure 8: Training Budget of the Service Commission/Personnel Department, 2000 - 2024

Our commitment to post-secondary and tertiary education is tangible, measurable and impressive. For example, this year, Budget 2024 provides \$22 million to the Personnel Department to fund tertiary education for Vincentian students. That allocation has risen dramatically as more and more students get State support to go to university. The Personnel Department is administering three-and-a-half times more money on tertiary education than it did just 10 years ago, and a whopping 10 times more money than was spent when this Government took office.

We don't just talk about our commitment to education. We have a record that proves it. And we are proud of that record.

Similarly, Budget 2024 provides another \$1 million to the SVG Community College, raising their annual subvention to \$16.5 million.⁴⁷ On top of that \$1 million increase, a further \$1.1 million in capital expenditure improves the Community College campus, and invests in TVET equipment for the College's mechanical engineering and automotive programmes.

The National Student Loans Company, the successor to the Student Loan Committee of 2002, has a loan portfolio of \$32 million and 744 active accounts. Just pause and think of this incredible, and additional, investment in educational opportunity. There are 187 current students taking advantage of this programme, and accessing \$5.4 million worth of loans. In its 2020 Manifesto, which was previously made a document of this Honourable House, the Unity Labour Party unambiguously committed to “[b]olster further the Economically- Disadvantaged Student Loan Programme” through a number of measures, including a pledge to “reduce the interest rate on all existing and new loans going forward to 5 percent.”⁴⁸ The impact of the La Soufriere eruptions and the post-COVID spike in interest rates conspired to delay that pledge, but the time has come for its fulfilment.

After extensive consultations with the National Student Loans Company over the course of 2023, with an eye on existing interest rate trends, borrowing costs and delinquencies, we have agreed to reduce student loan interest rates from the current six percent down to 4.5 percent. This will undoubtedly be welcome news to the students and families currently taking advantage of this programme, as well as those who have been faithfully repaying their loans.

On the other hand, we also agreed with the National Student Loans Company that more can and should be done to address the unacceptably high rate of delinquencies within the programme. Recent analysis indicates that far too many of the delinquent borrowers are gainfully employed persons – many within the civil service – who have simply decided not to repay their loans. We will

⁴⁷ See, *Estimates of Revenue and Expenditure 2024*, p. 122

⁴⁸ Unity Labour Party, *Manifesto 2020: Our Vision with Enduring Labour Love*, Oct. 2020, p. 71

employ various measures this year to remind those delinquent borrowers that student loan repayment is not optional.

- Rebounding from COVID

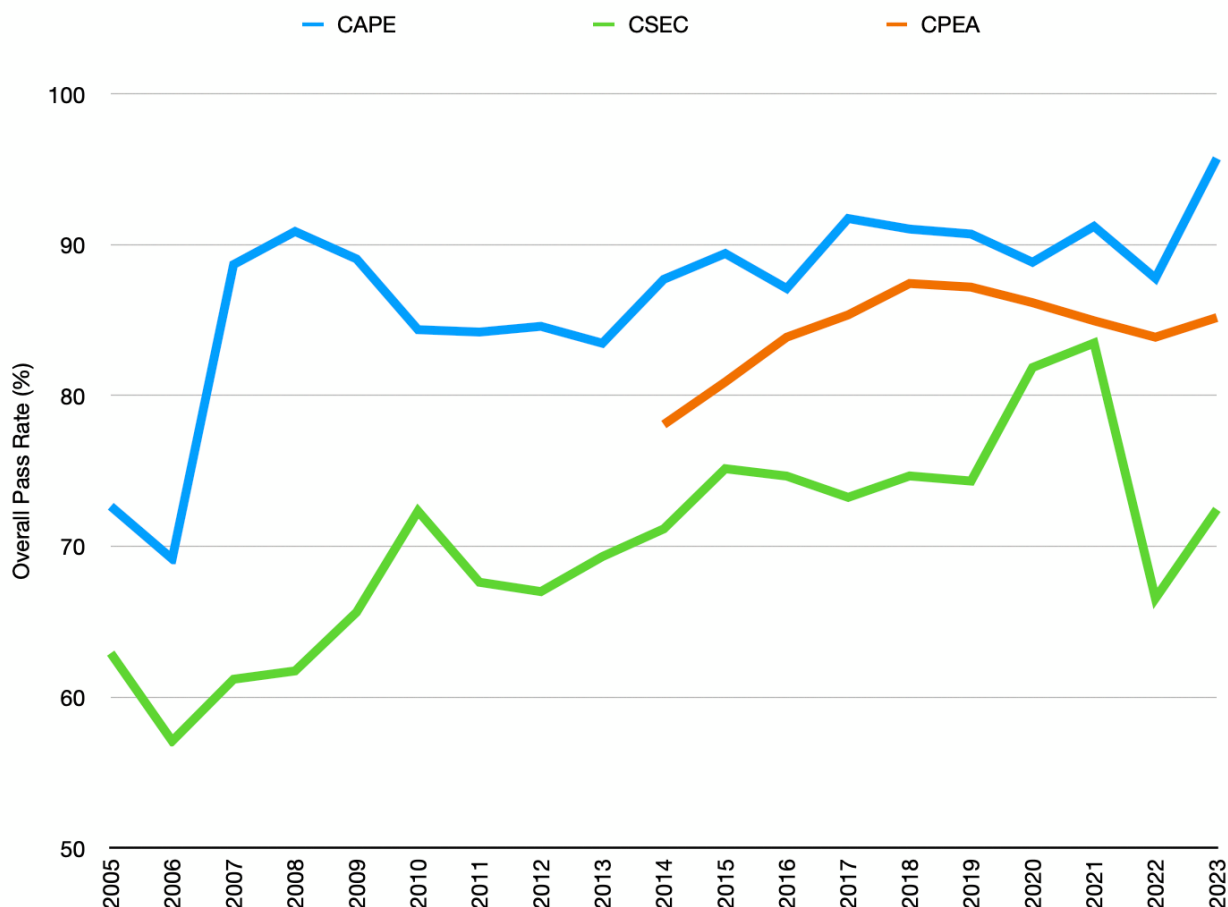


Figure 9: Pass Rates for CAPE, CPEA and CSEC terminal examinations 2005-2023 (Source: Ministry of Education)

With the worst of the COVID Pandemic behind us, it is easy to forget that most pupils in Saint Vincent and the Grenadines lost an academic year of face-to-face instruction and socialization. The prompt and decisive Government actions to provide tablet computers and other supports to facilitate online classes – to say nothing of the dedication and adaptability of many teachers – mitigated the social and educational fallout as best as was possible. However, our students undoubtedly suffered, and continue to suffer the lingering effects of the lost time.

2022 pass rates for CAPE, CSEC and CPEA exams, which have steadily climbed over time, fell by between three and eight percentage points below the pre-Pandemic levels. In the case of CPEA and CAPE, the pass rates fell to 2016 levels. CSEC pass rates fared worse, recording the lowest pass rates in a decade.

The good news is that pass rates are rebounding strongly. Across the board, 2023 exam passes were better than the previous year. However, CSEC and CPEA passes have yet to return to pre-Pandemic levels. Further, study after study indicates that the lost instructional time will have long-lasting impacts on student development and future prospects. Globally, the World Bank estimates that, due to lost instructional time, “*this generation of students now risks losing \$17 trillion in lifetime earnings in present value as a result of school closures, or the equivalent of 14 percent of today’s global GDP.*”⁴⁹ The number of children living in “learning poverty” – that is, children who are unable read and understand a simple age-appropriate text at age 10 – is likely to increase by 10 percent in countries like ours.⁵⁰ Student performance in subjects like mathematics, already suboptimal in many schools, were most likely to suffer.

There is considerable debate about whether the best way to address the lost classroom time is to compensate by simply lengthening the school day; or reorganising existing instructional time to focus on ‘learning to learn’ skills.⁵¹ However, it is clear that “the effects of the pandemic are likely to persist without continued concerted investments in student learning.”⁵² The Ministry of Education will not sit idly by and permit COVID’s after-effects to exacerbate inequalities and affect student’s prospects for success years into the future. We will continue to work hard to help to ensure that our next generation does not become a lost generation due to lost instructional time.

C. HOUSING

Let us begin with some context. Within 24 months of receiving the all-clear to return to the Red Zone, and after clearing thousands of tonnes of ash, the Government of Saint Vincent and the Grenadines has relocated 68 families to newly-built homes in Orange Hill and Sandy Bay. We have repaired 1,300 homes in the Red Zone. We have struck deals to import 50 prefabricated homes from

⁴⁹ The World Bank, UNESCO and UNICEF (2021). *The State of the Global Education Crisis: A Path to Recovery*. Washington D.C., Paris, New York: The World Bank, UNESCO, and UNICEF. p. 5
(<https://documents1.worldbank.org/curated/en/416991638768297704/pdf/The-State-of-the-Global-Education-Crisis-A-Path-to-Recovery.pdf>)

⁵⁰ *The State of the Global Education Crisis: A Path to Recovery*, pp. 9-10, 14

⁵¹ See, e.g., “New Data Show How the Pandemic Affected Learning Across Whole Communities,” Harvard University Graduate School of Education 11 May 2023 (<https://www.gse.harvard.edu/ideas/news/23/05/new-data-show-how-pandemic-affected-learning-across-whole-communities>); “Extra classroom time may do little to help pupils recover lost learning after COVID,” University of Cambridge Faculty of Education (<https://news.educ.cam.ac.uk/more-classroom-time-after-covid>); Fahle, E., et al, *School District and Community Factors Associated With Learning Loss During the COVID-19 Pandemic*, May 2023; “Here’s how COVID-19 affected education – and how we can get children’s learning back on track,” World Economic Forum, 14 Nov. 2022 (<https://www.weforum.org/agenda/2022/11/covid19-education-impact-legacy/>) (https://cepr.harvard.edu/sites/hwpi.harvard.edu/files/cepr/files/explaining_covid_losses_5.23.pdf)

⁵² *School District and Community Factors Associated With Learning Loss During the COVID-19 Pandemic*, p. 2

Guyana. Over the same 24 months, the Lives To Live Programme has built or expanded 197 homes. Last year, we distributed \$6.4 million in building materials to 2,702 vulnerable homeowners.

What an amazing commitment to the Vincentian Dream of home ownership and the human, social and economic right to have access to adequate housing.⁵³

The Housing revolution is a foundational plank in this Government's people-centred plan to uplift the material conditions of Vincentians. It bears repeating that no administration in Vincentian history has built more homes, distributed more building materials, or conveyed more land titles to citizens than this one. That is an indisputable fact. Indeed, if you pick any single year in this Government's history – any one – we have built and repaired more homes in those 12 short months than in the entire 17-year tenure of the previous administration. For example, the 68 Red Zone homes and 89 Lives to Live homes built in 2023 total 157 homes. That represents 157 more homes than the previous administration ever constructed.

Budget 2024 builds upon the unassailable record and commitment to housing. This year's Capital Budget allocates over \$24 million to build and repair houses across Saint Vincent and the Grenadines. Specifically, in 2024 alone, this Government will build 234 new houses, repair an additional 495 houses, and reconstruct a further 25 homes that sustained severe damage in recent disasters. That means that this year alone, 754 families across Saint Vincent and the Grenadines will be directly touched by this Government's commitment to the right to adequate housing.

The 754 homes to be built, repaired or substantially reconstructed are spread among three programmes in the Capital Estimates: The Lives to Live Programme, the Home Reconstruction Project – Phase II, and the Housing Reconstruction/Rehabilitation Project.⁵⁴ Together, these three programmes will receive \$24.3 million in 2024.

In 2024, the venerable Lives to Live Programme is substantially financed by the Saudi Fund for Development. In addition to funds for the distribution of building materials to vulnerable households, the programme will construct 60 1-bedroom houses, 90 2-bedroom houses, and repair 95 houses nationwide.

Last year, the Government entered into a contract with DuraVilla Homes⁵⁵ of Guyana to supply 50 prefabricated homes at a cost of \$3.6 million. To date, 15 of those homes are in various stages of

⁵³ Universal Declaration of Human Rights (1948), Article 24 (<https://www.un.org/en/about-us/universal-declaration-of-human-rights>); International Covenant on Economic, Social and Cultural Rights (1966) Article 11 (<https://www.ohchr.org/en/instruments-mechanisms/instruments/international-covenant-economic-social-and-cultural-rights>)

⁵⁴ *Estimates of Revenue and Expenditure 2024*, pp. 808-809

⁵⁵ <https://duravilla.com/>

completion in Cumberland and Orange Hill. In 2024, Phase II of the Home Reconstruction Project will erect an additional 35 of these prefabricated homes, undertake repair works to 350 damaged houses, and reconstruct 25 severely damaged homes.

Under the Housing Reconstruction/Rehabilitation Project, which is also substantially supported by the Saudi Fund, we will construct 10 wooden homes – 5 one-bedroom and 5 two-bedroom – along with 39 concrete homes – 12 one-bedroom, 20 two-bedroom, and 7 three-bedroom. The Housing Reconstruction/Rehabilitation Project will also repair 50 houses.

Budget 2024 also allocates over \$750,000 for the design and construction of roads, drains and river defence at developments in Clare Valley, Colonaire, Cumberland, Fair Hall and Noel. This important work will ensure adequate access, safety and resilience in these burgeoning housing developments.

In addition to the \$500,000 allocated to conduct light retrofitting work at 10 community centres nationwide,⁵⁶ Budget 2024 provides \$2 million to construct a Multipurpose Centre in Diamond, overlooking the Sir Vincent Beache Athletic Stadium.⁵⁷ The Diamond Multipurpose Centre will be a two-storey facility with an auditorium, skills training rooms, ICT and conference rooms and business spaces. The contract to begin construction of the Multipurpose Centre has already been signed, and work will begin early in the year. It will be a worthy addition to the rapidly-developing Diamond area. Again, the transformation may be sometimes taken for granted, but the Diamond area has been transformed – in short order – from a muddy pasture to host a hotel, a supermarket, an athletics facility, a restaurant, a hospitality school, offices, a distribution warehouse, a hardware store, a pharmacy and, this year, a police station and community centre. More private sector initiatives are also slated to begin in Diamond in 2024. It is a remarkable story.

The Honourable Orando Brewster, our Minister of Housing, has his work cut out for him in 2024. He will be overseeing, on average, the construction of almost 20 homes per month and the repair of an additional 43 homes per month. We know that he is up to the task, just as the people of Saint Vincent and the Grenadines know that this Government is up to the challenge of disaster response, citizen resilience and inclusive development. As always, we will get the job done.

D. SOCIAL PROTECTION AND DEVELOPMENT

This Government's plan for national development is fundamentally people-centred and inclusive. Our battles against poverty and inequality, and our collaborative efforts to help the most vulnerable

⁵⁶ *Estimates of Revenue and Expenditure 2024*, pp. 808-809

⁵⁷ *Estimates of Revenue and Expenditure 2024*, pp. 806-807

citizens to build resilience, is guided by the biblical dictates of the Book of Matthew,⁵⁸ and measured against the internationally agreed Sustainable Development Goals (SDGs).⁵⁹

Amidst our times of progress, when things are going well; In the midst of our periods of struggle against local setbacks, like volcanic eruptions and hurricanes; and throughout external challenges, like the Global Financial Crisis or the COVID Pandemic; this Government remains steadfast in our commitment to protect and empower the poor, the vulnerable and the disadvantaged. We are, at our core, a poor people's Government.

Budget 2024 continues our central mission to strengthen our social protections and improve our delivery of vital services to vulnerable Vincentians. While Saint Vincent and the Grenadines continues to recover, nationally, from the impacts of the volcanic eruptions, the COVID pandemic, and the recent cost-of-living challenges, we must always remember that these adversities were most acutely felt by the most vulnerable,⁶⁰ and that their recovery will not be as rapid or as seamless as that of more resilient sectors of our society. Some estimate that COVID has caused increased inequalities within countries that “may well persist for more than a generation.”⁶¹ As pointed out by the United Nations' most recent report on global progress to achieve the Sustainable Development Goals, “[t]he COVID-19 pandemic has highlighted the importance of social protection systems.”⁶²

As such, social protection in 2024 shifts focus from broad emergency response to targeted, sustainable and empowering interventions designed to impact those most deeply affected by recent shocks. In addition to a suite of innovative awareness, education and protection activities conducted by the Ministry of Social Development, Budget 2024 allocates almost \$21 million in cash or in-kind social assistance in the departments of child development, social protection and gender.

A relatively small, but profoundly important initiative in Budget 2024 merits a brief mention: Honourable Members may note the sudden insertion of \$240,000 to pay rent within the Child Development programme, and corresponding jumps in wages and operating expenses that

⁵⁸ Holy Bible, Matthew 25:35-36, 40

⁵⁹ “The Sustainable Development Goals,” United Nations (<https://sdgs.un.org/goals>)

⁶⁰ See, e.g., Sánchez-Páramo, R., et al, “COVID-19 leaves a legacy of rising poverty and widening inequality,” World Bank, 7 Oct 2021 (<https://blogs.worldbank.org/developmenttalk/covid-19-leaves-legacy-rising-poverty-and-widening-inequality>); Johns, S., et al, “Coronavirus will have bigger impact on world's most disadvantaged and vulnerable,” Imperial College of London, 13 May 2020 (<https://www.imperial.ac.uk/news/197498/coronavirus-will-have-bigger-impact-worlds/>); “Impact of COVID-19 on people's livelihoods, their health and our food systems: Joint statement by ILO, FAO, IFAD and WHO,” 13 Oct 2020 (<https://www.who.int/news/item/13-10-2020-impact-of-covid-19-on-people-s-livelihoods-their-health-and-our-food-systems>); Alizadeh, H., Sharifi, A., Damanbagh, S. et al. Impacts of the COVID-19 pandemic on the social sphere and lessons for crisis management: a literature review. *Nat Hazards* 117, 2139–2164 (2023). (<https://doi.org/10.1007/s11069-023-05959-2>);

⁶¹ Ferreira, F., “Inequality in the Time of COVID-19,” International Monetary Fund, 2021 (<https://www.imf.org/external/pubs/ft/fandd/2021/06/inequality-and-covid-19-ferreira.htm>)

⁶² *The Sustainable Development Goals Report 2023: Towards a Rescue Plan for People and Planet*, United Nations (2023) p. 15 (<https://unstats.un.org/sdgs/report/2023/The-Sustainable-Development-Goals-Report-2023.pdf>)

contribute to a \$522,000 increase over last year's allocation.⁶³ This 18 percent increase in the Child Development budget will be used primarily to secure two properties to establish residential facilities – one for boys and one for girls – who require specialised attention for behaviour or conduct disorders, or whose circumstances require residential support. There are too many stories, from too many quarters, about little boys and girls being abused, neglected, or finding themselves in circumstances that require residential care – and love – in conditions separate and apart from existing homes for at-risk youth. We intend to rent these facilities in the medium term, while we complete designs for more permanent facilities.

• Inflation and Social Protection

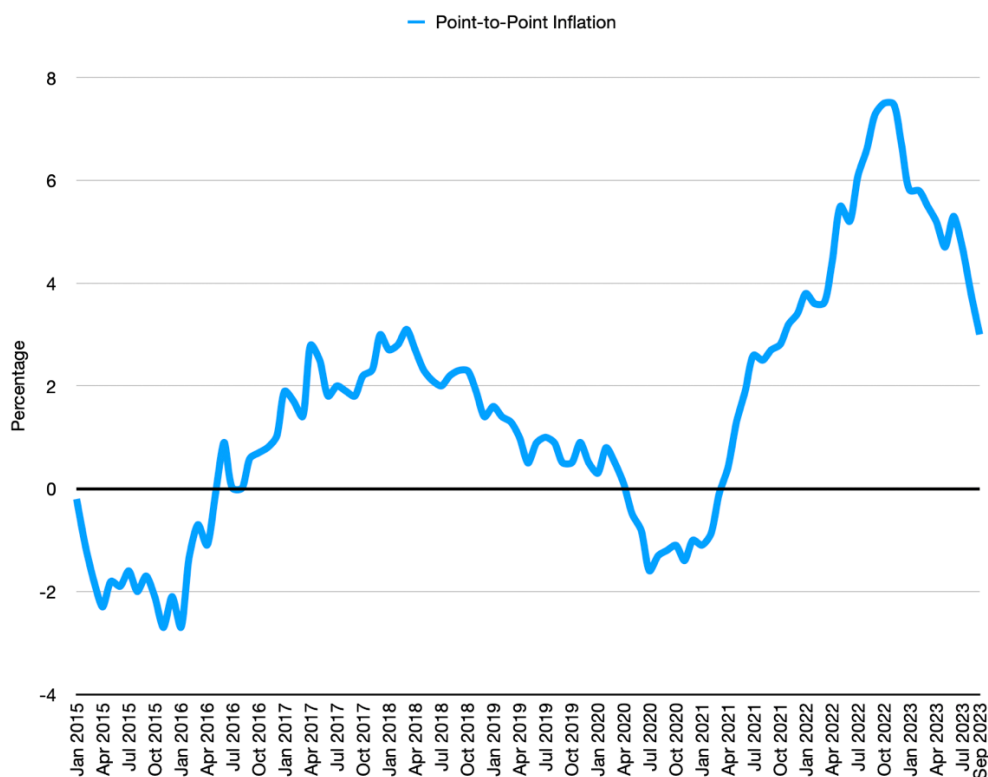


Figure 10: Point to Point Inflation in Saint Vincent and the Grenadines, Jan 2015 to September 2023 Source: Statistics Dept.

In the wake of the global rise in inflation and the resulting cost of living challenges, the Government enacted a series of measures to cushion the impact of these shocks. These measures included subsidies on fertilizer and animal feed subsidy to farmers; a waiver of Customs Service Charges on fuel imported by VINLEC; a reduction of excise tax on gasoline and diesel; an elimination of Customs Service Charges on cooking gas; a reduction of Customs Service Charges on inputs for the production of flour; and an expansion of the VAT exemption on electricity usage from 150kWh to 250 kWh.

⁶³ *Estimates of Revenue and Expenditure 2024*, p. 296

These measures, and other interventions, cost the Government roughly \$20 million. In last year's budget, we informed the country that "[i]n 2023, the Government will seek to phase out these measures as conditions permit." Over the last quarter of 2023, as inflation fell and food and consumer prices declined, we gradually phased out most of these broad interventions, replacing them with more targeted initiatives.

We have retained, for the time being, the VAT exemption on electricity usage at 250 kWh. This will continue to give electricity consumers some relief amidst continuing high oil prices and elevated uncertainties in the Middle East, to say nothing of warmongering efforts by imperialists among oil producers in our own hemisphere.

In the six-and-a-half years from January 2015 to mid-2021, the monthly point-to-point inflation in Saint Vincent and the Grenadines generally hovered between -2.5 percent and 2.5 percent. By the end of 2021 the rate was 3.4 percent, and it peaked at 7.5 percent in November 2022. Since then, local inflation has declined steadily, reaching 3 percent in September 2023 – not quite within the normal range, but not far off. This tracks with the IMF observation that “Global headline inflation has more than halved.”⁶⁴ Further, pressures in the global supply chain are easing, and the prices of cereals and other foods are approaching their pre-Pandemic averages.

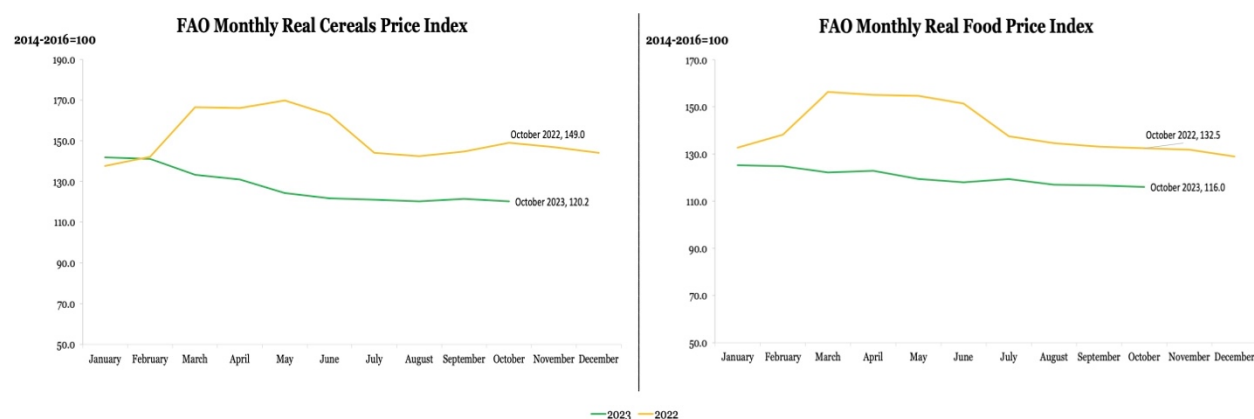


Figure 11: Monthly Real Cereals Price and Real Food Price Indices Source: Food and Agriculture Organisation

⁶⁴ World Economic Outlook, p. 4



Figure 12: Global Supply Chain Pressure Index Source: Federal Reserve Bank of New York

We will continue to monitor the movement of these factors that contribute to the price of food and consumer goods in Saint Vincent and the Grenadines. We remain willing to actively intervene, as we have in the past, if global circumstances require.

As we refocus on improving the quality of our social support architecture, the Government is embracing technology in its analyses of vulnerability and our delivery of assistance. Undoubtedly, our energetic Minister of Social Development the Honourable Dr. Orando Brewster, will expound on these initiatives.

E. WOMEN

Women in Saint Vincent and the Grenadines are seizing opportunities for growth and advancement like never before. Sixty-two percent of the students at the SVG Community College are women, while women make up 78 percent of Vincentian enrolment at the University of the West Indies.⁶⁵ At the UWI Global Campus, 83 percent of the Vincentian students are women.⁶⁶

The trend is the same for TVET and life skills training. Graduates of the Youth and Adults Training for Employment (YATE) TVET programme were 65 percent female. Sixty-three percent of the students taking post-secondary TVET programmes at the Technical Institutes of the Community College were women. Life skills training programmes offered under the Volcanic Eruption Emergency Project (VEEP) were oversubscribed, and made up of 84 percent woman enrollees.

Yet, myriad challenges remain for Vincentian women.

⁶⁵ *St. Vincent and the Grenadines Education Statistical Digest 2021-2022*, Ministry of Education, 2023, pp. 184-189,

⁶⁶ *Education Statistical Digest 2021-2022*, p. 190

Women in Saint Vincent and the Grenadines are more vulnerable to many shocks, including a more profound impact on their economic activity and access to health care. Women's economic vulnerability is significantly higher than men's, in part because, statistically, women-led households have much larger families than the national average. Sixty percent of women in the poorest quintile of Saint Vincent and the Grenadines had their first child in their teens, while only 30 percent of women in the highest quintile were teen mothers. Data indicates that women are more vulnerable to the effects of natural disasters, communicable diseases and chronic NCD conditions. For example, women have higher risk of obesity (67 percent against 43 percent for men) and diabetes.⁶⁷

Madame Speaker, notwithstanding your presence in this Honourable House as our first woman Speaker of the House, and the fact that 83 percent of the Parliament's Honourable Senators are women – including all Senators on the Government side – the fact is that all 15 of our elected representatives are men. Indeed, we have not welcomed an elected woman to this Honourable House since the great Girlyn Miguel retired undefeated in 2015.

Budget 2024 invests heavily in areas that offer women a disproportionate opportunity for advancement, like education and training. The Strengthening Health Systems Resilience Project – which includes the Acute Care Hospital – is focused on active policy interventions designed to improve women's health. Further, we will be upgrading the Milton Cato Memorial Hospital and converting it to a specialised women's and paediatric facility.

This year, under the OECS Regional Health Project, Budget 2024 will establish Gender Based Violence units in Buccament and Mesopotamia. Meanwhile the CDB-funded COVID-19 Response Programme will ramp-up training for women in life, business and farm skills. The Ministries of Labour, Legal Affairs and Gender Affairs will be collaborating closely on a review of a recently-completed draft sexual harassment bill, and support for teen mothers has been ramped up.

Another crucial pro-woman policy is being announced today, namely the way in which the minimum wages have been enhanced. The general increase in the minimum wage will be announced elsewhere in this Speech. However, the Honourable Prime Minister – along with our Labour Commissioner Racquel Lawrence and our Wages Council Chairwoman Dr. Mineva Glasgow – paid specific attention to the low-wage jobs that are disproportionately staffed by women. Our cashiers, sales clerks, cleaners, cooks, food servers, receptionists, housekeepers, domestic workers and caregivers for children and the elderly are overwhelmingly women. Their minimum wages were also disproportionately on the lower end of the spectrum in the multi-tiered system of compensation regulated by the Wages Council. While all minimum wages will be increased across the board,

⁶⁷ WHO NCD Country Profile (2018). (https://www.who.int/nmh/countries/vct_en.pdf and Country Nutrition Profile <https://globalnutritionreport.org/resources/nutrition-profiles/latin-america-and-caribbean/caribbean/saint-vincent-and-grenadines/>)

Honourable Members will note that women-dominated professions will receive a higher-than-average bump in their pay.

Similarly, as previously discussed, our 750 nurses, nursing assistants, and nursing aides will be getting an extra five percent ‘top up’ on their salary, above and beyond the negotiated two percent for all public servants. Our nursing profession is dominated by women. In ‘bigging up’ the nurses, the Prime Minister is also ‘bigging up’ hundreds of female healthcare professionals.

F. CITIZEN SECURITY

Citizen security, and its law-and-order requisites, are allocated \$95.4 million in the recurrent Budget 2024 as follows:

Police Services	\$44.5 million
Fire Services	\$4.9 million
Coast Guard Service	\$7.2 million
Prisons	\$7.3 million
Border Security (Passport/Immigration)	\$6.3 million
Security Administration (including RSS, IMPACS etc.)	\$4.4 million
Registry and High Court	\$5.8 million
Magistracy	\$1.6 million
Family Court	\$1.2 million
Director of Public Prosecutions	\$2.1 million
Legal Affairs	\$3.7 million
Financial Intelligence Unit	\$1.1 million
Financial Services Authority	\$2.9 million
Assorted Security Contributions	\$0.25 million
Eastern Caribbean Supreme Court	<u>\$2.2 million</u>
TOTAL	<u>\$95.4 million</u>

This sum represents in excess of nine percent of the total recurrent budget of 2024.

On the capital side of Budget 2024, the allocations for citizen security/law and order amount to \$9.74 million or nearly 2 percent of the total capital budget on the following:

National Security, (including police stations, prisons, vehicles, equipment)	\$7.5 million
Modern High Court Project	\$1.5 million

Other Citizen Security-related Projects

\$0.74 million

\$9.74 million

Additional to these are routine repairs of buildings which come from the BRAGSA allocation, and for some equipment which are located in the allocations to the Ministry of Finance.

Thus, no one can reasonably assert that a sufficiency of resources has not been earmarked for citizen security/law and order. Embedded in these numbers are funds for an increase in personnel, improvement in physical infrastructure, training, equipment, and vehicles. Indeed, \$1.5 million is budgeted for 2024 to bolster the vehicular fleet in the Police Force with at least 15 new vehicles.

Everyone admits that the extent of criminal violence resulting in over 50 murder victims is unacceptably high. Criminal violence is a complex matter involving centrally the quality and extent of parenting; schooling; religious education; wholesome community activities in for example sports, culture, and participation in civic organisations and clubs; relative ease of accessing guns from overseas, especially the USA; mass media influences; the efficacy of the organs of the State with oversight, and actions relating to, citizen security/law and order. Still, at the end of the day, choosing crime or violence as a way of life is an individual choice with individual responsibilities and attendant consequences.

Our Government has repeatedly articulated a comprehensive strategy, and programmatic details therein, starting with the “14-Point Strategy on Crime,” which was formally-presented to Parliament in February 2003. Both the Strategy and the elements thereof have been reviewed and amended over the years since.

This government again reiterates its firm stance of tackling crime and the causes of crimes. The Prime Minister will elaborate further in his contribution in this Budget session.

We say this emphatically: The Education Revolution is, in part, a crime reduction/prevention measure; so, too, are our programmes and policies in Housing, Health, Social Development, Sports and Culture, among others.

Overwhelmingly, our people, including young males, are law-abiding and peaceful. But a tiny minority of young males have chosen the path of criminal violence. All of us have a hand in bringing them to a redemptive path. The Government has a special role, and it is emphasising this in Budget 2024.

V. GRENADINES AFFAIRS

While the residents of the Grenadines did not immediately experience the worst of the Pandemic or the volcanic eruptions, their strong reliance on tourism for economic activity has made for a rocky recovery. Specifically, yacht tourism is a critical part of the Grenadines' economy, and yachts have not returned to the Caribbean with the same rapidity as airline and cruise ship passengers. Post-COVID yacht arrivals are rebounding, but still lag behind the general tourism rebound. Saint Vincent and the Grenadines led the OECS in yacht arrivals in 2022, but with a paltry 35,000 boats – a solid 30 percent below recent pre-Pandemic averages. In 2023, we surpassed the 2022 total by the end of the third quarter, and preliminary data suggest roughly 50,000 yacht arrivals last year. A solid rebound continues, but we are not yet approaching the almost-63,000 arrivals in 2019, or our historical highs.

Minister Carlos James has announced initiatives to improve safety and security of yachties in Saint Vincent and the Grenadines, while also committing to improving festivals and events that will drive additional visitors to our destination. In recent consultations between the Government and the hospitality, other issues were raised that would improve the ways in which superyachts can visit and provision themselves here. We are working on improving our communications and responsiveness to the changing needs of this important subsector. We are also coordinating more closely with important private sector actors, like the Sandy Lane Yacht Club in Canouan, easily the best marina anywhere in the Southern or Eastern Caribbean.

The Honourable Benarva Browne, our committed Minister of Grenadines Affairs, has engaged in multiple consultations with stakeholders in the Grenadines. She, along with Edwin Snagg and Carlos Williams, the Director and Deputy Director of Grenadines Affairs, have worked hard to shape and drive the Grenadines-specific interventions in this year's budget.

Budget 2024 includes allocations of close to \$14 million in Grenadines-specific capital expenditure.

For Grenadines tourism, \$4.8 million will be spent improving airports in Bequia, Canouan and Union Island. This includes work on tarmacs and terminal buildings, as well as the procurement of fire engines for the JF Mitchell and Union Island Airports. Additionally, the Canouan airport runway, which requires unusually frequent remedial work, has been prioritised for more long-lasting rehabilitative work. The Government received a CDB-funded analysis and design for that runway in the closing days of 2023. We will fast-track the review and revision of the analysis we have received, and seek funding for that rehabilitative work to begin as soon as is practicable.

The Education Revolution continues apace in the Grenadines. In 2019, the Government opened the first secondary school on Canouan. Last June, Canouan Secondary School celebrated its first

graduating class, with strong performances from the students. Meanwhile, the Union Island Secondary School continued its recent dominance of the NTRC's nation iCode competition – a dominance that coincided with the NTRC's decision to host three-week coding workshops at the School during the summer holidays.

As mentioned previously in this speech, Budget 2024 will begin construction of a TVET in Union Island, improve the school in Canouan and reopen the Bequia Community High School, whose multimillion dollar rehabilitation is 80 percent complete. The Government will also build on its initiative to mainstream educational opportunities for children with learning challenges at Bequia's Sunshine School – an emerging regional best practice.

The Paget Farm Health Centre and the Bequia Hospital will enjoy rehabilitation and expansion this year, thanks to a \$1.3 million allocation in Budget 2024. Additionally the “Improvement to Primary Health Care” project will provide instruments, equipment, furniture and fittings for health facilities in Bequia.

In addition to ongoing BRAGSA repair work in the Grenadines, the Bluff Road realignment will continue, and the National Road Rehabilitation Project will begin the \$1.6 million repair of the Canouan Coast Guard Road. A contract for that work has already been signed. Similarly, over \$440,000 is allocated to establish a Police substation in Mayreau, and to upgrade markets, revenue and District Council offices in the Grenadines.

As previously discussed, it is Government policy to reduce climate-related vulnerabilities in Bequia and continue our project of ramping up solar energy generation in the Grenadines. We believe that impediments to the commencement of the desalination plant in Bequia have been resolved, and we look forward to getting that important resilience-building project underway. Budget 2024 allocates \$1.4 million to the project. However, our plan to simultaneously begin a solar PV plant in Bequia will be delayed further as we review designs, resolve issues related to optimal land use, and consult with community stakeholders.

Finally, the Government intends to resolve a specific revenue collection problem that is national in nature, but that will disproportionately impact residents in the Grenadines. There are over 600 villas, guesthouses and rooms available for rent via the popular Airbnb.com website. Roughly 70 percent of these properties are located in the Grenadines. However, almost none of these Airbnb properties charge or pay VAT or collect the levy on visitor accommodations. The tax-paying hoteliers in Saint Vincent and the Grenadines consider this tax evasion to be an unfair competitive advantage for these Airbnb entrepreneurs. The Government considers it illegal. We want to encourage the market for short- and long-term homestays to continue its growth, but within the framework of the law. We

will be working with Airbnb and with the local hosts to close loopholes and create awareness about the existing law.

VI. JOB CREATION AND DECENT WORK

This is a Labour Government.

Budget 2024 continues our focused work on creating greater opportunities for decent work, training Vincentians for in-demand jobs, and improving conditions of employment for workers. We are proud of the work we have done to ensure that our post-Pandemic rebound and economic expansion is not empty, jobless growth, but the type of development that creates employment and entrepreneurial opportunities across the board.

NIS data show that formal employment continues to grow in Saint Vincent and the Grenadines. There have never been more active employees on the NIS rolls at any point in our recorded history. Employment has surpassed pre-Pandemic highs, and there are 13,000 more Vincentians working in the formal sector than when we took office. Average insurable wages are also at an all-time high, and at \$25,844 are 9.5 higher than pre-Pandemic levels. Interestingly, average insurable wages of workers in the accommodation, agriculture, education, health and domestic worker sectors have all more than doubled since we assumed office.

This year, in addition to the 92 posts created in Budget 2024, a survey of a subset of major private sector employers has indicated that the hospitality, call centre, restaurant and IT sectors alone will create at least 1,400 jobs this year. While major contractors have also indicated an intent to hire more workers, this would have to be offset against the winding down of construction activity at Sandals Buccament Bay, where 472 Vincentians are currently employed. As such it is difficult to project net gains in the construction sector at the time of this Budget Speech.

However, it is clear that, barring a disaster, 2024 will be another year of opportunity, job creation and mobility in Saint Vincent and the Grenadines.

• Wages and Salaries

For the second consecutive year, Budget 2024 raises civil servant salaries and adjusts the income tax thresholds to benefit all workers. Civil servants in 2024 will receive a 2 percent salary increase, on the heels of the 2.5 percent they received last year. Next year, they will receive a further 2.5 percent hike. You may recall, Madame Speaker, that we also raised public sector wages in 2018, 2019 and 2020. As will be discussed elsewhere in this Speech, the standard deduction on personal income tax will be raised again this year, from \$22,000 to \$25,000.

Budget 2024 therefore ensures that all public servants will be paid more, and all workers will keep more of their salary this year.

In last year's budget speech, we indicated that "*Government has. . . convened a Wages Council, to analyse minimum wages and make recommendations.*" As such, on the initiative and effort of our Minister of Labour, the Honourable Saboto Caesar, the Government has decided to significantly increase minimum wages this year. As a matter of policy, we have determined that no full-time worker in Saint Vincent and the Grenadines should earn less than \$1,000 per month, and no full time daily-paid worker should make less than \$50 per day. In some extreme cases, these increases will result in increases of up to 75 percent for monthly-paid workers and 56 percent for full-time, daily-paid workers, relative to the previous minimum wages. In most cases, however, the increase will be around 20 percent. Apprentices, interns, and other similar categories, including YES volunteers, will receive no less than \$40 per day or \$800 per month.

This is our fourth adjustment in minimum wages, following increases in 2003, 2008 and 2017. As part of our unshakeable commitment to inclusive development and reduced inequality, the Government is using the tools at its disposal to ensure that our current economic growth spurt does not leave low-wage workers behind. Inflationary concerns are receding, the economy is growing, and minimum wages had not been adjusted in over six years. This is the right time to look out for our watchmen, domestic workers, cashiers, bartenders, cooks, agricultural workers, cleaners, caregivers, gardeners and the myriad other hardworking Vincentians who make invaluable contributions to their families' wellbeing and to national development.

In practice, most low-wage workers in Saint Vincent and the Grenadines already earn more than the previous minimum wage, so the initial difference in pay may be more modest than is suggested by an average increase of 20 percent. However, we expect the increase in minimum wages to create upward pressures on all wages, as concerns about wage distribution compression cause employers to consider the compensation of people who previously made slightly above the minimum wage thresholds. As an employer of many minimum wage agricultural workers, caregivers, cooks, cleaners, watchmen and interns, the Government will also have to adjust its wage bill upwards.

We are convinced that this increase is timely, manageable, and progressive. We are equally certain that today's announced increases in minimum wages will benefit workers, the wider economy, and our pursuit of more inclusive development. The details of the revised minimum wages will be released immediately, and will come into effect on 1st March 2024.

- **Internships and On-The-Job Training**

The Government's diverse and wide-ranging array of internship programmes continue to create real opportunities for experience and employment among our youth. To illustrate this point, Madame Speaker, permit this opportunity to read a letter from the Operations Manager of one of our corporate neighbours up the road, the One St. Vincent Group Inc. (OSV):

Subject: Report re [INTERN's] ON-SITE Attachment at OSV

It is my pleasure to report that [INTERN] performed quite well throughout his attachment at OSV. We note that his ON-SITE assignment with us ends on 31st December 2023 and have offered him employment commencing 2nd January 2024.

We considered it a great honour and privilege to have him on attachment since 8th March and were pleased when you extended the attachment beyond 31st September through to 31st December 2023.

We trust that the other private sector entities that are involved in this programme have had equally encouraging results. We wish you continued success with these initiatives as we seek to build a better country by providing employment opportunities of this kind.

*Yours sincerely,
ONE ST. VINCENT GROUP INC.*

If further testimonial is necessary, permit the following quotation of a WhatsApp communication from a leading insurance business in Kingstown: “The [PERSON]... became our star intern. He is now on a career track... as an accounting assistant at one of our associate's firms. He'll start in January.”

Another neighbour of ours, an auto repair shop roughly 10 minutes stroll from the steps of this Parliament, has also retained one of his ON-SITE interns as a permanent employee. Among the SET interns assigned within the public service and State-Owned Enterprises, many more are also enjoying full-time employment today.

Last year, 1,000 young Vincentians of different backgrounds, qualifications and interests received internships through the “Youth Empowerment Service” (YES), the “Support for Education and Training” (SET) and the “Offering National Support for Internship Training and Employment” (ON-SITE) programmes. The ON-SITE programme was launched as a pilot last year, following a 2022 commitment to widen opportunities for interns to learn from private sector mentors.⁶⁸

⁶⁸ 2022 Budget Speech: Fresh Initiatives to Accelerate Recovery, Resilience, Sustainable Development and Growth Amidst Uncertainty, 10 Jan. 2022, p. 52 (https://pmoffice.gov.vc/pmoffice/images/stories/PDF/SVG_BudgetSpeech_2022.pdf)

Following positive initial feedback from interns and mentors, our Government secured additional funding from Taiwan to make ON-SITE a permanent component of our internship programmes. Budget 2024 contains resources for ON-SITE, and we will accept another cohort of interns in the coming weeks.

Our internships are a path to richer experience, improved skills, enhanced resumes and genuine employment opportunities. There was a time when this Government was mocked and derided by the opposition for implementing the YES programme. Today, our popular and successful internship programmes have a thousand fathers, with former critics now claiming that it was actually their idea all along. But we all know the truth.

Amidst the growth in jobs, and the post-Pandemic economic recovery, one blot on our record as guarantors of decent work conditions remains our tardiness in properly operationalizing aspects of our Occupational Safety and Health (OSH) legislation. As construction activity has increased, there is anecdotal evidence that more workers are being injured on the job. We have experienced unfortunate workplace fatalities in 2023 that probably would not have been prevented by a more effective OSH law. However, the next injury – from falls from scaffolding to inhaling mould in the workplace – may be avoided with properly enforced mechanisms, and greater sensitivity from employers and independent contractors. We recommit this Government to the Labour Department’s stated 2024 objective of properly implementing and administering the Occupational Safety and Health Act.

Worker satisfaction with their job. Worker safety while doing their job. Worker training to qualify for better jobs. And worker mobility to move from one job to another. These are the hallmarks of the Budget being presented today. Budget 2024 is a budget of more jobs, higher wages and salaries, larger income tax deductions and more internship opportunities for young workers. It is the budget of a Labour Government.

VII. NATIONAL INSURANCE SERVICES AND PENSION REFORM

It is the duty of any responsible Government to ensure that national social security systems remain healthy and sustainable. It is these systems that help to ensure that workers’ retirement years are comfortable, and it is these systems that help workers to withstand various shocks during their productive years and beyond.

Everyone agrees that pension reform is necessary to address future sustainability challenges. At the regional level, all social security system directors within CARICOM are unified in their efforts to address the ever-changing socioeconomic landscape, including ageing populations and volatile

economic growth, as a threats to the long-term financial sustainability of regional social security systems. In Saint Vincent and the Grenadines, our social security system faces similar economic, financial, and demographic challenges that overlap with the structural peculiarities of the National Insurance Services (NIS), including a generously designed and maturing defined benefit social security programme that weighs on its future financial sustainability. Even amidst these challenges, the NIS has remained sound, well managed, and demonstrated that its programme remains the most worthwhile and lucrative investment that any Vincentian worker can make locally, regionally or internationally to secure their financial future.

It is important to consider the NIS' financial and operational performance during 2023's year of resilience, rebound.

- **A Year of Resilience**

Based on its 2023 management accounts, the NIS' main operational successes and progress included:

1. Providing social security coverage to approximately 50% of the Vincentian population, comprising about 44,000 insured persons and 9,573 pensioners;
2. Amassing approximately \$478.0 million in assets, representing about 17% of GDP;
3. Providing income replacement via benefit payments to over 18,931 Vincentians, totalling \$87.8 million; compared to \$82.6 million in 2022;
4. Safeguarding workers from loss of income due to sickness, employment injury and maternity leave by paying \$3.8 million to 8,825 persons;
5. Securing \$81.8 million in pension payments for our 9,573 pensioners, representing an increase of \$6.3 million over the previous period. The primary driver of the increase in pension payments was the early-age pensions, which rose by \$4.1 million, moving from \$15.3 million to \$19.4 million. These early-age pensions represented 24% of total pensions and were the fastest-growing pension category: the number of early-age pensioners increased from 1,388 in 2022 to 1,706 in 2023;
6. Paying funeral grants and survivor benefits in the amount of \$9.1 million, thus helping to secure the livelihoods of the loved ones of the deceased;
7. Collecting record contributions and contribution arrears, in the amount of \$78.4 million, representing an increase of \$7.1 million over the previous period. There were increases in collections from Government, statutory bodies and private sector employers in amounts of

\$1.9 million, \$2.4 million and \$3.1 million, respectively. As you would expect, in the midst of our construction boom, the construction sector recorded the highest collection increase, from \$4.6 million in 2022 to \$7.6 million in 2023;

8. Improving administrative efficiency through cost rationalisation measures, reducing administrative expenses from \$11.3 million to \$10.9 million. The administrative efficiency ratio (administrative expenses to contribution income) declined from 15.7% to 13.9%. While administrative costs have been trending downwards over the past few years, they remain above the OECS average of 10%;
9. Digitising social security operations to improve customers' experience and eliminate manual processes within the operations;
10. Strengthening the governance framework by reviewing and updating policies including funding, risk, investment and governance to ensure they aligned with best practices through technical assistance from the World Bank's Reserve Asset Management Programme; and
11. Contributing to the social and economic development of Saint Vincent and the Grenadines through investments in health, education, housing, and other socio-economic sectors.

• A Year of Rebound

2023 marked a year of rebound for the NIS' investment portfolio. The fiscal year 2022 was tumultuous for securities because there were simultaneous and profound declines in the international stock and bond markets, resulting in the NIS experiencing unrealised losses within its investment portfolio amounting to \$17.5 million. However, the NIS was confident that these losses were temporary and that they would be recovered as the financial markets regained momentum. Furthermore, the NIS plans to continue diversifying its portfolio prudently across significant risk factors to mitigate any potential future losses.

As forecasted, the NIS reported that the investment portfolio rebounded to record positive capital and income growth in 2023. The positive performance of the investment portfolio was as follows:

- ☐ The portfolio generated a total return of \$22.2 million compared to a negative \$3.3 million in 2022.
- ☐ The annualised return of the portfolios significantly improved from negative 0.6% in 2022 to 4.9% in 2023, outperforming the actuarial hurdle rate of 4.5%.

- The investment portfolio generated unrealised gains of \$8.4 million compared to an unrealised loss of \$17.5 million in 2022. This represented a healthy rebound in the performance of the investment portfolio.
- The nominal investment portfolio grew by 1% to \$467 million compared to a diminution of 4% in 2022.

The improved investment performance was not only due to the uptick in the financial markets but also to the NIS' prudent and strategic approach to its investment management function. The draft 12th *Actuarial Valuation Report* confirmed that the NIS has a well-diversified portfolio across critical risk factors.

• A Year of Reform – Consultations

During the current fiscal period, the NIS successfully adopted a comprehensive approach to engage the public on pension reform of the social security system. The development of a people-centred and practical communication plan during the year of reform consultations drove the NIS' overall communication strategy.

The NIS utilised various modalities, including social media platforms, traditional media outlets (radio, television, and newspapers), town hall meetings, symposia, surveys and face-to-face consultations, to reach its diverse stakeholders on the essential issues of the critical importance of social security, the challenges the NIS faces and the opportunities to reform to fortify the Fund's long-term financial sustainability. The NIS' pension reform campaign covered multiple stakeholders, including the Government, the Opposition, the business community, trade unions, private and public sectors employee groups, and the public at large.

The NIS is grateful to the stakeholder groups for listening and sharing their views, ideas, and opinions to assist in fashioning a solution to safeguard Saint Vincent and the Grenadines' principal social safety net. The input garnered from these public consultations has helped to shape the programmatic and parametric changes to the National Insurance Fund.

Stewart Haynes, the NIS Executive Director, the NIS Board of Directors, led by Lennox Bowman, and the entire management and staff of the organisation must be commended for their enthusiasm, patience, hard work and willingness to engage in extensive consultations throughout the year. Their input has been absolutely invaluable in our efforts to bolster the strength and sustainability of the NIS.

A. REFORMING THE NATIONAL INSURANCE SERVICES

As indicated earlier, there is no serious debate that there is need for a fresh round of reforms to the social security system, as has taken place periodically since the National Insurance Scheme became operational 37 years ago. The question is not if we should reform, but when, and by how much.

This Government has clearly and publicly signalled for over a decade. In 2013, the Honourable Prime Minister said that “pension reform is a vital strategic matter of urgency”⁶⁹ In successive years we have made necessary adjustments and refinements to the delivery of social security services – some small and some large – while we continued our analysis as to the timing of the next round of reforms. Though our reform agenda was delayed by the Pandemic and the volcanic eruptions, we can say with absolute certainty that the time for reform is now.

The findings and recommendations of the draft 12th *Actuarial Valuation of the National Insurance Fund*, which includes the public’s views, have shaped the proposed programmatic and parametric changes to the NIS. The views of stakeholders, gathered through numerous consultations and outreach programmes, have undoubtedly shaped the reforms that we propose today. We have jettisoned some adjustments in the face of stakeholder pushback, and we have added elements the public proposed as necessary. Accordingly, the Cabinet has approved for implementation a total of eight recommendations to improve financial sustainability, benefit adequacy and coverage. These approved reforms, when fully implemented, will secure the financial future of the Fund and ensure that the NIS remains the best investment for Vincentian workers to secure their financial future.

The recommendations are as follows:

• To Improve Financial Sustainability

1. **Increase the contribution rate gradually** from 10% to 15% with the planned schedule of contribution rate increases included in the regulations. The recommended schedule is presented below, with the first increase effective 1 June 2024:
 - a. 1 June 2024: 12%
 - b. 1 January 2025: 13%
 - c. 1 January 2026: 14%
 - d. 1 January 2027: 15%

In the case of employed persons, this increased contribution rate will be split evenly between the employer and employee.

⁶⁹ 2013 Budget Statement: *Building a Sustainable, Resilient Economy in Challenging Times*, p. 13 (<https://pmoffice.gov.vc/pmoffice/images/stories/Speeches/2013%20budget%20address.pdf>)

From an OECS perspective, our NIS' current contribution rate of 10 percent is one of the lowest in the region, similar to St. Lucia and Anguilla. However, the Saint Lucian and Anguillan rates were at 10 percent since 1979 and 1982, respectively, while our NIS' contribution rate of did not reach 10 percent until 2014, three decades later. As such, Saint Lucia and Anguilla were able to build up greater reserves before their respective funds matured. The other OECS countries, such as Grenada, Antigua, Dominica, and Montserrat, have recently passed legislation to increase contribution rates to 16%, 16%, 15.5% and 15%, respectively. Saint Vincent and the Grenadines needs to adjust its contribution rate to meet the growing social security costs occasioned mainly by demographic risks. Since its inception, Saint Kitts has had a contribution rate of 11% and is currently engaging in public dialogue to increase its contribution rate.

2. **Change the current age pension to a retirement pension.** This includes not awarding early-age pensions to those who have not retired or still earn more than 50% of the wage ceiling. Early-age pensions would, therefore, only be paid upon retirement or to the elderly with lower incomes rather than to everyone who claims before the pensionable age.

Transitioning to a retirement pension is practised in Barbados, Bahamas, Grenada, St. Lucia and Trinidad. There are no early retirement pensions in some countries, such as Anguilla, BVI and Montserrat.

3. **Increase the reduction factors that apply to early-age pensions** from $\frac{1}{2}$ percent per month (6 percent per year) to $\frac{2}{3}$ percent per month (8 percent per year) to discourage early-age pensions.

Applying a reduction factor is typical in the private and public pension sectors. Typically, this reduction factor ranges from 6% to 9%. As indicated, in the Saint Vincent and the Grenadines context, the early-age pension has been a significant driver of pension costs in the past few years and has significantly tempered the cost savings from the 2014 adjustment in the retirement age.

4. **Increase the reference wage period** used to compute pension from the five best years to the seven best years of contributions.

- **To improve benefit adequacy**

1. **Increase insurable wages** from \$1,000 per week (\$4,333 per month) to \$1,200 per week (\$51,996.96 per annum), effective 1 April 2024.

This increase will ensure that the NIS remains relevant to higher-income workers in Saint Vincent and the Grenadines.

2. **Increase the minimum pension** from \$70 per week to \$80 per week, effective 1 March 2024.

This increase will protect the most vulnerable category of pensioners who have witnessed a disproportionate reduction in the real value of pension due to recent inflationary pressures.

3. **Introduce a permanent unemployment** benefit starting January 2025.

This benefit is necessary to broaden the safety net for workers to cover the risk of loss of income due to temporary unemployment. The International Labour Organisation promotes this initiative. In the region, Barbados and The Bahamas introduced permanent unemployment benefits pre-COVID-19, whereas Grenada (in 2023) introduced the permanent unemployment benefit programme post-COVID-19.

- **To improve coverage**

1. **Enhance the marketing campaign** to extend social security coverage for self-employed participation:
 - a. Allow self-employed persons to qualify for Employment Injury Benefits.
 - b. Implement a new approach for self-employed and informal sector workers to pay contributions to the NIS easily.

Extending coverage to the self-employed and informal sector workers is critical to ensure the dignity of life for those workers in their golden years. The COVID-19 experience demonstrated the high degree of financial vulnerability of those categories of workers to loss of employment income. As such, the NIS must provide a more secure and dependable safety net for all workers, irrespective of employment. Currently, there are only 1,436 active self-employed persons on the NIS rolls. On its face, is a severe underrepresentation of the number of self-employed persons in Saint Vincent and the Grenadines.

According to the draft 12th Actuarial Valuation Report, the above combination of reform measures would, in the short term, improve the financing and reduce the Fund's long-term costs. The proposed reforms would significantly improve the long-term viability and sustainability of the Fund.

Without any reforms, the Fund will not be able to continue meeting its obligations in the manner that it currently does beyond the year 2035. However, with the prudent and people-centred reforms announced today, that date is projected to be pushed back until the year 2060. To be sure, as time progresses, and demographics change, more parametric reforms will be required to ensure the Fund remains affordable, sustainable and useful beyond 2060. This is the nature of the social security pension system we have in Saint Vincent and the Grenadines. But the reforms announced today, taken together, add up to a powerful reinforcement of the NIS’ longevity, sustainability and suitability for our working people.

The work on the necessary parallel reform, namely the necessary improvements to our public pension system is also well-advanced. While sections 73 and 88 of our Constitution limit the extent to which public service pensions can be altered for existing workers, we must nonetheless continue to work to ensure the modernisation of our public service pension arrangements to ensure their viability for the next generation of civil servants. The Government will announce next steps in this important process in the first half of 2024.

VIII. IMPLEMENTATION

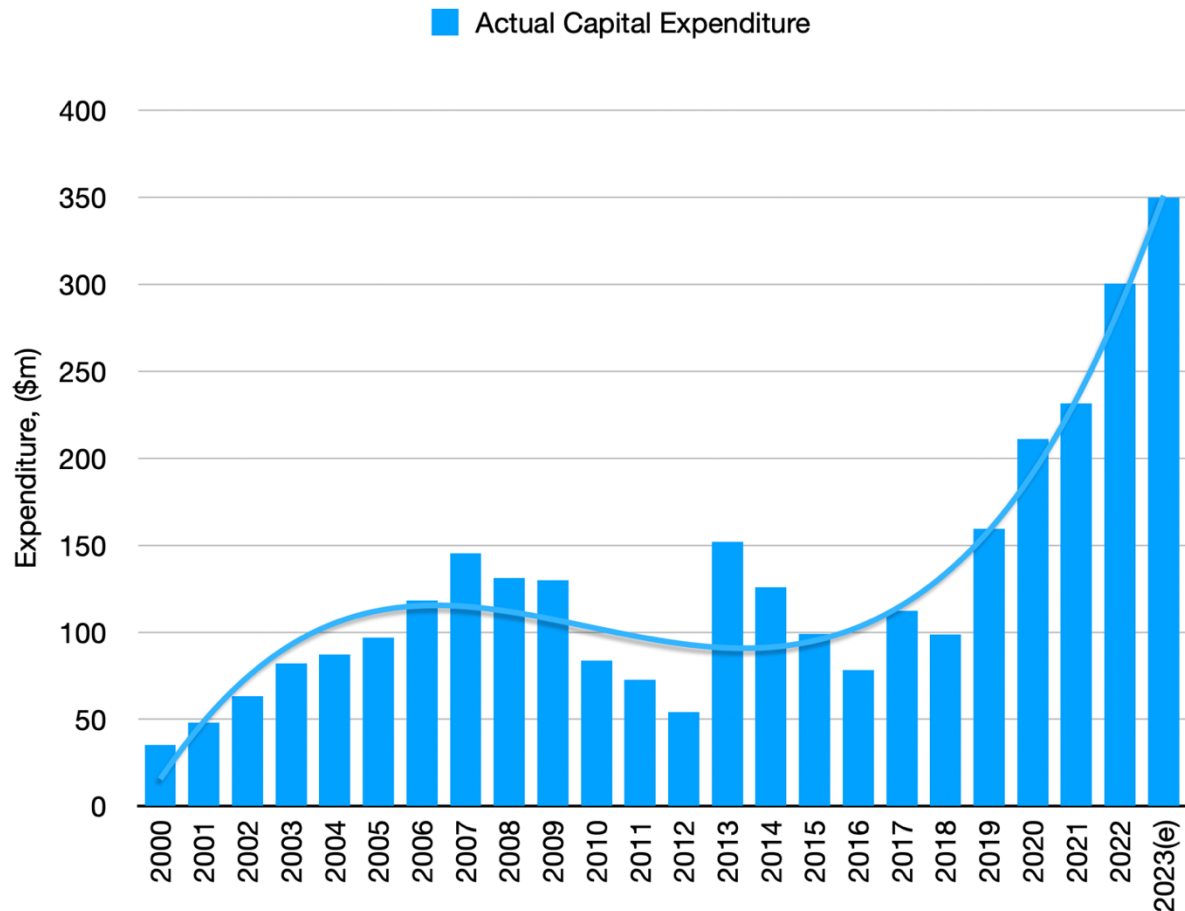


Figure 13: Capital Expenditure, SVG, 2000 - 2023 (projected)

While it is becoming almost mundane in its consistency, it is still worth highlighting: For the fifth consecutive year, the Government of Saint Vincent and the Grenadines will set a record for its levels of capital expenditure. Further, the improvement in our implementation of capital projects is significant. Back in 2019, when this streak began, we set a record by spending \$160 million on projects in a single year. Just four years later, we have more than doubled that record, with an estimated \$350 million spent on capital projects in 2023.

Put another way, our projected capital expenditure in 2023 alone is equal to the expenditure over our Government's entire first five-year term in office.

This is further evidence, if any was needed, that our Government is working tirelessly in the interest of the people of Saint Vincent and the Grenadines. Demonstrably so.

Not coincidentally, our surge in capital execution came one year after the Government decided to make the science of "implementation" a specific subject in the annual Budget Speech and a specific, discrete discipline requiring focused attention. The staff of the Economic Planning Division in the Ministry of Finance, in particular, deserves special credit for reemphasising implementation and shovel-readiness as critical components in the planning process.

Every year, the naysayers claim that the Government has no money; and every year, the Government spends more money in the people's interest.

The bulk of the heavy lifting for implementation takes place through the efforts of the 51-member Engineering and Project Management Services Unit in the Ministry of Transport and Works, and the PSIP Management Unit in the Ministry of Finance, Economic Planning and Information Technology, which houses 13 professionals. Budget 2024 allocates \$4.1 million to staffing these units. Additionally, Budget 2024 contains \$2.9 million in specific capital allocations for five units dedicated solely to implementation.⁷⁰ With smaller units in other ministries, and the recent addition of two implementation-focused posts within the Ministry of Urban Development, Budget 2024 dedicates over \$7.5 million to the specific task of getting projects done.

Further, large transformational projects, including the modern port, the acute referral hospital, the NRRP, the state-owned hotels, and UBEC also have specific implementation units built into their respective financing arrangements.

⁷⁰ CDB Project Management Implementation Support Unit – 1.34m; Project Management Implementation Support Project – 410,000; Construction and Rehabilitation Programme Unit – SFD 1m; Relief and Recovery Coordination Unit – 400,000; Human Development Service Delivery Project – 150,000

There is tangible, verifiable evidence that our plan to spend more money on transformative people-centred projects is working. But there is much more work to be done. Our ambitious projections continue to outstrip the impact of some of the myriad impediments that can occur in any given year. Our teams of architects, engineers, project managers, environmental, social and procurement specialists – though growing – are undoubtedly stretched by the Government’s intensity, activity and ambition. Development partners and funding entities have their own internal hiccups that cost valuable time. And the assurances of many contractors continue to overstate their capacity to handle multiple projects at once.

We have anticipated some challenges, and worked those challenges into our implementation projections. If we can solve them, we will come to the Parliament to seek permission to exceed the existing Budgetary allocations. If the challenges are more severe than anticipated, they will adversely impact our development plans.

Our first known challenge is the Government’s continued frustration with the pace of work on rehabilitative works funded by the Kuwait Fund and conducted by the contractors, Kuwait Dynamics Limited (KDL). Despite communications at the highest levels of the Kuwaiti government, and notwithstanding multiple visits from the leadership of KDL, the work is simply too slow, and the assurances of the contractor too unreliable, to place much faith in at this time. We have held yet another meeting with the contractor, and received fresh assurances of improved performance. However, our Budget 2024 allocations to this programme reflect our caution.

A significant chunk of the capital budget is funded by the Saudi Fund for Development. At \$43.8 million allocated this year, the Saudi Fund trails only the CDB, the World Bank and Taiwan as major supporters of our 2024 development plan. However, we do not have the same experience working with the Saudi Fund and complying with their requirements as we do for some of our long-established development partners. Our Budget 2024 allocations of the Saudi Fund resources, though large, reflect our anticipation that there will be hiccups along the way.

Similarly, our innovative pairing of the World Bank and the OPEC Fund for International Development as co-financiers in the construction of the Acute Care Hospital is a complex undertaking; blending two institutions with different cultural and managerial styles. Our staff will have to work twice as hard on the implementation arrangements necessary to ensure that all parties cooperate seamlessly on this important project.

At various points throughout 2023, shortages of sand, stone, and other aggregates have stymied our production timetables. Both State-owned and private producers of aggregate were unable to keep up with the pace of construction activity in Saint Vincent and the Grenadines. Some construction projects, after being initially assured of local availability of these materials in sufficient quantity, were

forced to import sand and aggregate to meet their own deadlines. Even importation proved difficult, as Guyana’s unprecedented surge in construction has stretched the capacity of traditional aggregate exporters. Although an additional private sector quarry in North Leeward is anticipated to be operational early in the second quarter of 2024, national production capacity will once again be tested by another ambitious year of projects, including the hospital, the Marriott Hotel, multiple roads, schools and sea defences. As such, Budget 2024 provides \$1.8 million for the importation of aggregate to supplement local capacity. Our stores of imported aggregate were a welcome buffer against production constraints this year. Every imported stone and grain of sand was sold to contractors on major ongoing projects.

The issue of capacity within the private sector is also an increasingly critical challenge to implementation. We continue to work with the private sector to help build their capacity – from the availability of functional equipment to the engagement of sufficient skilled labour. But we are entering a transitional phase in our development, where our plans and available resources are sometimes greater than our builders’ capacity. Nonetheless, we remain confident in our projections, our plans, and our partners’ ability to rise to the occasion. Between 2018 and 2023, we have gone from \$100 million, to \$200 million, to, now, over \$300 million in capital expenditure. We are growing together, in our people’s interest, and delivering better results than ever before.

IX. DEBT SUSTAINABILITY & FISCAL RESPONSIBILITY

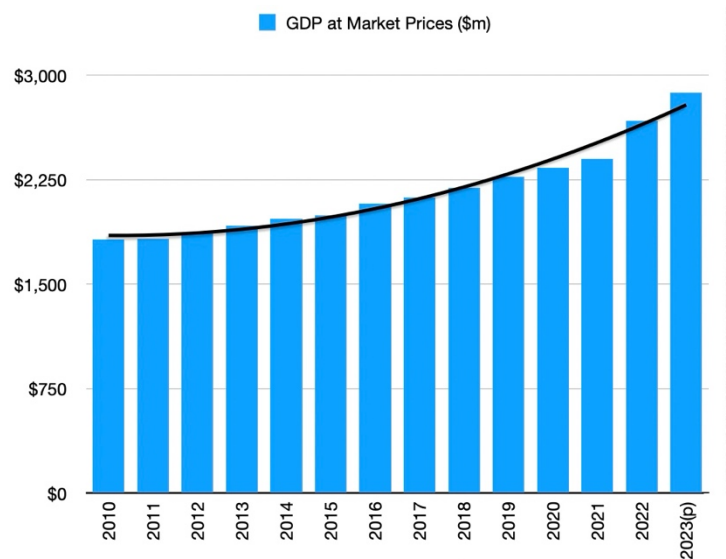


Figure 14: GDP at Market Prices, 2010 – 2023 (projected)

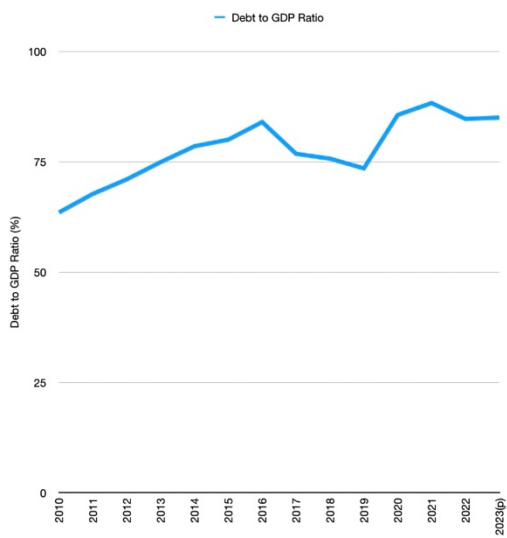


Figure 15: Debt to GDP Ratio, 2010 - 2023 (projected)

This Government’s prudent borrowing has spurred our recovery and is fuelling our accelerated development. Our debt is manageable, and on track to meet the Eastern Caribbean Currency Union’s target of a 60 percent debt-to-GDP ratio by the year 2035.

Two years ago, our debt-to-GDP ratio was 88.3 percent. As of September 2023, the ratio was 85 percent, an improvement reflecting our economic growth over the same period. There is a motley assemblage of ideologues and opportunists who would have you believe that our debt is out of control and our economy is stagnant, but they are misleading you.

The data indicate that in 2020, our Gross Domestic Product was \$2.33 billion.⁷¹ As at September 2023, it was projected to be \$2.87 billion.⁷² Over the last three years, therefore, our economy has rebounded and expanded by over \$540 million, or 23 percent.

Our existing large capital projects, most notably the Acute Care Hospital and the Modern Cargo Port, were always predicted to cause a temporary spike in our debt-to-GDP ratios that would then taper off to the 60 percent target by 2035.

As indicated in the 2022 IMF Article IV Consultation, *“The debt ratio is projected to peak at 89.2 percent of GDP in 2024 and steadily decline thereafter to fall below 60 percent of GDP before the regional target date of 2035.”*⁷³ The IMF goes on to say that *“The public debt to GDP ratio is expected to remain elevated in the near term before steadily declining afterwards, noticeably as construction of large investment projects is completed.”*⁷⁴

Our port and our hospital are accepted as essential developmental cornerstones that cannot wait. While we have had to borrow to build them, those borrowings, like most of our capital debt, is highly concessional.

Let us briefly examine the composition of our debt. Our largest creditor is the World Bank, to whom we owe \$605 million.⁷⁵ However, the interest rate on that debt is low and highly concessional, ranging from 0.25 percent to 1.3 percent in most cases. Our loan for the Strengthening Health Systems Resilience Project – which includes the Acute Care Hospital – is 0.5 percent.⁷⁶ Similarly, our largest active loan for any single project is the \$166 million currently owed to the CDB for the Modern Cargo Port. That loan is also highly concessional, at 1.88 percent.

Indeed, the 10 largest loans in our external debt portfolio make up almost half of our total external debt. Nine of those 10 loans have an interest rate below two percent. This is extremely prudent, extremely concessional borrowing.

⁷¹ *Estimates of Revenue and Expenditure 2024*, p. 848

⁷² *Estimates of Revenue and Expenditure 2024*, p. 848

⁷³ Saint Vincent and the Grenadines: 2022 Article IV Consultation, pp. 10-11

⁷⁴ Saint Vincent and the Grenadines: 2022 Article IV Consultation, Debt Sustainability Analysis, p. 12

⁷⁵ *Estimates of Revenue and Expenditure 2024*, p. 847

⁷⁶ *Estimates of Revenue and Expenditure 2024*, p. 845

Loan	Amount (\$)	Interest rt(%)
Port Modernization Project (CDB)	167 million	1.88
Strengthening Health System Resilience* (IDA)	146 million	0.5
Supplementary Financing Second Reform and Resilience Development Policy Credit (IDA)	135 million	0.75
Regional Disaster Vulnerability Reduction Project (IDA)	110 million	1.26
Fiscal Reform and Resilience Development Policy Credit (IDA)	81 million	1.45
AIA Construction II FS-VC-2013 (ALBA)	81 million	2.0
Second Reform & Resilience Development Policy Credit (IDA)	54 million	1.3
12/OR STV Financial Sector Stabilization Loan (CDB)	47 million	4.9
Rapid Credit Facility III (2014) (IMF)	42 million	0.25
Rapid Credit Facility III (2020) (IMF)	31 million	0.25
	894 million	

Late last year, the Government tabled the first report of the Fiscal Responsibility Mechanism before this Honourable House, once again demonstrating our commitment to fiscal discipline as an important counterweight to ambitious investments in development. We will continue to strengthen this institution, taking into account regional best practices.

One of the Strategic Priorities of the Ministry of Finance for the 2023 fiscal year was “Continue to strengthen strategic cash and debt management.” In direct response, our Treasury Department set to work on two key programme activities designed to advance progress on the cash management dimension of this strategic priority, namely (1) inclusion of bank accounts for projects currently outside *Smartstream*, the Government’s financial management information system; and (2) to improve the bank reconciliation process. During the 2023 fiscal year, the Treasury Department made excellent progress on both of these activities.

The Department has successfully included all project bank accounts into *Smartstream*, thus ensuring that the cash position of the Government is fully captured and disclosed on the statement of assets and liabilities within the Government’s financial management information system. Secondly, significant progress has been made to improve the bank reconciliation process, a matter that has been repeatedly flagged for attention by the Director of Audit. In 2022, two SET interns, both with advanced training in accounting were assigned the task of reconciling the Development Fund Account and the Consolidated General Services Account (the Overdraft Account). Those former interns are now appointed as Senior Accountants. They have successfully reconciled the Development Fund Account from April 30th 2010 to November 30th 2023 and are keeping it current. This is a tremendous achievement given the large volume of transactions involved.

These two officers have now turned their attention to the task of reconciling the Consolidated General Services Account (the Overdraft Account). Thus far, the team has reconciled the overdraft account from April 2010 to February 2012 and has been able to reduce the unreconciled difference from \$46,413,759.62 (April 2010) to \$13,729,126.08 (February 2012). The bank reconciliation work continues. Although the reconciliation team has made commendable progress, the Accountant General has taken the decision to add additional staff to bolster the work of the team. The Treasury IT team is also seeking out ways to improve the IT tool currently being used to assist the reconciliation process. As a Government, we are determined to complete this work and to maintain properly reconciled cash accounts as a matter of routine. The Accountant General and her staff are to be commended for their progress thus far, and for their continued hard work as we seek to improve the public accounts and public accountability.

As we have demonstrated repeatedly through legislation, consultation, investment and practice, our Government continues to improve the levels of fiscal governance and oversight of public finances, even when other, constitutionally mandated bodies consistently abdicate their duties. We are not perfect, but we continue to improve and to set fresh standards and expectations for the management of the public purse.

X. RESOURCE REQUIREMENTS, TAX REFORM AND FISCAL MEASURES

As previously outlined in our presentation to this Honourable House during the debate on the Estimates of Revenue and Expenditure, Budget 2024 has a total resource requirement of \$1.62 billion. This represents an 11.8 percent increase over the approved figure for Budget 2023. The 2024 resource envelope is made up of \$835.4 million in Current Expenditure, Amortisation and Sinking Fund Contributions of \$210.6 million and Capital outlays of \$570.5 million. Budget 2024 will be financed by Current Revenue of \$810.9 million and Capital Receipts totalling \$805.6 million.

Relative to the appropriation approved last year, the increases in this year's overall Budget are mainly attributable to:

- Current Expenditure increasing by 8.3 percent;
- Capital Expenditure increasing by 30 percent; and
- Current Revenue increasing by 6.5 percent;

Sinking Fund Contributions remain flat, and Amortisation decreases by 4.4 percent.

In summary, the outlays on this side of the budget, including Amortisation and Sinking Fund Contributions are as follows:

CATEGORY	AMOUNT (\$m)
Compensation of Employees	388.8
Pensions	70.0
Other Transfers	156.6
Interest Payments and Loan Charges	107.2
Goods and Services	112.8
Current Expenditure	835.4
Add:	
Amortisation	188.6
Sinking Fund Contributions	22.0
TOTAL	1,046

On the capital side of the Budget 2024, the allocations by functional classification are as follows:

FUNCTIONAL CLASSIFICATION	APPROVED ESTIMATE 2024 (\$m)	% OF TOTAL
General Public Services	24.7	4.3
Public Order and Safety	9.7	1.7
Economic Affairs	257.5	45.1
Environmental Protection	82.0	14.4
Housing and Community Amenities	37.9	6.6
Health	62.5	11.0
Recreation, Culture and Religion	42.0	7.4
Education	30.7	5.4
Social Protection	23.0	4.0
TOTAL	570.5	100.0

The details of the sources of financing for Budget 2024 are as follows:

SOURCE OF FUNDS	AMOUNT (\$m)	% SHARE
Domestic Receipts	\$156.0	19.4%
Capital Revenue	\$1.0	0.1 %
Loans	\$155.0	19.3%
External Receipts	\$649.6	80.6%
Grants	\$61.9	7.7%
Loans	\$371.9	46.2%
Other Receipts	\$215.8	26.7%
TOTAL	\$805.6	100.0%

Taken at a glance, Budget 2024 has a current deficit of \$24.6 million and an overall deficit of \$532.2 million. It is important to note, however, that while last year's budget anticipated a \$10 million

current account deficit, we are now projecting – through prudent management of resources – a current account surplus of \$36 million for 2023. The fiscal summary of the Budget 2024 is as follows:

ITEMS	\$M
Current Revenue	810.9
Less:	
Current Expenditure	(835.4)
Current deficit	(24.6)
Add:	
Grants	61.9
Capital Revenue	1.0
Funds Available for Capital Expenditure	38.3
Less:	
Capital Expenditure	570.5
Overall Deficit	(532.2)
Financed By:	532.2
External Loans	371.9
Local loans	155.0
Other Capital Receipts	215.8
Less:	
Amortisation	(188.6)
Sinking Fund Contributions	(22.0)

- **Tax Reform**

Since the dawn of this administration, our Government has enunciated a clearly-stated policy to lower taxes on personal and corporate incomes. The main objectives of this policy stance are to incentive the labour force to seek employment and to encourage the corporate sector to invest more, ultimately creating more jobs. Our plan has been to gradually reduce the top marginal tax rate to the “mid 20s” as a percentage of income. We have been sticking to that plan. When this administration was first elected in March 2001, the standard tax-free deduction was \$12,000 and the top marginal personal income tax rate was an astonishing 40%. The corporate income tax rate also at 40%. Over the years, we have reduced the tax burden on employment income and lowered the rate paid in corporate profits. Today, the standard tax-free deduction is \$25,000 and the top marginal personal income tax rate and corporate income tax rate is 28%. This is a remarkable achievement and demonstrates our Government’s commitment to bettering the material circumstances of the working people, whilst simultaneously creating a tax environment to stimulate business growth.

While these tax changes have delivered benefits to the intended groups – the labour force and the corporate sector, they have had some unintended effects that now require people-centred reform.

Our personal income tax structure is made of three main elements, the income tax brackets, the standard deduction, and the itemized allowances. An income earner, when filing taxes, may chose to select either the itemized allowances or the standard deduction to determine the taxes payable on the income earned. The increase in the standard deduction from \$12,000 to \$25,000, without any adjustments in the various itemized allowances, has rendered them redundant. As a consequence, a vast majority of taxpayers simply claim the standard deduction. In fact, for tax year 2021, not a single taxpayer claimed the itemized allowances. This means that the economic and societal objectives of these various itemized allowances and incentives are lost.

Further, while we have reduced the top marginal tax rate and increased the standard deduction, the tax measures implemented over the past twenty years have not adjusted the income tax brackets in between. There are currently only three tax brackets as follows:

Tax Bracket	Tax Rate
Where chargeable income does not exceed \$5,000	10%
Where chargeable income exceeds \$5,000, but not \$10,000	\$500 plus 20% of the amount by which chargeable income exceeds \$5,000
Where chargeable income exceeds \$10,000	\$1,500 plus 28% of the amount by which chargeable income exceeds \$10,000

The tax brackets have not kept pace with the increase employment incomes over time. We have adjusted the top and the bottom, but not the middle. This has resulted in a gradual “flattening” of our tax regime, with about 67% of taxpayers falling within the top marginal tax bracket. This structural inertia has adversely impacted the progressivity of our personal income tax system.

Because of this reduced progressivity in our tax arrangements, our Government took the decision to undertake a deep analysis of the income tax system with a view to resolving this and the other structural issues. To this end, we have requested – and received – technical assistance from the Fiscal Affairs Department of the IMF for a tax policy review. We have the draft report and are engaged in internal discussions on the various recommendations. Some of the recommendations made by the IMF tax policy experts are useful, while some cannot be considered, as they run counter to our longstanding policies and objectives. When our initial policy review is completed and a suite of

acceptable reforms are identified, we will begin engagements with stakeholders about our vision for people-centred tax reform and pro-development policies.

We are grateful to various members of the Labour Movement, who, in discussions in 2022, raised the issue of tax reform as germane to their membership. Indeed, it was the Labour Movement's commentary on this issue that inspired us to solicit expert analysis and advice. In consultations in preparation for budget 2024, the Government also flagged this issue with stakeholders as one that we hope to address in the near future.

- **Fiscal Measures**

In Budget 2024, a number of fiscal measures aimed at enhancing revenue collection will be introduced. These measures are designed to adjust user fees and licences to keep pace with the costs of providing the various associated services, and to introduce new user fees where new services have emerged. The measures are expected to yield approximately \$6,730,000 in additional revenue in 2024.

- **Drivers' Licences, etc.**

Drivers' Licence and related fees were last reviewed seven years ago, in 2016. The time has now come to increase these fees given the passage of time and the inevitable increases in costs incurred in the delivery of these services. This measure is expected to yield \$2 million in additional revenue.

- **Motor Vehicle Licences**

This category of fees was also last reviewed in 2016. In light of the condition of our road networks, the increased traffic on the road, and the continuous impact of weather events, Budget 2024 allocates in excess of seventy million dollars (\$70 million) for road repair and rehabilitation, and the construction of new roads. While it is not expected that the revenue collected from motor vehicles licences will be sufficient to meet the full costs to upkeep the public roads across the country, it is expected to contribute to doing so. Accordingly, motor vehicle licences for all classes of motor vehicles will be increased in 2024. The new fees make provision for licence fees for new categories of Goods Vehicles to capture the heavier trucks and larger trailers that now traverse our roads daily. These heavier motor vehicles adversely impact the road surfaces that were not originally engineered for trucks in excess of 12 and 15 tons. This measure will generate additional revenue of \$4.5 million.

- **Electrical Inspection Fees**

Over the years, the Electrical Inspectorate Department has grown in importance as the built environment, both residential and commercial, has evolved and expanded. The Inspectorate is the principal regulatory body that ensures that all electrical installations in all buildings in the country are safe and compliant with the relevant national electrical standards before being connected to the national power grid. The Electrical Inspection Fees were last increased in 1995. In that year, the

Inspectorate office had seven (7) staff members and an expenditure budget of \$195,660. The Inspectorate collected \$58,493 in revenue that year. Since then, this Administration has invested in strengthening the institutional capacity of the Inspectorate. In 2020, the Electrical Inspectorate Department was restructured and provided with seven additional technical staff including a Chief Electrical Inspector and a Deputy Electrical Inspector, moving the staff complement to fifteen (15) up from eight (8) in 2019. In Budget 2024, there are eighteen (18) staff and it has a budget of \$911,017 allocated, including \$110,000 for staff training. The new fee structure will introduce a small fee for wiremen (Class 1,2 and 3), and increase the fees for electrical inspections (basic charge and charge per point) for residential and commercial installations. These new fees are anticipated to bring in an additional \$250,000 in revenue.

- **Airport Service Charge**

In Budget 2024, the Airport Service Charge will be increased from US\$40 to US\$55. This charge, which is payable on all airline tickets for travel in and out of the country, goes directly to fund the operations of Argyle International Airport. Even with this increase, our Airport Service Charge is amongst the lowest in the region. In fact, our overall effective charges on international air travel remain low when compared to our regional peers. Given the forecasted numbers for passenger movements in 2024, this measure is expected to raise an additional \$6.6 million in revenue and will be in effect from May 1st, 2024.

- **Personal Income Tax Standard Deduction**

Just last year, the 2023 budget shifted your annual standard deduction on personal income tax from \$20,000 to \$22,000, effectively making another \$2,000 in earnings tax-free for most workers. A mere nine months after this shift, Prime Minister Gonsalves announced in his Independence Day address that the threshold would be raised again, this time to \$25,000.⁷⁷ Budget 2024 fulfils the Prime Minister's commitment, and furthers our policy objective of reducing taxes on personal income. Think about it: between the end of 2022 and today, the beginning of 2024, the Government has increased the personal income tax threshold by 25 percent, and removed taxes on an extra \$5,000 per year of your salary. This is a genuine, people centred benefit for every Vincentian taxpayer. The Government will forgo approximately \$6.6 million in revenue as a consequence of this measure.

The full details of the fiscal measures for Budget 2024 are provided in Appendix I.

- **The revised tax and tariff regime for automobiles**

Last year's budget included a comprehensive overhaul of the tax and tariff architecture on the importation of automobiles. As stated last year, the objective of the initiative was to restructure the

⁷⁷ Gonsalves, Ralph E., "SVG is on the Right Track Despite External Burdens and Some Domestic Challenges," 27 Oct 2023, p 15 (https://pmoffice.gov.vc/pmoffice/images/stories/Speeches/2023_OFFICIAL_INDEPENDENCE_MESSAGE_-_FINAL.pdf)

surcharge regime for all motor vehicles in such a way as to incentivize the purchase of newer, smaller engine motor vehicles and disincentivize older, larger engine motor vehicles and reduce import duties and excise taxes on hybrids and electric automobiles.

Specifically, we noted that most Vincentians were importing 11 to 12 year-old vehicles, and that we were hoping to nudge them towards cars that were 8 years old or newer, and trucks that were 10 years old or newer, while keeping the total costs of vehicles roughly the same for the purchaser.

We also committed to reporting the results of this overhaul to the Parliament, and to implement any lessons learned in future adjustments to the tax and tariff rates. We can inform this Honourable House today that initial data show that the overhaul is meeting its objectives, but that at least another year of evaluation is necessary before any tweaks to the formulae can be considered.

As of 15th December 2023, a total of 1,496 vehicles were imported. This total is an increase of 102 vehicles over the year 2022, and roughly even with our 2021 importation numbers.

Tariff Heading	2021	2022	2023
8701 (Tractors)	8	12	8
8702 (Buses)	66	40	61
8703 (Cars, SUVs)	1,196	1,074	1,161
8704 (Trucks)	211	261	246
8705 (Special Purpose)	8	7	20
Total	1,489	1,394	1,496

Preliminary data are encouraging regarding the shift from older to newer cars. In 2022, only three percent of all cars imported were newer than three years old. Last year, 32 percent of cars imported were under three years old. In 2023, a full 70 percent of imported vehicles were 8 years old or newer. The average age of an imported car went from over 11 years old to under eight. This was precisely what was intended by the adjustment.

Information from the local new car dealerships also points to the success of the initiative. One retailer has indicated that, prior to the change in taxes and tariffs, they sold roughly 20 compact cars and small SUVs annually, as they were less competitive with second-hand Japanese imports. With the incentives for newer and more efficient vehicles in place, that retailer's sale of small cars and SUVs went from 24 to 87 in 2023, with projections for 140 new compact vehicles in 2024.

Last year's reform measure reduced the effective tax rate on vehicles from roughly 145%-165% to 69%-106% on average. As such, consumers were able to pay more money at the point of purchase for a newer car, but pay less in taxes at the port, and thus end up with a newer, more valuable car, for roughly the same amount of total expenditure. Again, the data bear this out.

Last year, the average price of an imported automobile, at the point of purchase, rose by 52 percent, from \$10,316 to \$15,710. However, despite this 52 percent rise in the purchase price of the vehicle, the average final cost of a car or SUV increased more modestly, from \$41,200 in 2022 to \$48,600 in 2023. In short, the average consumer paid 18% more overall for a car that was 30 percent newer and 52 percent more valuable, at the point of purchase.

Revenue to the Government on car imports increased marginally, by two percent, between 2022 and 2023. As such, the Government was able to reduce duties across the board and still maintain the revenue while improving the quality of the local vehicle stock. This is encouraging.

However, more data are required. For example, data suggest that our taxes and tariffs on pickup trucks are still too high, and that only persons entitled to duty concessions are choosing to buy a newer pickup under existing arrangements. We also do not know what impact, if any, lack of information, inflation, shipping challenges, and scarcity of some models had on consumer habits. Additionally, due to repeated extensions of the transitional period between the old and new tariff regimes, the Government allowed multiple older cars to be assessed under the previous arrangements. In 2023, the number of automobiles granted relief ballooned by as many as 200 vehicles above the usual average. However, customs data did not properly disaggregate those vehicles given relief because of the shift between tax arrangements versus the usual forms of relief and concessions given to returning residents, farmers, or the construction and hospitality sectors. More study is required.

As such, we will maintain the existing arrangements for another year of full implementation, and analyse a fuller set of data in time for our 2025 budget.

- **Duty Reduction on New Tyres**

During the Prime Minister's 2023 Independence Address, he announced that *"the government will, as of January 1, 2024, provide a one-time duty reduction for new tyres for all motor vehicles. This is a road safety measure. The details will be provided in Budget 2024."* Here are the details: Between January 1, 2024 and June 30, 2024, all new tyres imported into Saint Vincent and the Grenadines will enjoy a duty reduction of 50 percent.

Before this measure, motorcycle and industrial vehicle tyres attracted a 5 percent duty, tyres for buses and lorries were charged 15 percent, and motor car tyres 25 percent. As indicated, these duties will all be halved for the first six months of 2024. After receiving reports from multiple sources concerning the low quality of some of the used tyres on the market, we hope that this measure will incentivise an investment in safer, longer-lasting tyres, that are better-suited to our curvy, mountainous and often rain-slicked roads. We also remind those in the business of road

transportation – from car rental agencies to taxis to minibuses – of their legal responsibilities to their customers regarding the safety and roadworthiness of their vehicles.

XI. CONCLUSION

Over the course of this week, there will be plenty of debate and competing perspectives on Budget 2024. That is the nature of our open democracy and competitive political system.

But amidst the sound and fury, here is what is indisputable: Budget 2024 raises minimum wages. It increases public sector salaries. It makes more of your earnings tax free. Budget 2024 safeguards the sustainability of the NIS for decades to come. Budget 2024 invests more money than ever before in the types of infrastructure that drive developmental transformation and resilience: Roads. Schools. Clinics. Hospitals. Houses. Hotels. Digital Transformation. And a state-of-the-art port facility.

These are facts.

There are more facts to consider. Budget 2024 does not stand alone. It is part of a continuum of budgets that have promised – and delivered – meaningful change to the people of Saint Vincent and the Grenadines. It is the latest expression of intent from a Government that promises – and delivers – the type of transformative change that others say can't be done, or is not their job to do: Budget 2024 comes from the Government that delivered universal secondary education. That created the housing revolution. That built the bridge over Rabacca. That constructed the Argyle International Airport. Budget 2024 comes from an administration that has a record of dreaming big dreams for the people of Saint Vincent and the Grenadines, and then doing the work to make those dreams come true.

Budget 2024 is steeped in the lessons learned from guiding this country safely through hurricanes, volcanic eruptions, global economic crises, and Pandemics. We understand resilience, recovery and rebound, and we understand how to make the types of investments that ensure Saint Vincent and the Grenadines will face each crisis stronger than the one before.

This Government has held steadfast to a plan and a vision for the people of Saint Vincent and the Grenadines: To create a modern, competitive, post-colonial economy that is at once local, regional and global. That plan rests on the foundation of seven pillars:

i) Our people-centred vision; (ii) our social democratic philosophy; (iii) the affirmation that our nation is a dynamic part of our Caribbean civilisation; (iv) our tripartite economic approach by way of the private, cooperative, and State sectors. . .; (v) our fiscal stance grounded in prudence and enterprise; (vi)

*our commitment to the deepening of regional integration; and (vii) our international solidarity and activist foreign policy.*⁷⁸

We have a good plan. We're sticking to the plan. The plan is working. Budget 2024 is the latest manifestation of our plan in action. It is our latest tool to reduce poverty, share prosperity, foster growth and accelerate development.

Of course, there will be problems that we have not yet solved, or issues that we have not yet addressed, or questions that reasonable minds will have about our order of priorities. That is to be expected and welcomed. It is a truism that no budget can solve all issues, for all people, at the same time. That truism is all the more accurate in the context of a small, vulnerable, resource-starved country like ours, navigating the treacherous currents of iniquitous globalisation and great power intrigue.

As a Government, it is our role to balance the needs of our society today, while ensuring the strength and health of our economy for generations to come. It is our responsibility to craft a budget that reflects our best assessment of where that balance lies.

We believe that Budget 2024 strikes the critical balance between the support required today and the investment needs of the future. Budget 2024 focuses on consolidating the gains made by our Education, Wellness and Housing Revolutions, while also enhancing economic resilience, with investments in critical infrastructure, sectors and people.

Despite our impressive track record of delivery and improved implementation, there are some who will say that we are too ambitious, too optimistic, too unrealistic, or worse. They will say that we can't do what Budget 2024 says we will do. But consider the source of those inevitable pronouncements. They will likely come from the same assortment of doomsayers, scaremongers and permanent pessimists who always say it can't be done, it won't be done, and who have been predicting our imminent demise, annually, for the last 23 years.

While Budget 2024 cuts its cloth carefully, and plans prudently, our discipline is always leavened with optimism and faith – the substance of things hoped for, the evidence of things not seen. Faith in God's grace, and faith in the talent, capacity, resilience, intelligence, strength and unconquerable spirit of the Vincentian people. Over the last two and a half decades we have learned, joyously so, that whenever we put our faith in the Vincentian people, they will never, ever, let us down.

⁷⁸ See, Dr. The Honourable Ralph E. Gonsalves, "Budget Address 2017: Fiscal Consolidation and Economic Growth, Job Creation and Sustainable Development in a Vulnerable Small Island Developing State in the Context of a Challenging Global Environment," 6 Feb. 2017, p. 64

Madame Speaker, I commend Budget 2024 to this Honourable House for further discussion and debate.

Appendix I

Fiscal Measures

Motor and Drivers Licenses: Current and Proposed

<i>Motor Vehicles</i>	Current	Proposed
Private Motor Cars:		
Not exceeding 2,000 lbs tare	\$ 455.00	\$ 500.00
Exceeding 2,000 lbs tare but not exceeding 3,000 lbs tare	\$ 590.00	\$ 650.00
Exceeding 3,000 lbs tare	\$ 720.00	\$ 815.00
Private Motor Tricycles:		
Not exceeding 2,000 lbs tare	\$ 230.00	\$ 250.00
Exceeding 2,000 lbs tare	\$ 275.00	\$ 315.00
Private Motor Cycles:		
Without side car	\$ 275.00	\$ 315.00
With side car	\$ 360.00	\$ 410.00
Good Vehicle		
Of less than 2 tons tare	\$ 1,000.00	\$ 1,095.00
Of 2 tons tare but less than 3 tons tare	\$ 1,250.00	\$ 1,375.00
Of 3 tons tare but less than 5 tons tare	\$ 1,440.00	\$ 1,565.00
Of 5 tons tare or over	\$ 1,725.00	\$ -
Of 5 tons tare but less than 8 tons tare		\$ 1,725.00
Of 8 tons tare but less than 12 tons tare	\$ -	\$ 2,500.00
Of 12 tons tare but less than 15 tons tare	\$ -	\$ 4,500.00
Of 15 tons tare or over	\$ -	\$ 6,000.00
Trailers		
Not exceeding 1 ton tare	\$ 275.00	\$ 315.00
Of 1 tons tare but less than 3 tons tare	\$ 360.00	\$ 410.00
Of 3 tons tare or over	\$ 430.00	\$ 470.00
Tractors		
Of less than 2600lbs tare	\$ 275.00	\$ 315.00
Of 26000lbs tare or over	\$ 325.00	\$ 375.00
Hearses		
Motor vehicles constructed and licensed to be used solely as hearses	\$ 940.00	\$ 1,000.00
Hiring Cars, Rented Cars, Taxis and Motor Omnibuses		
Motor vehicles licensed to carry not more than 4 passengers excluding the driver	\$ 400.00	\$ 500.00
Motor vehicles licensed to carry not more than 6 passengers excluding the driver	\$ 470.00	\$ 565.00
Motor buses of less than 2 tons tare licensed to carry passengers only	\$ 540.00	\$ 625.00
Motor buses of 2 tons tare but less than 3 tons tare licensed to carry passengers only	\$ 575.00	\$ 690.00
Motor buses of 3 tons tare or over licensed to carry passengers only	\$ 615.00	\$ 720.00
Rental motor cycles	\$ 250.00	\$ 290.00

<i>Miscellaneous</i>	Current	Proposed
Driving Permit:		
One (1) Year	\$ 100.00	\$ 125.00
Three (3) years	\$ 275.00	\$ 345.00
Five (5) years	\$ 425.00	\$ 535.00
Tutor's permit	\$ 200.00	\$ 250.00
Learner's permit	\$ 100.00	\$ 125.00
Registration and change of ownership	\$ 150.00	\$ 190.00
Duplicate licences or permits	\$ 100.00	\$ 125.00
Examination of a driver	\$ 100.00	\$ 125.00
Dealer's licence	\$ 3,200.00	\$ 4,000.00
Fee for Inspection of a motor vehicle	\$ 90.00	\$ 115.00
Temporary driving permit	\$ 100.00	\$ 125.00
International driving permit	\$ 150.00	\$ 200.00
Conductor of omni buses and mini buses	\$ 15.00	\$ 100.00
Fee for personalised number plate payable on registration	\$ 2,500.00	\$ 2,800.00

<i>Ministry of Transport</i>	Current	Proposed
Search Fees	\$ -	\$ 5.00
Licence - Wiremen		
Class 1	\$ -	\$ 100.00
Class 2	\$ -	\$ 200.00
Class 3	\$ -	\$ 300.00
Electrical Inspection		
Domestic (Private Residence)		
up to 25 points		
Basic Charge	\$ 15.00	\$ 30.00
Charge per point	\$ 1.00	\$ 2.00
Over 25 points		
Basic Charge	\$ 15.00	\$ 50.00
Charge per point (over 25 points)	\$ 1.00	\$ 2.00
Commercial and Industrial Premises		
up to 25 points		
Basic Charge	\$ 25.00	\$ 50.00
Charge per point	\$ 1.50	\$ 3.00
Over 25 points		
Basic Charge	\$ 40.00	\$ 100.00
Charge per point	\$ 1.50	\$ 3.00
Three phase		
Basic Charge	\$ 40.00	\$ 100.00
Charge per point	\$ 2.00	\$ 4.00

<i>Commerce and Intellectual Property Office</i>	Current	Proposed
Registration Fee for new plant variants	\$ -	\$ 2,500.00

<i>Family Court</i>	Current	Proposed
Court Fees	\$ 1.20	\$ 3.50

<i>Argyle International Airport</i>	Current	Proposed
Airport Service Charge	US\$ 40	US\$ 55

<i>Inland Revenue Department</i>	Current	Proposed
Personal Income Tax - standard deduction (w.e.f. January 1, 2024)	\$ 22,000.00	\$ 25,000.00

Appendix II
Executed Contracts Under the National Road Rehabilitation Programme

Lot 1- Development Projects		Scope of Works	Length/ Km	Name of Contractor	Contract Amount (XC)	Payment Amount
	Magum Road	Rehabilitate/widen 340 m of asphalt roadway using concrete.	0.34	Overseas Engineering and Construction Company LtdSA	1,125,339.27	
	Colonaire Estate Roads	Housing Development Project): Upgrade 1.48 km of earthen roads to concrete.	1.48		6,379,288.99	
	Grand Sable Estate Road	Upgrade 1.67 km of earthen roads to concrete.	1.67		4,427,089.41	
	Manawar Road	Upgrade 500 m of earthen roads to concrete. Road width - 5.0 m	0.5		2,560,086.19	
	Peruvian Vale Road	Upgrade 180m of earthen roads to concrete. Road width 4.25 m with selected area for widening to 5.0 m	0.18		1,340,200.28	
	Windward Highway Diamond Bus-stop	175 m of Intersection Improvement & Realignment	0.175		653,693.00	
	Mt. Pleasant Road	Upgrade 1.05 km of asphalt road way to 5.0 m min width	1.05		3,273,519.71	
	Calliaqua Internal Roads	Rehabilitate 1.12 km of asphalt roads	1.12		2,205,878.00	
	Belair Middle Road	Upgrade 0.72 km of asphalt road way to 5.0 m min width	0.72		2,869,206.83	
	Kearton Community Roads	Upgrade 340 m of earthen roads to concrete. Road width - 5.0 m	0.34		1,518,489.21	
	Sub-total				26,352,790.89	
	General Items				1,876,225.24	
	Contingencies				3,551,761.62	Advance
	TOTAL		7.575		31,780,777.75	7,945,194.44
						IPC # 1
						3,409,620.37

Lot 2- Development Projects		Scope of Works	Length/ Km	Name of Contractor	Contract Amount (XC)	Payment Amount
	Sandy Bay – Housing Development Project	577 m (1894 ft) x 4.88 m (16 ft) wide reinforced concrete carriageway and associated drains. Surveys for road alignment and subdivision of the various lots are complete and await contractor mobilization, site offices etc.	0.577	Roads Buidings and General Services Authority (BRAGSA)	2,142,364.50	
	Noel Village Road Housing Development Project	rehabilitate 689 m (2,260ft) x 4.6 m (15ft) using reinforced concrete, the works include for associated drainage works.	0.689		1,932,398.80	
	South Windward Coastal Works – Realignment of the Windward Road at Shipping Bay	In January 2023, BRAGSA mobilized and commenced cut and bench operations in Shipping Bay. To date 80 m of a total 157 m of embankment has been cut, at a cost of EC\$187,000K. The full realignment works includes construction of 233 m (764 ft) of asphalt road pavement and box drains.	0.233		1,858,214.80	
	Hackshaw Bank Realignment	Involves the realignment of 192 m (630 feet) of asphalt roadway from a collapsing embankment along the road to Montreal Gardens. A component of the project is the relocation of a resident – Ms. Edwina Davis, whose property is perched on the collapsing embankment. To this end, the Chief Surveyor has identified a parcel of land in Richland Park and HLDC will be contracted to construct new residence for Ms. Davis and her family.	0.192		986,552.00	
	Windward Highway- Diamond - by Myah's Suites	Construction of retaining wall and river defenses; Construction of suspended sidewalk and handrail	0.1		627,101.76	
	Belvedere Bridge and Approach Road	Construction of 590 ft x 14 ft concrete road pavement and a 30 ft single span reinforced concrete bridge with wing walls and defenses; Construction of suspended sidewalk and handrail	0.59		886,473.26	
	Johnny Hill Link Road	Involves upgrading 320 m x 4.88 m of earthen road to concrete with associated drains.	0.32		889,539.01	
	Dorsetshire Hill Road	involves the repair of 914 m (3000 ft) of existing Asphalt Roadway.	0.914		1,208,342.80	
	Cumberland Playing Field Road	involves upgrading 559 m x 4.88 m of earthen road to concrete with associated drains.	0.559		1,848,676.83	
	Sub-total				12,379,663.76	
	General Items				1,252,250.00	
	Contingencies				504,235.19	Advance
	TOTAL		4.174		14,136,148.95	5,654,459.58

Name of Project (LOT 3- Approved)		Scope of Works	Length/ Km	Name of Contractor	Contract Amount (XC)	Payment Amount
Package 1	Canouan Coast Guard Road	220 m x 4.6 m wide Reinforced Concrete Carriageway	0.22	Kelectric Company Ltd.	1,634,653.41	326,930.68
Package 2A	Chapmans Village Roads	487 m x 5 m average wide Reinforced Concrete Carriageway	0.487	Mercury Construction Ltd.	1,215,856.59	243,171.31
Package 2B	Langley Park Village Roads	293 m x 2.7 m average wide Reinforced Concrete Carriageway	0.293	Hoyte's Construction	507,495.45	101,499.09
Package 3	Cotton Ground Road	220 m x 5m average wide Reinforced Concrete Carriageway	0.22	Bailey Contractors Inc.	2,133,713.35	426,742.67
	Caruth to Montaque (Montaque-Camel Road Intersection)	225 m x 4.2 m average wide Reinforced Concrete Carriageway	0.225			
	Carriere Village Road	108 m x 5 m average wide Reinforced Concrete Carriageway	0.108			
Package 4	Brighton School Road (near Thomas Apartments & Internal Roads)	643 m x 3.65 m average wide Reinforced Concrete Carriageway	0.683	Reliable Construction Services Ltd.	1,957,093.10	391,418.62
	Belvedere C Street	430 m x 4.5 m average widening Reinforced Concrete Carriageway and asphalt overlay	0.43			
Package 5	Barrymore Road	322 m x 4.6 m average wide Reinforced Concrete Carriageway	0.322	Willo Construction	2,021,250.00	404,250.00
	Dauphine Road	407 m x 5 m average wide Reinforced Concrete Carriageway	0.407			
	Welcome Main Road	165 m x 5.2 m average wide Reinforced Concrete Carriageway	0.165			
Package 6	Roseau Village Bottom and Roseau Cross Link	207 x 4 m wide Reinforced Concrete Carriageway,	0.207	P&K Designs & Constructions	948,680.04	189,736.00
Package 7	Lowman's Plan Village Roads	327 m x 4.6 m wide Reinforced Concrete Carriageway,	0.327	Brownes Design and Construction Services Ltd.	1,171,593.41	234,318.68
Package 9	Buccament Polyclinic – Bay Stones Ring Road	322 m x 4.3 m wide Reinforced Concrete Carriageway,	0.322	A&J Inc.	1,856,249.10	371,249.82
Package 8	Twenty Hill Roads	1.782 km x 5 m wide Asphalt Carriageway (Main Road) and 0.550 m x 5 m wide) Concrete Carriageway (by-roads) = 2.332 Km	1.782	Dipcon Engineering Services Ltd.	11,390,114.74	2,847,528.69
	Green Hill Internal Roads	160 m x 5 m wide Reinforced Concrete Carriageway, 892 m x 5m Asphalt Pavement Carriageway inclusive of upgrades to two major culverts	1.052			
Package 10	Petit Bordel Road	209 m x 4 m wide Reinforced Concrete Carriageway	0.209	Allan Construction	2,245,000.00	449,000.00
	Charles Village Roads,	230 m x 5 m wide Reinforced Concrete Carriageway	0.23			

	Name of Project (LOT 3- Approved)	Scope of Works	Length/ Km	Name of Contractor	Contract Amount (XC)	Payment Amount
Package 12	Edinboro-Band De Waist Inwards	385 m x 3.5 m wide Reinforced Concrete Carriageway	0.385	Fraser Construction Company Ltd.	2,093,597.82	418,719.56
	Edinboro- Avenue Road	466 m x 4.5 m wide Reinforced Concrete Carriageway	0.466			
Package 18	Barrouallie- Capitol Hill,	216 m x 4.5 m wide Reinforced Concrete Carriageway	0.216	A&J Inc.	2,186,162.17	437,232.40
	Barrouallie LRC to Browne's Church	510 m x 4.5 m wide Reinforced Concrete Carriageway	0.51			
			9.266		31,361,459.18	6,841,797.52