



The Government of Anguilla London Office  
Summer 2017

# Anguilla & Brexit

## Britain's forgotten EU border



Produced in partnership with **The West India Committee**  
Incorporated by Royal Charter in 1904  
UK registered charity no. 258545

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# **CONTENTS**

<b>1. EXECUTIVE SUMMARY.....</b>	<b>P.3</b>
<b>2. ANGUILLA AT A GLANCE.....</b>	<b>P.5</b>
<b>3. FOREWORD BY THE CHIEF MINISTER.....</b>	<b>P.8 - 9</b>
<b>4. ANGUILLA'S BORDER ISSUE.....</b>	<b>P.11 - 12</b>
<b>5. ANGUILLA.....</b>	<b>P.15 - 28</b>
<b>6. ANGUILLA AND THE EU.....</b>	<b>P.30 - 38</b>
<b>7. ANGUILLA AND THE CARIBBEAN.....</b>	<b>P.40 - 45</b>
<b>8. ANGUILLA AND THE WORLD.....</b>	<b>P.47 - 51</b>
<b>9. RESPONSE TO THE UK'S BREXIT WHITE PAPER.....</b>	<b>P.53 - 69</b>
<b>10. SWOT ANALYSIS.....</b>	<b>P.71 - 73</b>
<b>11. BLUE PRINT FOR NEGOTIATIONS.....</b>	<b>P.74 - 79</b>

## EXECUTIVE SUMMARY

**Anguilla has been British since 1650** and is the only British Overseas Territory in history that fought Britain to remain British and succeeded in the Anguilla Revolution (1967- 69) against Harold Wilson's government.

**Anguilla is of strategic importance as the gateway to the Panama Canal** that connects the Atlantic to the Pacific. 20% of the world's shipping passes through Anguillian waters that reside under the control of the Government of Anguilla.

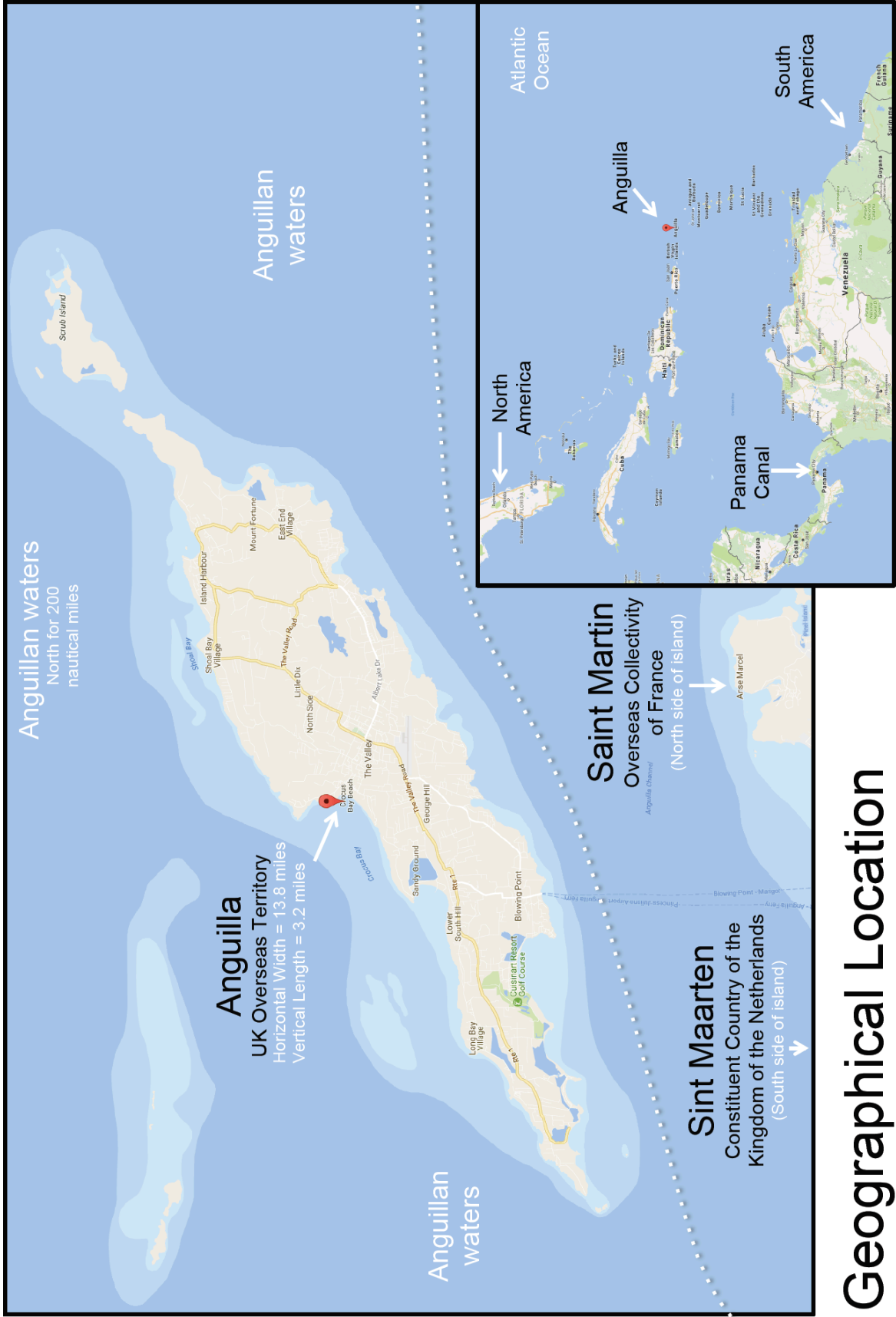
**Anguilla has direct borders with France and Holland that are both EU member states.**

**Anguilla is heavily dependent on both France and Holland for essential commodities and services** that include fuel, international access and basic medical and general services such as MRI scanning, dentistry and post. Each evening at 10pm the French close their border with Anguilla, effectively cutting the islands off.

**The EU is Anguilla's only source of significant developmental aid.** The UK regards Anguilla as ineligible for support from DFID, which only provided nominal support even when Anguilla was deemed eligible, and despite having a lower GDP than other recipients of DFID funding.

**Anguilla is ranked 22<sup>nd</sup> in the World for good governance and financial transparency** by the US - CIA, Financial Action Task Force (FATF), the US - Federal Bureau of Investigation, Organisation for Economic Co-operation and Development (OECD), HM Treasury, The International Monetary Fund (IMF), The Egmont Group of Financial Intelligence Units (a group of police forces across the globe), Transparency International, US - Department of State, United Nations, World Bank Group and various regulatory authorities from around the world for the territory's avoidance of money laundering, terrorist financing, international sanctions, corruption, narcotics, governance related risks and financial transparency. The UK is placed at 18<sup>th</sup> and Switzerland ranks 23<sup>rd</sup> in the same ratings table. Anguilla is therefore regarded as the most efficacious financial centre in the Caribbean and one of the best in the world despite its aging systems.

**Anguilla suffers from the most out-dated constitution** of all British Overseas Territories that compromises the effectiveness of its democratically appointed government. This provides the opportunity for the UK and Anguilla to work together in creating a new form of British territory/country fit for purpose during a post *Brexit* era that is mutually beneficial, demonstrating British leadership in democracy.



# ANGUILLA AT A GLANCE

## GEOGRAPHY

The territory comprises 23 islands and cays of which only the island of Anguilla is inhabited. The territory of Anguilla is the most northern of the Leeward Islands. The islands are predominantly coral with underlying ancient volcanic base rock evident on the main island. There is no surface fresh water, no mountains, or lush vegetation. A significant portion of Anguilla lies below sea level.

## THE PEOPLE

As at March 2017 the population of Anguilla was 15,253 comprising: African/Black: 85.3%, Hispanic: 4.9%, Mixed: 3.8%, White: 3.2%, Asian: 1%, and Other: 1.6%.

## RELIGION

Religions currently practiced comprise: Protestant: 73.2%, Roman Catholic: 6.8%, Jehovah's Witness: 1.1%, Other Christian: 10.9% and Other: 3.2%.

## GOVERNMENT

Anguilla is internally self-governing UK Overseas Territory that operates under a political system based on the Westminster model. However, it labours under an outdated constitution that confers significant powers to the unelected Governor who is the representative of the Crown and the de facto agent of the UK Government. Whilst the Government of Anguilla exercises executive powers, the Governor is responsible for defence, financial services, external affairs and the police. An Attorney General, appointed by the Governor, is responsible for the prosecution of criminal cases and law reform.

## THE ECONOMY

Tourism is the main economic driver supplemented by construction, agriculture and fisheries, with financial services, duly regulated by the Governor also featuring in the relatively narrow economy. The seasonal nature of Anguilla's award winning tourism, considerable foreign ownership in the sector and the risk of annual natural disaster during the hurricane season add considerable risk to economic growth and prosperity.

Anguilla's GDP per capita in 2008 was US\$12,200

Main Exports in goods were: lobster, fish, livestock, salt, concrete and rum.

Main exports in services were: tourism, together with insurance and financial services.

## EDUCATION AND SKILLS

Education is compulsory for all 5 to 17 year olds and is provided by Anguilla's six primary schools and sole secondary school. There is a nominal presence of the University of the West Indies that also collaborates with the Anguilla Community College (ACC). Neither institution provides comprehensive tertiary education on Anguilla. The ACC is currently introducing Btech courses and offers modules, which, like those from UWI, may be accredited towards degree courses in the USA or on other Caribbean Islands. Although Anguillian students are recognised as 'domestic' in the UK few can afford the additional costs of accommodation and travel and seldom succeed in securing grants that may assist in accessing UK tertiary education.

## HEALTHCARE

Anguilla provides primary healthcare through four health centres and one polyclinic. The 32-bed Princess Alexandra Hospital is the only public hospital in the territory and must serve both the population of almost 17,000 people together with the thousands of tourists that visit Anguilla each year. The limited diagnostic capabilities and secondary care reflects the inadequate facilities available on the island. Practically all tertiary care must be sought abroad invariably at the expense of the patient. Four patients a year are permitted access to the NHS in the UK subject to proof that the treatment cannot be secured in the region whether privately or public, regardless of whether patients have contributed to the National Insurance system in the UK.

**ANGUILLA**

**THE ISLAND THAT FOUGHT TO  
REMAIN BRITISH**

# The Anguilla Revolution (1967-1969)

(LON-9) ANGUILLA, March 20 (AP) SEARCH IN SUNLIGHT:— A British paratrooper searches two men after the landing yesterday on the tiny rebel island of Anguilla in the West Indies. Also landed with troops was a volunteer detachment of British police, who will administer law on the island. (AP WIREPHOTO) (jp 20369 ukout-pa)



Anguilla fought Britain to remain British.

## FOREWORD

This year marks the 50<sup>th</sup> anniversary of the Anguilla Revolution when we successfully fought Harold Wilson's government to remain British. Half a century later Anguilla faces new challenges. The recent restructuring of our domestic banking system is still in the early stages of bedding down, and much needed sale of one of our leading resorts, Cap Juluca has only recently concluded. On the global stage the most important issue that we now face is the UK's departure from the European Union – Brexit.

Brexit has a range of serious implications for Anguilla as the EU is, and has been over recent years, the most significant funder of Anguilla's capital development and under the present international development criteria that the UK adhere to, the island is not eligible for support of that magnitude from the UK. As important is the fact that Anguilla shares a direct border with an EU member state – France, as French St Martin is a collectivité and as such a part of metropolitan France. Brexit will therefore give rise to a myriad of issues relating to the free movement of goods and services, many of which are essential, together with the free movement of people across Anguilla's border with France. This is exacerbated by the fact that around 95% of Anguilla's visitors travel through Dutch and French St Martin courtesy of our nearest international airport, which is located on the Dutch side of the neighbouring island.

On the 29<sup>th</sup> of March 2017, the UK Prime Minister, Mrs Theresa May, invoked Clause 50 of the Treaty of the Functioning of the European Union, setting the stage for the eventual exit of the UK from the EU within the next two years. Anguilla is heavily dependent upon French St Martin and Dutch Sint Maarten for international access, medical services, imports, exports, mail, and a myriad of other goods and services. In addition, over 90% of our fuel is transshipped through Sint Eustatius, fuel that we not only need for electricity, but also for the desalination of much needed drinking water. The islands have an entwined heritage that spans centuries with many Anguillians having close family ties with their French and Dutch neighbours, a situation similar to that of Northern and Southern Ireland. The desire to avoid a 'hard' border between the two sections of Ireland is strong enough that it is likely to be a UK and EU priority. Both Northern and Southern Ireland are highly likely to work together to seek this outcome. In the case of Anguilla and St. Martin/St. Maarten the intentions of the member states, France and the Netherlands, for St. Martin and Sint Maarten are unclear. Arguments for why Anguilla and the neighbouring French and Dutch islands should continue their close collaboration are being prepared and personal experiences of the people of both islands are being solicited.

It is imperative that Anguilla is not forgotten during Brexit negotiations and is treated with the same level of concern and effort as our fellow overseas territory, Gibraltar, and Northern and Southern Ireland, each of which, like Anguilla, share borders with



EU member states. In so doing thought must be given to how Brexit will affect Anguillians both in Anguilla and neighbouring islands and Anguilla's heavy dependence upon EU related islands for key public services that include health, transport and fuel.

In the event of Anguilla being forgotten during the Brexit negotiations, the livelihoods and welfare of almost 17,000 British citizens may be put at risk. With this prospect in mind, the Government of Anguilla and its UK/EU Representative office have been ensuring that the UK Government, and in particular the Foreign Office, and other UK Government departments are fully briefed on the possible effects of Brexit on Anguilla. This White Paper has been produced as part of that process and is available both in hard copy and online in order to facilitate the dissemination of Anguilla's case to a global audience in support of a constructive outcome from Brexit that will be in the best interests of the UK, Anguilla and our European neighbours. As a result we trust that the UK will maintain a clear perspective on Anguilla's future in a post EU era and will prepare us all for what lies ahead by rectifying current and foreseeable problems, whilst working with us to secure potential opportunities that may arise for us all as a result of the UK leaving the EU. Brexit is a work in progress and entails identifying issues and presenting solutions that are mutually beneficial for those members of the EU with whom Anguilla must coexist; the UK; and Anguilla itself. Notwithstanding the UK's General Election on the 8<sup>th</sup> June, it is essential that we maintain momentum in our preparation for and contribution to the Brexit undertaking.

Our ultimate aim is to ensure that Anguilla is put in a position where its reliance upon neighbouring islands and countries is greatly reduced, in particular St Martin and Sint Maarten. This we argue can be achieved by providing us with extended and upgraded airport facilities, upgraded port facilities and a hospital that is capable of comprehensive delivery of primary and secondary care for our people and the many thousands that visit us each year who support the main driver of our economy - tourism. In the furtherance of this objective, an infrastructural adviser funded by the UK, has been contracted for the next two years, however it is imperative that a timely implementation is applied to avoid the predictable risk of the suffering of the people of Anguilla as a direct consequence of Brexit.



Victor F. Banks

Chief Minister of Anguilla



**ANGUILLA**

**BRITAIN'S FORGOTTEN  
EU BORDER**

## ANGUILLA'S BORDER ISSUE

Like the United Kingdom, Anguilla lies outside of the EU VAT and Schengen Areas, which also do not apply to French St Martin. Under EU Council Articles 349 and 355 of the Treaty of Lisbon, French St Martin is classified as an Outermost Region of France whilst Dutch Sint Maarten, Sint Eustatius and Anguilla are classified as Overseas Countries and Territories of the EU. As expressly stated by the EU Parliament in its 2017 Fact Sheet entitled Outermost Regions: ' Regardless of the great distance separating them from the European continent, the outermost regions are an integral part of the European Union, and the *acquis communautaire* is fully applicable in their territory. Owing to their specific geographical location and the related difficulties, EU policies have had to be adjusted to their special situation.'

'The relevant measures concern, in particular, areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, and conditions for supply of raw materials and essential consumer goods.' The Outermost Regions of the EU are specifically mandated by the EU and as such will require specific negotiation in the context of Brexit taking into account their needs. The European Council is responsible for decisions in respect of the Outermost Regions such as St Martin and the European Parliament also plays a 'very active role' having recently focused upon trade policy, maritime policy, fisheries, blue growth, cohesion policy, environment and energy, each of which is relevant to St Martin's symbiotic relationship with its British neighbour, Anguilla.

Whilst the FCO continues to argue that this effectively means that Anguilla does not have an EU border per se, there is an undeniable physical border with an Outermost Region of France that is directly represented in both the French parliament and the EU. Anguilla also has marine borders with Dutch Sint Maarten, Saba and Sint Eustatius to the west. It is an unfortunate fact that due to underdevelopment, the British territory is heavily dependent upon both French and Dutch Saint Martin for essential goods and services such as medical diagnostics, mail and the vast majority of its international access. International access underpins Anguilla's main economic driver – tourism that accounts for over 21% of the nation's Gross Value Added (GVA). Approximately 95% of Anguilla's access will be subject to deliberations between EU member states during the course of Brexit. Similarly, Anguilla's fuel and consequently its desalination capacity will be exposed to negotiations on whether tariffs are to be added to oil imports from Dutch Sint Eustatius.

Whilst continued debate on the semantics of Anguilla's border issues may offer an elegant way of excluding Anguilla from consideration in the Brexit negotiations, the welfare of almost 17,000 Britons will, in reality, be held in the balance if Anguilla is not properly provided for. Responsibility for the border control resides with the Governor of Anguilla, who is the de facto representative of the UK Government,

together with the Government of Anguilla. Under the outdated constitution of the territory the Governor, and therefore the UK Government, retains responsibility for the external affairs of Anguilla. This is manifest in the intended conduct of Brexit negotiations in which Anguilla shall have no direct role to play. Consensus between Anguilla and the UK Government on this all-important issue is therefore imperative. In the absence of the UK Government fully accepting the fact that Anguilla has an EU border through the auspices of St Martin, as an Outermost Region of France, and the EU and the UK successfully negotiating a border that is soft enough to make the territory viable through the on-going provision of international access and free movement of goods and services, the general welfare of British citizens will foreseeably be put at risk.

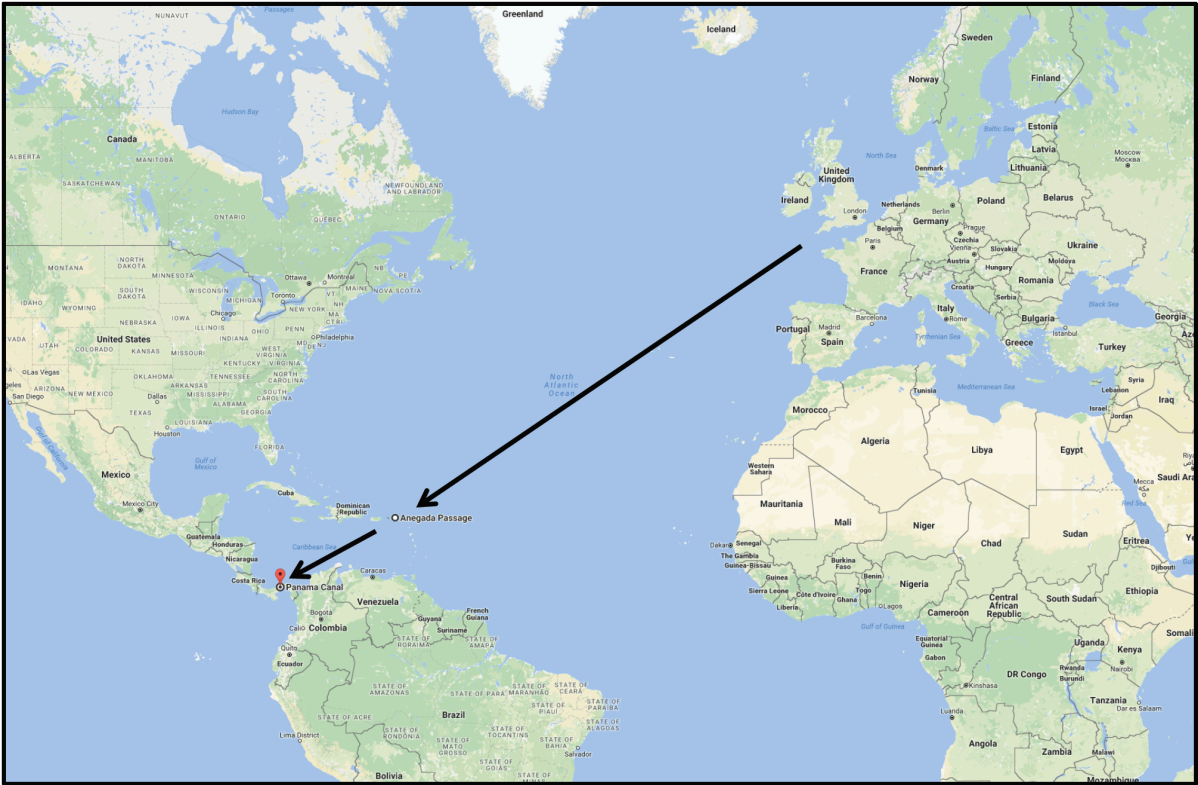
The current position of Anguilla whereby French St Martin, acting upon instructions from Europe, closes its border with Anguilla each night is both challenging and highly unsatisfactory and, although discussions between the Governor and their French equivalent - the Prefect of St Martin, have taken place, no tangible improvement has arisen despite Anguilla suffering years of an effective curfew. Meanwhile the Government of Anguilla has succeeded in maintaining good diplomatic relations with their EU neighbours and have recently soften the border requirements for French citizens arriving in Anguilla in a bid for reciprocity.

The current lack of acknowledgement of Anguilla's EU border issue on the part of the UK Government does not instil confidence in the prospects for Anguilla in a post Brexit era, a situation worsened by the fact that the UK does not observe the same criteria as the EU for international development. Therefore when Anguilla loses access to the European Development Fund that accounts for 36% of the territory's developmental capital budget there is, as yet, no alternative funding stream available to it from the UK, unlike other British Overseas Territories that have received an indication that their DFID funding will simply increase to compensate for the loss of EU funding resultant from Brexit. Significant and sustained developmental funding is not only requisite for the balancing of Anguilla's budget, but vital to the disengagement of Anguilla's welfare and viability from that of the EU territories, municipalities and collectivités over which EU Member states have control.

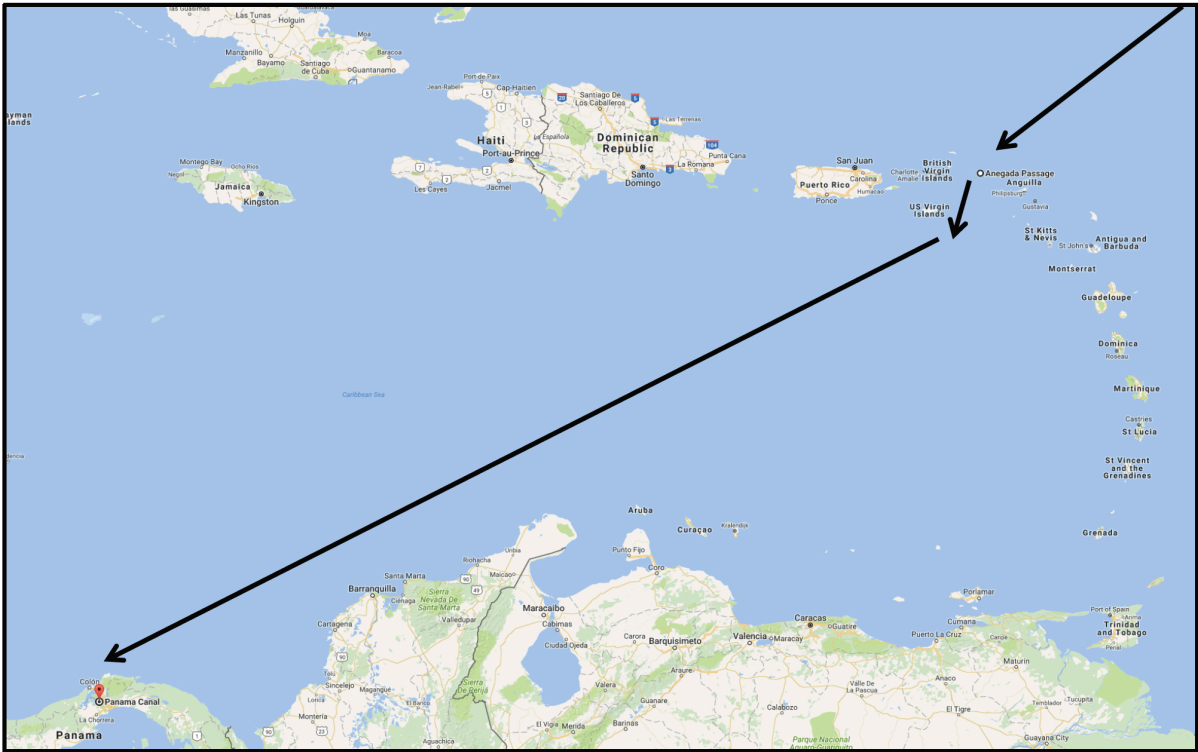
The prospect of a new constitution for Anguilla may provide suitable avenues for both Anguilla and the UK to mechanise the solution to an indisputable problem that has already gained the attention of the key participants in the Brexit scenario, in the interim the UK Government must accept the realities of Anguilla's position and negotiate in accordance with its obligations under the 1966 UN International Covenant on Economic, Social and Cultural Rights. This approach aligns with the intentions of both the EU and UK to ensure the full rights of their citizens after Brexit, satisfying the expressed aim to respect the interests of the Overseas Territories as stated in the UK's White Paper on Brexit.

**ANGUILLA**

**A GLOBAL SUPERHIGHWAY**



The Aneгада Passage route from the Atlantic Ocean to the Panama Canal  
 The strait is marked by Sombrero Island of Anguilla and the British Virgin Islands  
 $18.377986^{\circ}\text{N } 63.837433^{\circ}\text{W}$



Ships traverse Anguilla's waters when taking the Aneгада Passage route.

# ANGUILLA

## AN OVERVIEW

### **BACKGROUND**

Anguilla lies in the eastern Caribbean Sea, and is the most northerly of the Leeward Islands lying almost seventy miles north of St Kitts and approximately eight north of the neighbouring Dutch and French Saint Martin. It is unique among British Overseas Territories being surrounded by and heavily dependent upon territories, collectivités and municipalities that are each related to EU member states. Just over three miles at its widest and some sixteen miles long, covering thirty five square miles, Anguilla is home to approximately 15,253 people, 90% of whom are indigenous and as such British citizens. The remaining population comprise expats who are largely Caribbean, Americans or Europeans that are mainly part time residents who are generally financially secure, if not wealthy. The Gross Domestic Product (GDP) of Anguilla is severely distorted by the wealth of the part time expats, significantly failing to reflect the economic realities that face the indigenous people of the territory that comprise the majority of the population, and rendering the underdeveloped territory ineligible for support from the UK's Department for International Development. Even when Anguilla satisfied the international criteria to which the department adheres, little financial support was ever forthcoming.

Europeans first discovered Anguilla, then home to an Arawak tribe, when Columbus recorded it during his 1493 voyage. The territory became British through settlement by English planters that commenced in earnest in 1650. Anguilla has remained British throughout its history but for minor insurgences by the French and Irish. For the majority of its history the colony of Anguilla attracted little interest or involvement by Britain due to its limited commercial potential as a result of scant soil and water and the shallow seas that surround it. As a consequence, since its colonisation Anguilla has struggled to secure full recognition of the needs of its people by the UK. Under the British Overseas Territory Act 2002, as cited in schedule 6 of the British Nationality Act 1981, Anguilla became a British Overseas Territory. This continued inclusion in the British family was fought for by the people of the island who in 1967, after centuries of marginalisation resisted being forced into independence with St Kitts and Nevis to which Anguilla had been attached by the UK for administrative purposes. The islanders successfully fought St Kitts and Harold Wilson's government for two years during the Anguilla Revolution in order to remain British. As a result Anguilla, became directly governed by the UK in accordance with the then wishes of its people.

The Anguilla Act 1980 forms the basis of the current constitution of Anguilla that was established under the Anguilla Constitution Order of 1982. This provides for a democratically appointed government, led by a Chief Minister to govern the territory subject to powers retained by the UK Government through the auspices of a

Governor. The Governor is responsible for oversight of defence, external affairs, international financial services or any directly related aspect of finance, or internal security, including the police. In addition the Governor is the presiding officer of Executive Council of the Government of Anguilla although not an official member. The Governor also takes a close interest in good governance issues. Responsibility for the Public Service is devolved to the Deputy Governor who is selected from the local population.

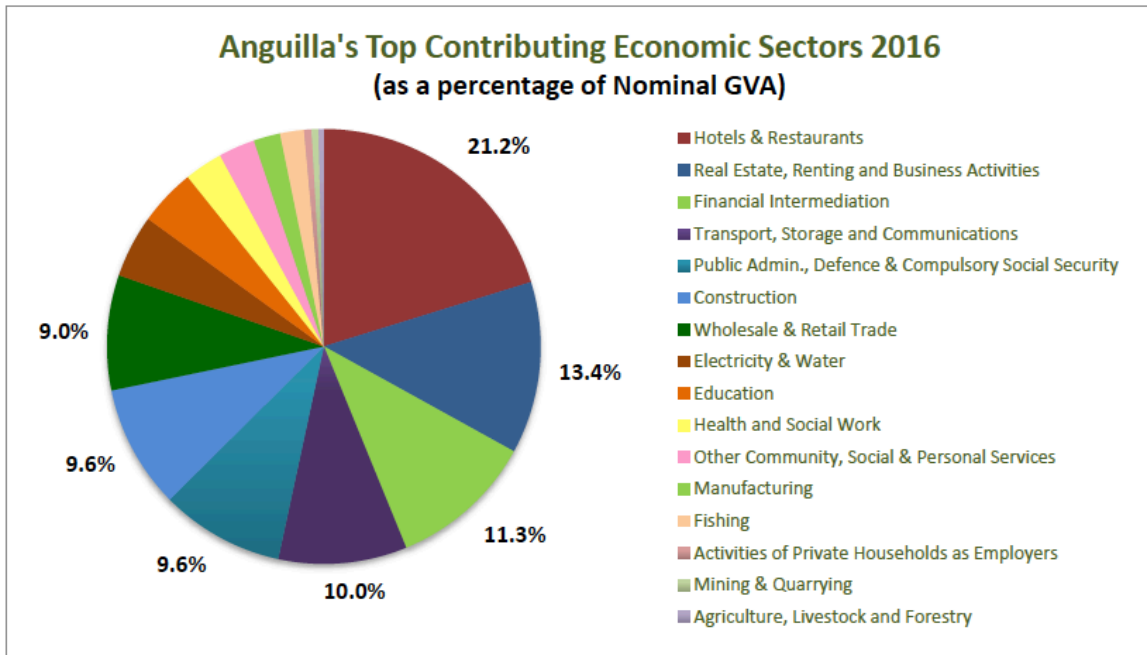
### **GATEWAY TO THE PANAMA CANAL**

Anguilla's second most significant island is Sombrero Island, twenty-three miles north east of Anguilla's capital, the Valley. Sombrero marks the gateway of the Panama Canal lying at the mouth of the Anegada Passage. Virtually all European shipping, and 10% of US shipping between the Atlantic and the Pacific traverse Anguillian waters, the sovereignty of which resides in the Government of Anguilla. This amounts to 20% of world's marine traffic. Sombrero Island is therefore of international strategic importance magnified by the recent improvements to the Panama Canal that now accommodates the third highest annual shipping tonnage in the world and includes a new *corezal* container terminal of global significance. As recently as the 1990's Anguilla collected a toll from shipping traversing its waters, providing the island with much needed income that was used by the islanders in a programme of road building. This arrangement was ultimately challenged by Italy through the auspices of the EU, ending this much needed income stream, slowing the development of the island's infrastructure. At no point has this strategic location been used for security purposes by the UK, indeed there is every indication that the strategic importance of Anguilla has yet to be fully recognised by the UK and its allies. With reduction of the US presence in the region, the significance of this British outpost is arguable all the more relevant, potentially serving to enhance Britain's global profile.

### **8<sup>TH</sup> MOST POPULAR DESTINATION FOR THE TOP 1% OF THE WORLD'S RICHEST AND MOST INFLUENTIAL PEOPLE**

Anguilla is home of some of the leading hotels in the Caribbean and pristine beaches renowned for their beauty, as such Anguilla regularly attracts some of the world's most influential people to its shores. It is a noted favourite with global statesmen and international business leaders with particular patronage from Wall Street. Many are long term repeat visitors, regarding Anguilla as a little known destination, reflecting its inability to host cruise ships due to its shallow waters or large airplanes due to the absence of a runway of adequate length. There are few British goods or services on sale or promoted within the territory despite a huge opportunity to do so, depicting the UK's lack of interest in the commercial opportunities that exist there today to market and trade British goods, services and innovation to a sophisticated client base in a manner that is mutually beneficial for Anguilla and the UK.





The above chart is from the Government of Anguilla's 2017 Budget Report

Originally the territory was regarded as the British equivalent St Barthélemy (St. Barths) - a nearby French territory that is renowned as a 'shop window' for French luxury goods and services. This status is St Barths' *unique selling point* within the tourism sector. St Barths is generally regarded as having little natural beauty, and has limited resources and accommodation making it an extremely expensive destination. The success of St Barths is predicated upon its commercial relevance to France making the island one of the most sought after destinations in the region despite its limited physical attributes.



Anguilla's attraction has always been its unspoilt natural beauty, which is largely protected by its unusually extensive private, indigenous, ownership and extensive subsistence farming. Its more industrial Saint Martin provides access to duty free retail, casinos and other mass tourism products that cater for its cruise ship clientele.

These lie within easy reach of its more tranquil neighbour meaning the two islands compliment their respective tourism offers. Both St Barths and Anguilla, like Mustique to the south, are regarded as successful luxury destinations as they cannot accommodate mass tourism due to their geography, thereby offering a high degree of privacy. Unlike its French equivalents, Anguilla does not benefit from closer commercial ties with its sovereign state that could stimulate the local economy whilst at the same time promoting British goods, services and innovation.

Limited effort has been made to promote the opportunities for inward investment into Anguilla by British companies and institutions, as such the potential remains for Anguilla to act as a much welcomed platform to market British goods, services and innovation within the Americas to an audience of renowned decision makers. This is in line with the Prime Minister's aspiration to build a “**stronger, fairer, more Global Britain**”. Instead, other countries regularly promote their goods and services to international fora in Anguilla, as evinced by a recent Mercedes convention hosted on the island.

## **THE PEOPLE OF ANGUILLA**

Geographically Anguilla is connected to St Martin and St Barths, the three islands having once formed a single landmass known as *Anguilla*, now fragmented due to rising sea levels. Throughout Anguilla's 367-year history with Britain, its population has spread throughout neighbouring islands, and yet has remained 'pegged' to Anguilla. This is largely because Anguilla is unique in the region. Only Barbuda has a similar profile. In each instance indigenous landownership as opposed to government or Crown ownership has arisen as a direct consequence of slavery. Unlike Barbuda where the former slaves were given a lease over the island much like the crofters of northern Scotland, Anguillians acquired full title to their lands, now accounting for over 94% of the territory. It is from this landownership that Anguilla's culture of subsistence farming and fishing arose long before that of other islands in the Caribbean and is for that reason that Anguillians today are wedded to their land to an extent rarely seen elsewhere. A consequence of this strong relationship with their territory is that Anguilla's population is predominantly indigenous, unlike the majority of the British Overseas Territories in the region. As such there is a prevailing Anguillian culture on the island that has not been diluted by the tens of thousands of international tourists that visit the island each year. The unique character of Anguilla is part of island's attraction with its people's proprietorship being the 'touchstone' of Anguillian heritage, culture and identity.

## **EDUCATION**

The education available on the island is limited with only one secondary school within the territory through which the island's children may attain Caribbean Secondary Education Certificates (CSEC) in a number of subjects, the qualification being recognised as the regional equivalent to a UK GCSE. The A level equivalent,

the Caribbean Advance Proficiency Examination (CAPE), is also taught at the Albena Lake Hodge Secondary School. The Anguilla Community College is currently expanding its curriculum with some assistance from the University of the West Indies that also has a nominal presence on Anguilla. The College has recently adopted Btech qualifications as taught in the UK and offers Associate Degrees that are mainly recognised in universities in the USA. As yet neither institution offers comprehensive tertiary education on the island meaning students must leave Anguilla to conclude their higher education abroad. This process is implicitly means tested due to the costs entailed in study abroad.

As students of a British Overseas Territory, Anguillians are deemed as domestic for the purposed of education in the UK. However, attendance of universities and colleges in the UK inevitably entails considerable expense. This option is rendered less attractive as many students from Overseas Territories are ineligible for grants or bursaries in the UK, and the few provided by institutions such as the Association of Commonwealth, (which unusually extends to Overseas Territories despite them not being members of the Commonwealth), are seldom synchronized with the acceptance timetables of UK universities and colleges leaving students with places, without the security of funding. As a result many student opt to study the USA where courses tend to be designed to enable student to 'work their way through college'. This trend effectively dilutes the link between Anguilla and the UK, and fails to realise the potential to create a center of excellence founded on British education.

## **HEALTH CARE**

As with education, Anguilla's medical services are not self-sufficient, being highly dependent upon collaboration with foreign islands, including those under European control. Sadly the inadequacy of Anguilla's sole hospital, the Princess Alexandra Hospital, is such that it cannot offer comprehensive diagnostics. The vast personal expense of accessing foreign assistance may result in a patient being diagnosed with a condition that may otherwise be treated on the island, or worst still diagnostics may be conducted too late to save a patient's life. This is the only medical provision Anguilla has known in recent years, prior to which its entire population was reliant upon one rudimentary cottage hospital.

When compared to other British Overseas Territories, Anguilla's medical offer lags well behind and is one of the least developed public medical facilities under a Union Jack. This position is further aggravated by the quota system imposed by the Department of Health in 1985 when the population of Anguilla was 60% less than that of today, whereby a mere four patients a year may be nominated by the Government of Anguilla to access the NHS in the UK for treatment that may not be accessible in the Caribbean region. This four patient quota pertains notwithstanding the strong likelihood of patients having spent their working lives in the UK during

which time they would have contributed to the National Health Service. Sadly there is no indication of the thirty-two year old quota being adjusted in the foreseeable future.

Research opportunities exist within the medical sciences, a captive gene pool of the nature found in Anguilla providing an excellent opportunity for British research and development in important issues such as mental health, cancer, genetics, diabetes, obesity, and other issues that directly affect the British public in the UK. Treatment of and preparedness for pandemics such as Zika, malaria, Yellow and Denge Fever may also be cost effectively explored and British innovation promoted. With Anguilla ranking within the world's top 50 locations for longevity, the care of the elderly and palliative care may also be researched, developed and marketed in a manner that is mutually beneficial for both Anguilla and the UK.

### **TRANSPORT AND OTHER PUBLIC SERVICES**

There is no public transport on Anguilla, and other public services are similarly limited, including water supply, which is constantly under strain due to the lack of fresh water on the island. Water supplies are regularly rationed in Anguilla and in extreme conditions, support from neighbouring islands in providing bottled water welcomed.

The limited public service offer in tandem with the poor condition of the hospital and school provides little justification at present for higher taxation. Moreover with the main employer being tourism, there is little scope for high taxation of a people that rely upon seasonal employment that fails to offer job-security nor a minimum wage. Efforts are being made to diversify the Anguillian economy into sustainable sectors based upon the prevailing skills base among the islanders, that includes construction and fishing.

Notwithstanding this catalogue of difficult challenges, the people of Anguilla, including its global diaspora, are a hard working proud people that have experienced almost 400 years of an ambivalence by its sovereign state. It is a people that fought as recently as fifty years ago to retain its British identity and continues to work towards the improvement of its relationship with the United Kingdom.

### **GOOD REPUTATION**

Anguilla is relatively unaffected by political corruption. The territory has recently been ranked 22<sup>nd</sup> in the World (April 2017), by the US – Central Intelligence Agency (CIA), Financial Action Task Force (FATF), the US - Federal Bureau of Investigation (FBI), Organisation for Economic Co-operation and Development (OECD), HM Treasury, The International Monetary Fund (IMF), The Egmont Group of Financial Intelligence Units (a group of police forces across the globe), Transparency International, US - Department of State, United Nations (UN), World Bank Group and various regulatory authorities from around the world for the territory's avoidance of money laundering, terrorist financing,

international sanctions, corruption, narcotics, governance related risks and financial transparency. The UK was placed at 18<sup>th</sup> and Switzerland ranked 23<sup>rd</sup> in the same ratings table. Anguilla is therefore regarded as the most efficacious financial centre in the Caribbean and one of the best in the world, albeit a relatively small enterprise. The territory is currently enhancing the IT systems for its financial services sector in collaboration with HM Government in a bid to continue to lead the world on global standards of transparency in accordance with the UK's Criminal Finance Act 2017.

Unlike other territories and countries in the region, Anguilla has not been struck by irremediable natural disaster. Nor has the territory been the recipient of major funding from the UK nor witnessed the failure of any UK funded initiatives, having provided good value for money for EU and UK taxpayers on all projects funded by them within the territory during the limited time in which Anguilla has received such support. The territory's reputation is therefore strong and good.

The lack of capacity and significant capital funding within Anguilla's government has resulted in low levels of infrastructure development. Nevertheless, the territory is renowned for its ability to deliver, as reflected in its status as a center of excellence in the region for kidney dialysis despite having only one under-resourced hospital. Potential clearly exists for Anguilla to fully evolve into a centre of British excellence in the Americas.

## **BIODIVERSITY, RESEARCH AND INNOVATION**

When taken with that of the UK, Anguilla and its fellow British Overseas Territories account for 94% of their joint biodiversity. Similarly when assessed with its fellow EU countries and territories, together with the twenty-eight EU member states, the EU countries and territories hold over 80% of their joint biodiversity.

Anguilla, sit at the 'frontline' of climate change risk. This is of particular significance as approximately two thirds of Anguilla lies below sea level, meaning the island's limited fresh water supplies, which are low lying may well be breached by seawater long before inhabited areas are endangered. Anguilla also sits beside the 'ring of fire' and although formed of an ancient inactive volcano, constantly experiences earthquake activity raising the threat of tsunamis. The island also lies in the pathway of hurricanes that have consistently hit Anguilla over recent years to devastating effect. These grim circumstances provide an excellent opportunity for the UK to cost effectively showcase British innovation and commerce in this globally important field, generating a social cost saving by addressing the needs of the island at the same time.

Small island developing states such as Anguilla are among the most vulnerable areas of human habitation on the planet, being amongst the most vulnerable to the effects of climate change. With the fate of the Paris Agreement in question, we must

persevere in protecting the peoples and environments that are already experiencing the negative effects of global warming, Anguilla being among them.

Research opportunities exist in respect of the island's biodiversity. Unfortunately, current initiatives such as the UK's Blue Belt, referred to in the 2012 White Paper and led by UK based NGOs, are not designed to generate sustainable outcomes that reside within the safe hands of the local population who are the true custodians of the territory's environment. Education, training, and employment that may be generated by such initiatives could and arguably should vest in the indigenous population who are best placed to enhance the implementation and outcomes with personal knowledge, skills and culture derived from their heritage, as opposed to UK based entities that are invariably involved on a temporary basis. In all such initiatives the interests of the local population must be recognised and fully respected, failing which such initiatives could easily descend into yet another 'temporary fix initiative' – one that primarily occupies and therefore benefits those in the UK. Such an approach brings into question the true value to the UK taxpayer, the ultimate funder and the people of the territory, the true guardians of the environment. By empowering the local population in conjunction with education and training by the appropriate UK and Caribbean institutions, as opposed to predominantly UK NGOs, new career and employment prospects may arise within the territory and small to medium size businesses may be spawned there building on the evident local success in protecting the environment as evinced by the statistics on biodiversity, and pollution. The necessary step change in the UK's approach and attitude towards the territory has yet to take place and the goal of establishing a British centre of excellence has yet to begin in a viable, sustainable manner.

As a territory physically embraced by islands related to a number of EU member states, effective marine and aerial environmental initiatives that may combat climate change and protect the important natural habitats of the region must harmonise with that of neighbouring islands. This is a fact noted and agreed with the EU Commission thus far, who fund regional programmes for the benefit of EU Overseas Countries and Territories together with independent countries in the Caribbean but will not, at present, fund Overseas Countries and Territories in the absence of a related member state within the union.

### **A NEW TYPE OF TERRITORY**

With the most outdated constitution of all UK Overseas Territories Anguilla will be undertaking major constitutional reform by necessity. Various UK Overseas Territories now seek new constitutions as a consequence of Brexit, however, with the many uncertainties faced by the UK, Anguilla offers a practical opportunity for both the Government of Anguilla and UK Government to develop and test a new form of relationship that is fit for purpose and mutually beneficial to the UK and Anguilla during a post Brexit era with potential to lead the world in constitutional

reform. This may well give rise to the creation of a new constitutional entity and British leadership in constitutional reform and one that other territories may adopt in due course.

### **FREE MOVEMENT OF PEOPLE, GOODS AND SERVICES**

Like Gibraltar, Anguilla suffers from a problematic border with an EU member state. Essential goods, services, and over 95% of Anguilla's visitors pass through both French and Dutch Saint Martin making Anguilla's EU borders of immense significance to the prosperity of the territory and that of French and Dutch St Martin and nearby St Barts who also benefit from Anguillian tourism.

At a country specific level, Brexit poses risk to Anguilla and Dutch St Maarten and French St Martin trade and bilateral relations such as immigration, law enforcement, access for tourists and Anguillians entering their ports. Princess Juliana International Airport in St Maarten is one of the busiest hubs in the Leeward Islands with daily flights from major cities in North America, Europe and Latin America. Consequently, the island is a transshipment point and hub creating linkages with nearby islands such as Saba, St Eustatius, Anguilla and Nevis. Forging new relations post-Brexit may result in reduced seaport access (volume of excursionists) to and from Anguilla for tourists and local businesses.

Quote taken from a report by the **Eastern Caribbean Central Bank**, titled '**What Brexit means for the Eastern Caribbean: Issues and Challenges.**' This report cites information from documents by **HM Government, HM Treasury, the IMF, the OECD, PwC and more.**

Already treatment of Anguillians and their visitors has deteriorated to a level below that currently envisaged by Article 16 of the EU Overseas Association Decision (2001/822/EC) that provides for regional cooperation, inter alia. Instead each evening at 10pm visitors are prohibited from crossing Anguilla's border with France, and many are forced to make an overnight stay in Saint Martin. Efforts are currently being made to improve access through diplomatic means and funding has been allocated from the UK's Conflict Stability and Security Fund to train Anguillian coastguards. Success of this initiative is nonetheless subject to the outcome of Brexit as to whether the French will harden the border with Anguilla, adding to the difficulties and expense of accessing Anguilla for both visitors and residents alike, potentially compromising access to key medical support, and further undermining Anguilla's tourism offer. This is of particular importance to the Anguillian economy as tourism is the main economic driver accounting for over 21% of Anguilla's Gross Value Added (GVA). It is also imperative that Anguilla protects its working relationship with Dutch Sint Maarten, a country of the Kingdom of the Netherlands, in which the closest international marine port and airport to Anguilla are located, without the use of which Anguilla's access to the world would be severely curtailed. Anguilla's relationship with the Dutch municipalit  of nearby Sint Eustatius is also of paramount importance as almost 95% of the island's energy is generated from oil,

approximately 90% of which is transhipped from the Dutch municipalité. Oil is not only required for electricity generation but also desalination which is consumed by poorer members of the community who seldom have cisterns in which rainwater may be captured and stored. In the absence of surface rivers or fresh water lakes, this is the only viable option available, a situation aggravated by the frequent droughts that blight the territory which has often had to resort to bottled water, occasionally donated by its European neighbours, in the absence of assistance from the UK or elsewhere.

**Saint Martin (French)** is classed as one of the ‘**outermost regions**’ (OMRs) of the EU. OMRs are defined as territories forming part of a member state (in this case France), situated a significant distance from mainland Europe, which are **part of the EU**.

According to the Treaty of the Functioning of the European Union, both primary and secondary EU law applies automatically to these territories.

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**Sint Maarten (Dutch)** and **Anguilla** are both classed as ‘**overseas countries and territories**’ (OCTs).

OCTs are dependent territories that have a special relationship with one of the member states of the EU (the Netherlands and the UK respectively in this case).

Export of fresh fish, livestock and crops from Anguilla to Saint Martin is also important, being the main focus of the diversification of Anguilla’s economy. Work is in hand to improve the current impasse on Anguilla fish entering Saint Martin, however the effects of Brexit identified have yet to be resolved.

The welfare of the people of Anguilla is wholly dependant upon a Brexit scenario that generates flexible borders with French St Martin, Dutch Sint Maarten and Dutch Sint



Eustatius to ensure that unmanageable tariffs, impractical visa control and other similar hurdles to the movement of goods, services and people, such as the curfew and refection of Anguillian fresh fish currently imposed upon Anguilla by France, are not inadvertently or intentionally erected or entrenched as a consequence of the UK's departure from the union. In parallel, the implementation of a programme of infrastructure development must be undertaken of the nature envisaged in the FCO's Overseas Territories White Paper, (Security, Success and Sustainability) 2012 to address the island's needs for transport, energy, health and education, each of which is essential to the well being and prosperity of the 15,253 British citizens of Anguilla. This is the only option available to ensure that the welfare of a significant number of British citizens is not inadvertently left under the control of the EU at a time when the UK's influence over the union has ended and to ensure that Anguilla does not become a bargaining chip or suffer collateral damage in a manner that could directly undermine the general welfare of its people.

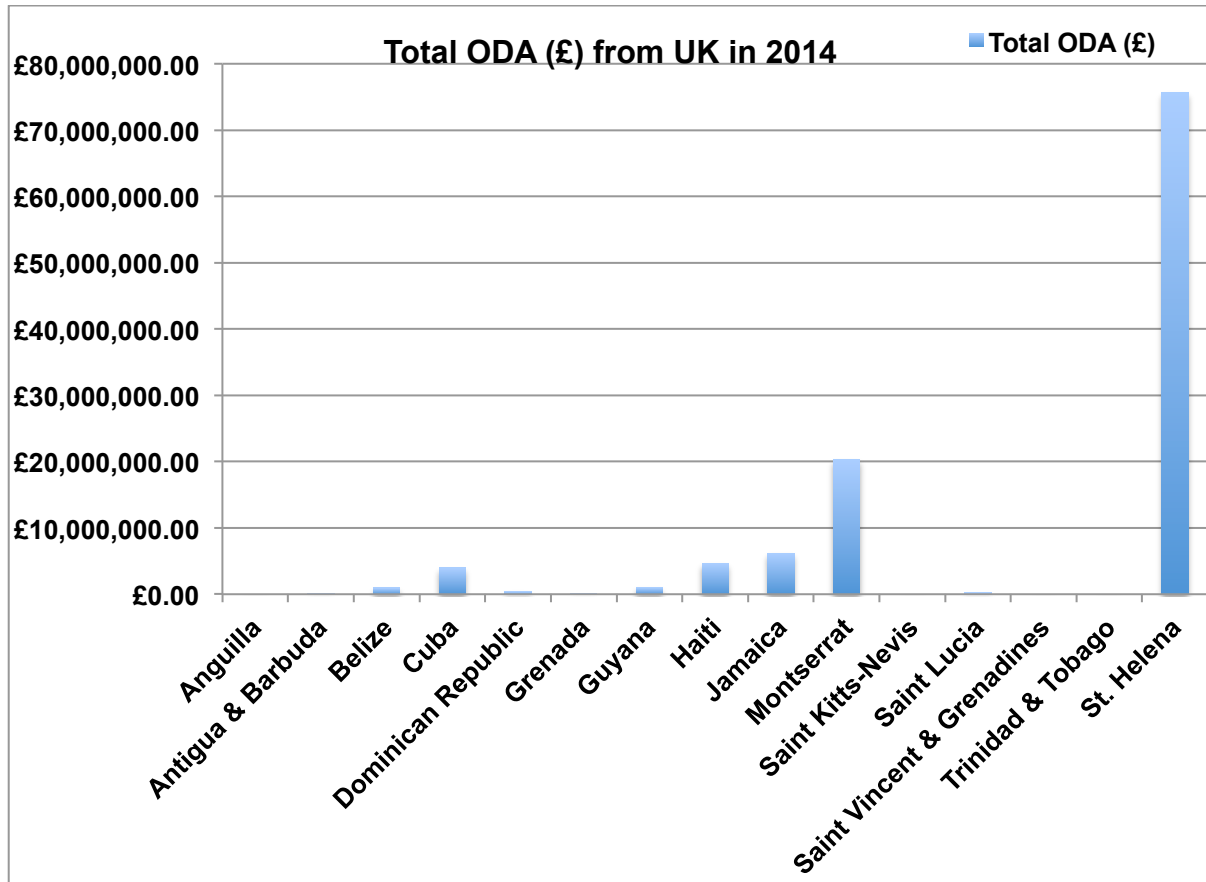
### **BUDGETARY AID**

The continued use of a formula for the GDP that includes an evaluation of Anguillians traditional landholdings, and wealthy expat residents, has denied Anguilla support from the UK's Department of International Development. This has resulted in the European Union being the sole source of significant budgetary aid for Anguilla during a period when various key aspects of Anguilla's infrastructure of are on the verge of collapse, rendering the territory even more dependent upon its European neighbours.

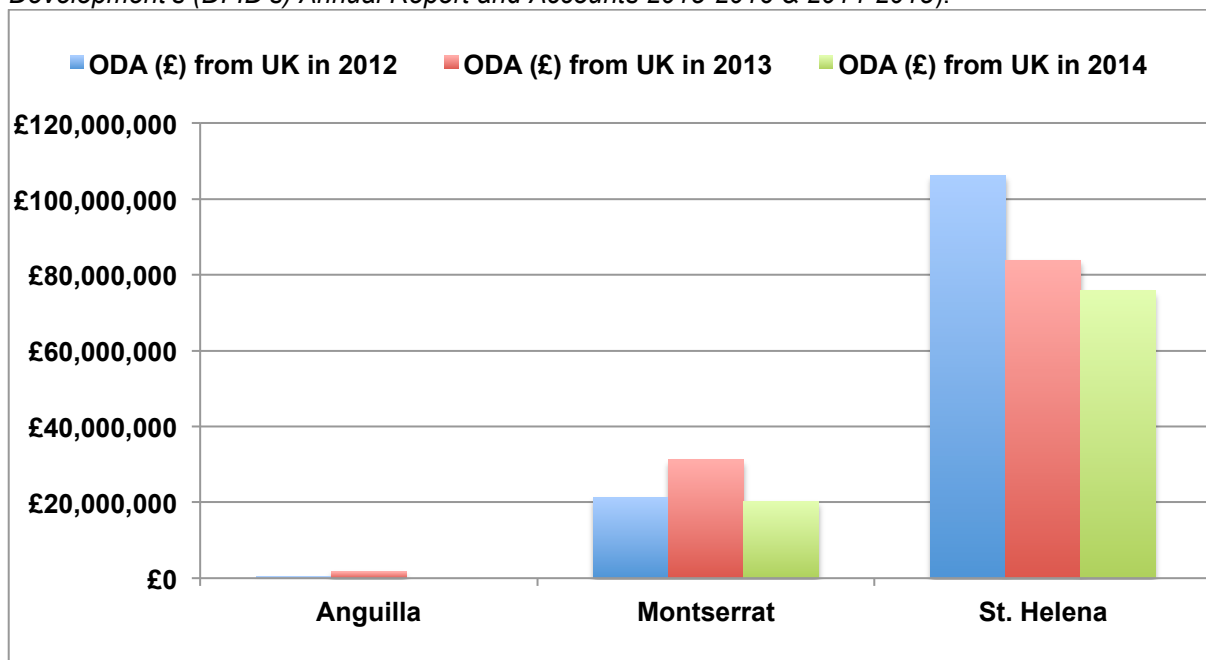
The FCO may now access the Conflict Stability and Security Fund to support the Overseas Territories, and is now undertaking work on behalf of Anguilla, although HMG have chosen to focus upon a range of initiatives, some of which are not pertinent to preparedness of the island for the aftermath of Brexit whether hard or soft. Infrastructure work cannot be supported by the limited funds that are accessible to all British Overseas Territories. In practice, it will therefore be mainly used to generate reports and studies in respect of Anguilla as opposed to implementation.

At present Anguilla is prevented by the UK Government from accessing funding from foreign sources, which has caused dependency of the territory upon the UK and EU contrary to the object stipulated in the 2012 White Paper. In the circumstances it is imperative that we address the border, budgetary aid and infrastructural issues of Anguilla if the territory is to avoid serious and immediate decline as a reasonably foreseeable and avoidable result of Brexit, a situation that embodies the definition of negligence.

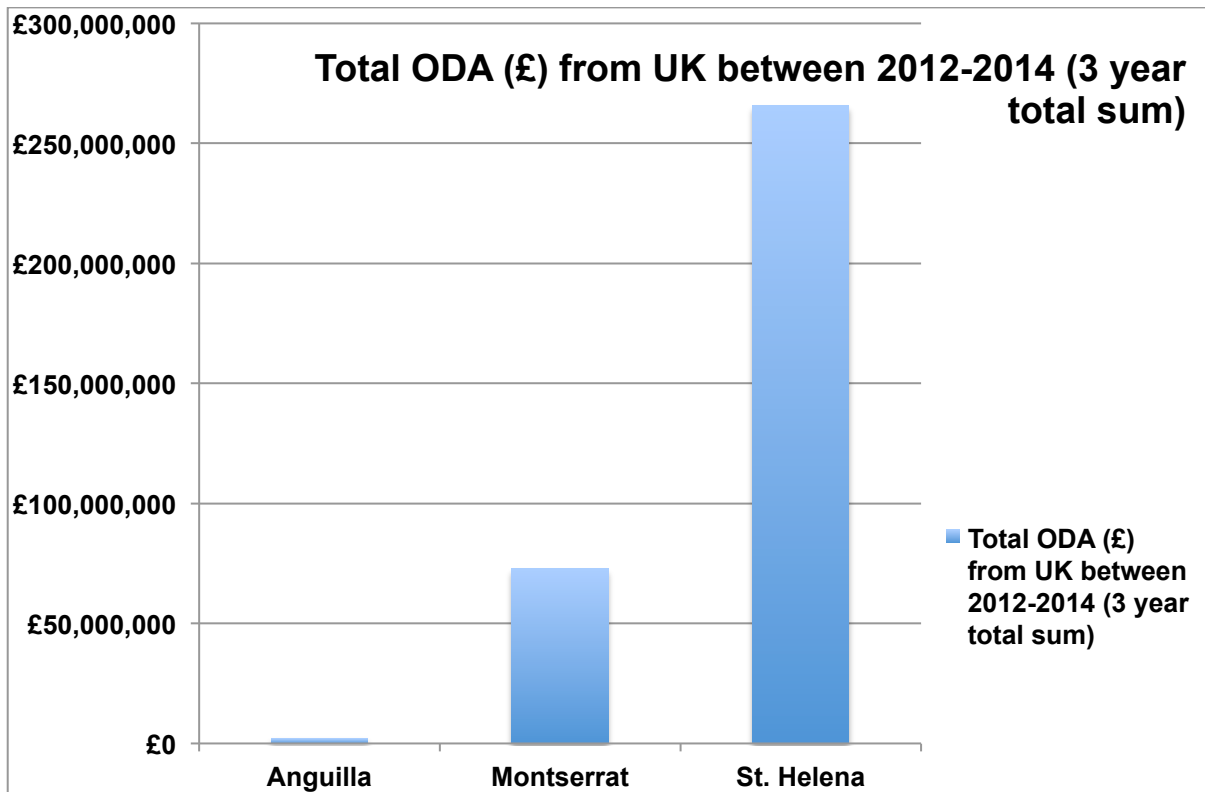
**Comparison of Total UK net Overseas Development Assistance (ODA) spent on Caribbean countries & territories and St. Helena** (data taken from the above tables from *the Department for International Development's (DFID's) Annual Report and Accounts 2015-2016*):



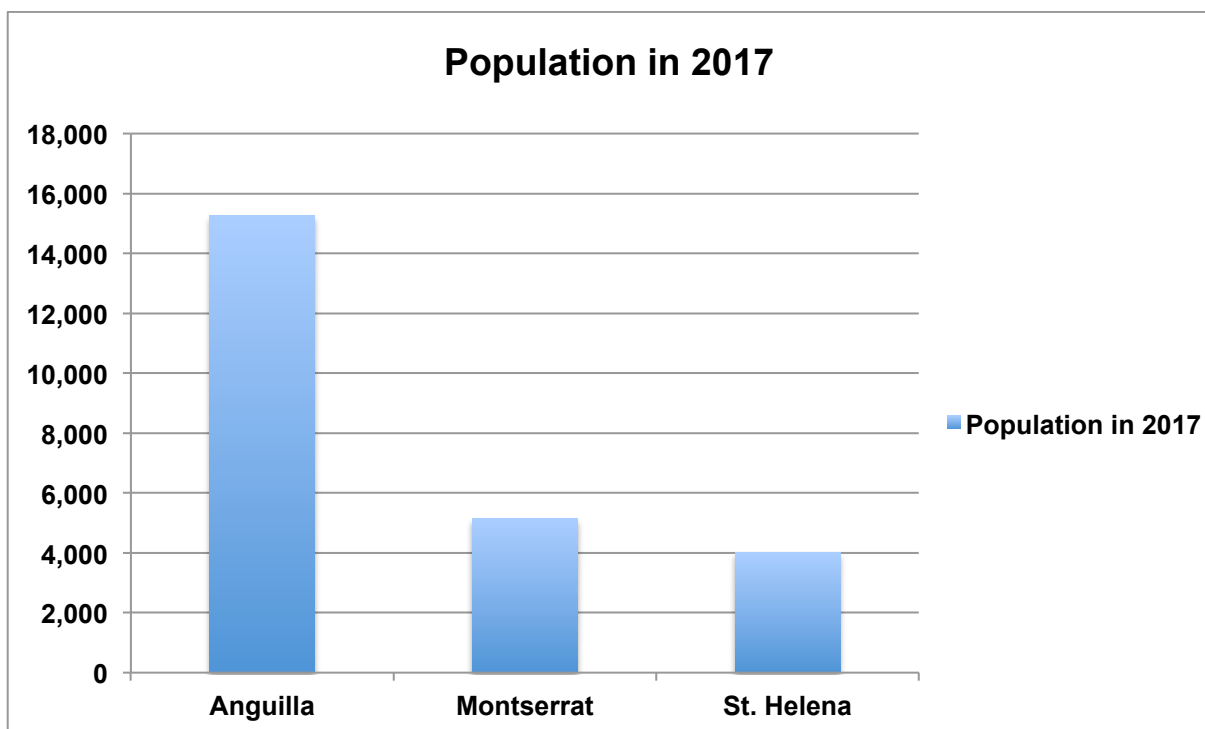
**Comparison of Total UK net Overseas Development Assistance (ODA) spent on Anguilla, Montserrat and St. Helena over 3 years** (data taken from *the Department for International Development's (DFID's) Annual Report and Accounts 2015-2016 & 2014-2015*):



**Total UK net Overseas Development Assistance (ODA) spent on Anguilla, Montserrat and St. Helena between 2012-2014 (3 year period)** (data taken from *the Department for International Development's (DFID's) Annual Report and Accounts 2015-2016 & 2014-2015*):



**Population of Anguilla, Montserrat & St. Helena - information taken on 30.03.2017 from [www.countrymeters.info](http://www.countrymeters.info):**



**Anguilla** received £2,152,000 in UK Overseas Development Assistance (ODA) between 2012 to 2014.

This is a spend of **£141 per person** in a total population of 15,253.

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**Montserrat** received £72,789,000 in UK ODA between 2012 to 2014.

This is a spend of **£14,101 per person** in a total population of 5,162.

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**St. Helena** received £265,691,000 in UK ODA between 2012 to 2014.

This is a spend of **£66,290 per person** in a total population of 4,008.

### **ANGUILLA'S POST BREXIT RELATIONSHIP WITH THE EU**

At a recent meeting of EU OCTs in Brussels it was clear that other members of OCTA, of which the British territories account for over 60%, are keen for the British territories to remain within a relationship with them in some capacity for fear that the relevance of the countries and territories that shall remain after the UK's departure will be critically devalued in the eyes of the EU member states, the majority of which do not have countries or territories of their own. This is with the proviso that the UK continues to contribute to the EU budget in respect of EU initiatives conducted within the British territories. Various territories have expressed interest in this model, whilst the level of French support, which is essential for Anguilla, has yet to be fathomed. Similarly, the level of interest by the EU for such an arrangement will be subject to Brexit negotiations.

**ANGUILLA**

**AN EU DEPENDENCY**

# ANGUILLA AND THE EU

## **ASSOCIATE MEMBERSHIP OF THE EU**

Anguilla is a non-sovereign territory that is constitutionally linked to the United Kingdom. Through this relationship with a member state of the EU, Anguilla has become an associate member of the EU under Council Decision 2013/755/EU, although not forming part of the union itself. EU legislation is only applicable to Anguilla where specifically provided.

Under the 1982 constitution of Anguilla, the UK government, acting through the auspices of the Governor, is responsible for defence, external affairs, international financial services or any directly related aspect of finance, and internal security, including the police.

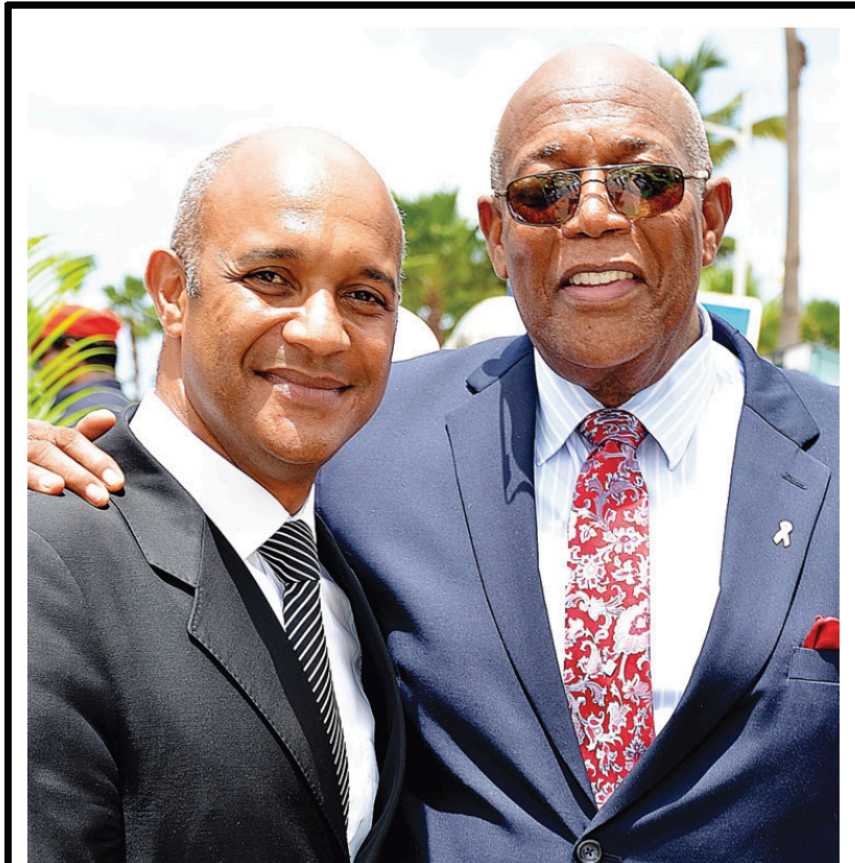
The British Overseas Territories exhibit a high degree of heterogeneity in terms of their size, development, history and culture, however the UK has chosen to categorise them as one group for the sake of administrative efficacy within the UK government. In practice this has resulted in territories such as Anguilla being marginalised with the more demanding logistics of remote territories often taking precedence. The continued tendency towards implanting solutions, personnel and NGOs within the territory often fails to achieve the desired objective of sustainable self-sufficiency, instead, cultivating an on-going culture of dependency that is not mutually beneficial. The EU's approach to the 25 Overseas Territories and Countries (OCTs) of their member states is less dominant and intrusive, instead seeking to cultivate a sustainable improvement in the OCTs within the hands and control of their people, wherever possible ensuring inclusion and diverse participation.

## **DEPENDENCE UPON THE EU**

Aside from a common colonial past, the commonality that exists between the inhabited British Overseas Territories is the fact that they are, with the exception of Gibraltar, islands with few natural resources, little sustainable development, and limited international trade together with high fuel, transport and communication costs, culminating in vulnerable economies that are invariably lacking in diversity. For islands such as Anguilla, the position is further aggravated by the annual risk of natural disaster, forcing a seasonal approach to tourism, the main economic driver of the island and the Caribbean region at large. This staccato flow of income both at public and private levels reduces the pace at which sustainable economic growth may be achieved.

Anguilla is unique among the British Overseas Territories in that it is virtually surrounded by territories, municipalités and collectivités of France and Holland, both member states of the European Union and is heavily dependent upon them to support its economy and basic public services. The territory's interests have become

interwoven with those of its European neighbours over many generations, largely by necessity due to relatively limited infrastructure development on Anguilla and limited interest shown towards it by the United Kingdom for centuries due to its lack of commercial potential for the sovereign power.



**Anguilla** has always had strong familial ties with the island of **St. Martin**. This is personified by two cousins; the **Chief Minister of Anguilla, Victor Banks**, and the **President of the Collectivité of St. Martin, Daniel Gibbs**.

Anguilla's lack of natural resources, (including secure water supplies), fuel dependence and a narrow economic base places the welfare of its inhabitants at risk in the event of the island severing the symbiotic relationships it has nurtured with its European neighbours. Faced with the need to operate through economies of scale which small island developing states must labour under, fragmentation of regional relationships such as these will negatively impact upon the economies of all participants whether developed or not.



**St. Martin** can be seen from **Anguilla**.

Sint Eustatius is the regional hub for oil distribution and the source of approximately 90% of Anguilla's energy supply. Transshipment of oil and essential goods is imperative for Anguilla as it does not benefit from a deep-water harbour of its own. Along with the oil imports from Sint Eustatius, French and Dutch Saint Martin provide the majority of Anguilla's wholesale commodities ranging from foods, medicine, and a myriad of materials necessary to support the island's infrastructure. Bottled water is also often supplied by Saint Martin and is essential to the survival of Anguilla's inhabitants during Anguilla's frequent droughts. All of Anguilla's mail is also directed through Saint Martin, a necessity for basic supplies, and e-commerce.

With relatively high debt levels and the on-going reconstruction of its banking sector, Anguilla has limited scope to obtain concessionary loans. Indeed the potential for financial input is further challenged by the fact that the UK will not permit Anguilla to access external funding of this nature without its prior approval, which has not been forthcoming in recent years.





## Mail has to travel through St. Martin to reach Anguilla

With its relatively small population, Anguillian agriculture and fishing generate exports that have become an important element of Saint Martin's fresh food supply, providing produce that its heavily populated, mountainous neighbour cannot provide for itself. Moreover, with the French 'blue belt' restrictions limiting access to their own waters, people from Saint Martin are known to make illicit use of Anguilla's extensive marine territory and now seek fishing licenses from Anguilla whilst at the same time denying Anguillian fisheries access to their markets without satisfaction of EU regulations – a position that may only be sustainably resolved with additional infrastructure for Anguilla's fishing industry. In the absence of a marine patrol, Anguillian waters have also been exploited by Japanese whalers, with little or no means of the territory guarding against this abuse of its sovereignty over its seas in a sustainable manner that promotes Anguilla's stewardship of its waters.

Unlike Turks and Caicos, the Cayman Island and BVI, Anguilla cannot look to the USA as an alternative supplier of goods due to its distance from mainland America. In any event, the absence of a deep water port or international airport on Anguilla makes such a commercial relationship less viable as transshipment would nonetheless be required through the auspices of islands in the vicinity of Anguilla, thereby including neighbouring EU islands by necessity.

## **OVERSEAS COUNTRIES AND TERRITORIES ASSOCIATION (OCTA)**

The territories, countries, and municipalities of EU member states of France, Holland, Britain and Denmark benefit from a direct relationship with the EU through the auspices of OCTA that was established in Brussels in 2003. Membership of OCTA does not, however, extend to collectivities such as French St Martin that benefit from direct representation in the French parliament and therefore the EU. OCTA's mission centres upon the exchange of ideas, assessment of issues of common interest and the creation of a stronger level of representation as between its membership and their related member states and similarly with the EU Commission. These objectives stand on the three pillars of:

- a) improving policy dialogue;
- b) improving strategic partnerships; and
- c) fostering sustainable development.

The EU has not only espoused these objectives, but has supported the creation and continued to support the administration of the association, ensuring that it adopts globally recognised standards of governance and good practice that enables it to interface with the EU effectively and engender respect for its membership and those with whom they interact.

## **EUROPEAN DEVELOPMENT FUND (EDF)**

The EU has created a range of financial instruments that are available to all members of OCTA regardless of their stages of development, and Gross Domestic Products (GDP). For Anguilla, this has meant the EU is the only significant source of developmental aid accounting for 36% of its capital budget. This makes a satisfactory outcome for Brexit crucial for the welfare of Anguilla's citizens particularly as the Department for International Development (DFID) has recently deemed Anguilla ineligible for support on the basis of its GDP, notwithstanding the challenges the territory faces with its key infrastructure and DFID's continued funding of countries with higher GDPs than that of Anguilla. Indeed when Anguilla was eligible for DFID support, very little was forthcoming despite the expressed statutory provision that British Overseas Territories should have first call on DFID funds. The Lisbon Treaty and the Council Decision on the Association of Overseas Countries and Territories to the EU (OAD) govern Anguilla's relationship with the EU. The decision was intended to mark a paradigm shift in the relationship between the Overseas Countries and Territories (OCTs) and their respective member states to 'a *partnership of equals*' with the intention of:

1. Enhancing competitiveness;
2. Strengthening resilience;
3. Reducing vulnerability; and
4. Promoting cooperation and integration between the OCTs and other partners in the neighbouring regions.

The provision of funding is geared towards providing support for the diversification of their economies and to equip territories to face global challenges such as trade liberalisation and climate change.

**Proposed capital expenditure in GoA 2016 Budget:**

**2.7 2016 CAPITAL EXPENDITURE**

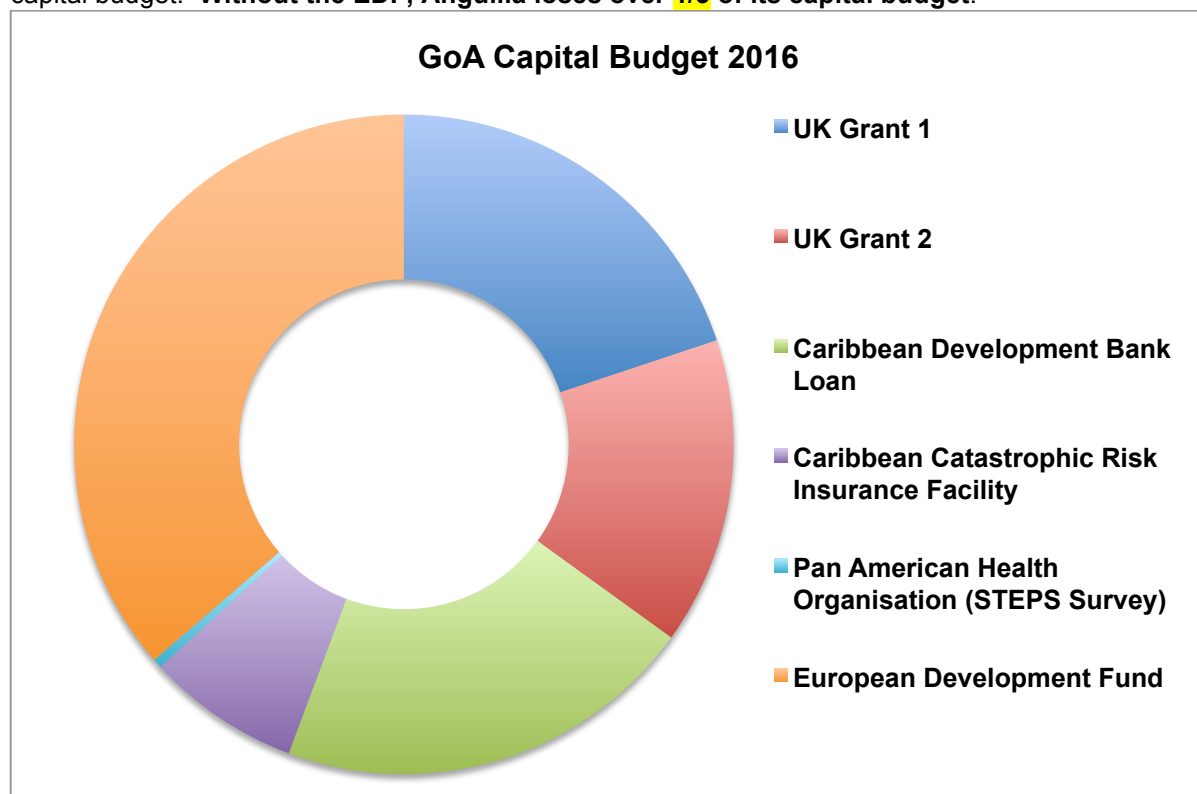
The proposed 2016 Capital Budget has an allocation of EC\$26.55 million. The main projects and source of funds are included below.

Table 5: Capital Projects and Source of Funding

SOURCE	EC\$	MAIN PROJECTS
UK GRANT 1	5,281,000	Communications Tower Replacement & Fire Station and Air Traffic Control Tower Development
UK GRANT 2 (under consideration)	4,000,000	Road Bay Jetty Rehabilitation
Caribbean Development Bank Loan	5,500,000	Anguilla Community College
Caribbean Catastrophic Risk Insurance Facility	2,000,000	Disaster Mitigation and Recovery Projects
Pan American Health Organisation (STEPS Survey)	120,000	Non-Communicable Diseases Survey
European Development Fund	9,646,800	All other Projects
<b>TOTAL</b>	<b>26,547,800</b>	

The above table is from the Government of Anguilla's 2016 Budget Report

The **European Development Fund (EDF)** of EC\$9,646,900 (£2,878319.29) is **36%** of Anguilla's capital budget. **Without the EDF, Anguilla loses over 1/3 of its capital budget.**



## **MISMATCHED IDEOLOGY AND CRITERIA**

The problem Anguilla therefore faces is the mismatch of objectives, entitlement and support by the UK in substitution for that provided by the EU, albeit EU funding indirectly and partially provided by the UK.

The UK's equivalent to OCTA is an informal, underdeveloped association of British Overseas Territories that is the preferred vehicle through which the UK Government interacts with the territories. However, each territory has the right to interact bilaterally with the UK. In differing considerably from other British Overseas Territories and facing unique challenges that may undermine its viability as an inhabited territory, Anguilla has found bilateral engagement to be by far the best means of addressing the specific needs of its people. The British association operates under a 'constitution' together with 'conventions' and traditions that fail to observe the rules of natural justice resulting in an inequitable balance of opportunities and outcomes amongst the cohort. Attempts to improve the legal framework and to introduce governance of a standard that is mandatory in public life in the UK and which the 2012 White Paper on Overseas Territories recommends have yet to be implemented nor to overcome the ingrained practices that may continue to compromise Anguilla's position. The current framework, conduct and culture of the association offers little protection for the unique, and fragile interests of Anguilla, particularly in the context of Brexit.

The aspirations and methodology that the EU has adopted for the OCTs, whilst similar to those voiced in the UK Government's White papers on the British Overseas Territories of 1999 and 2012, differ profoundly from that of the UK in that the EU provides the requisite technical and financial support for implementation without requiring the territory to be in a state of poverty. The British approach of not directly supporting certain of its territories is arguably justified in the current context of EU funding to which the UK contributes considerably, however, without assurance of substitute support, the territories that lie beyond the realms of DFID would face having to await an economic crash and witness their people experiencing hardship before DFID would even consider their needs for development. Moreover, as evinced in the department's work elsewhere, the league time for assessment, reporting, intervention and implementation by DFID is likely to amount to several years before action is taken that may result in a tangible improvement in the welfare of the islanders.

## **CONTINUED ASSOCIATE MEMBERSHIP?**

Members of OCTA are mooting the potential for the current UK territories to become Associate members and the prospect of the UK embarking on a 'pay as you go' relationship with the EU for such purposes has not been ruled out by the UK thus far. This may provide an elegant means of providing essential developmental aid to territories that are not ODA eligible and as such are not supported by DFID under its

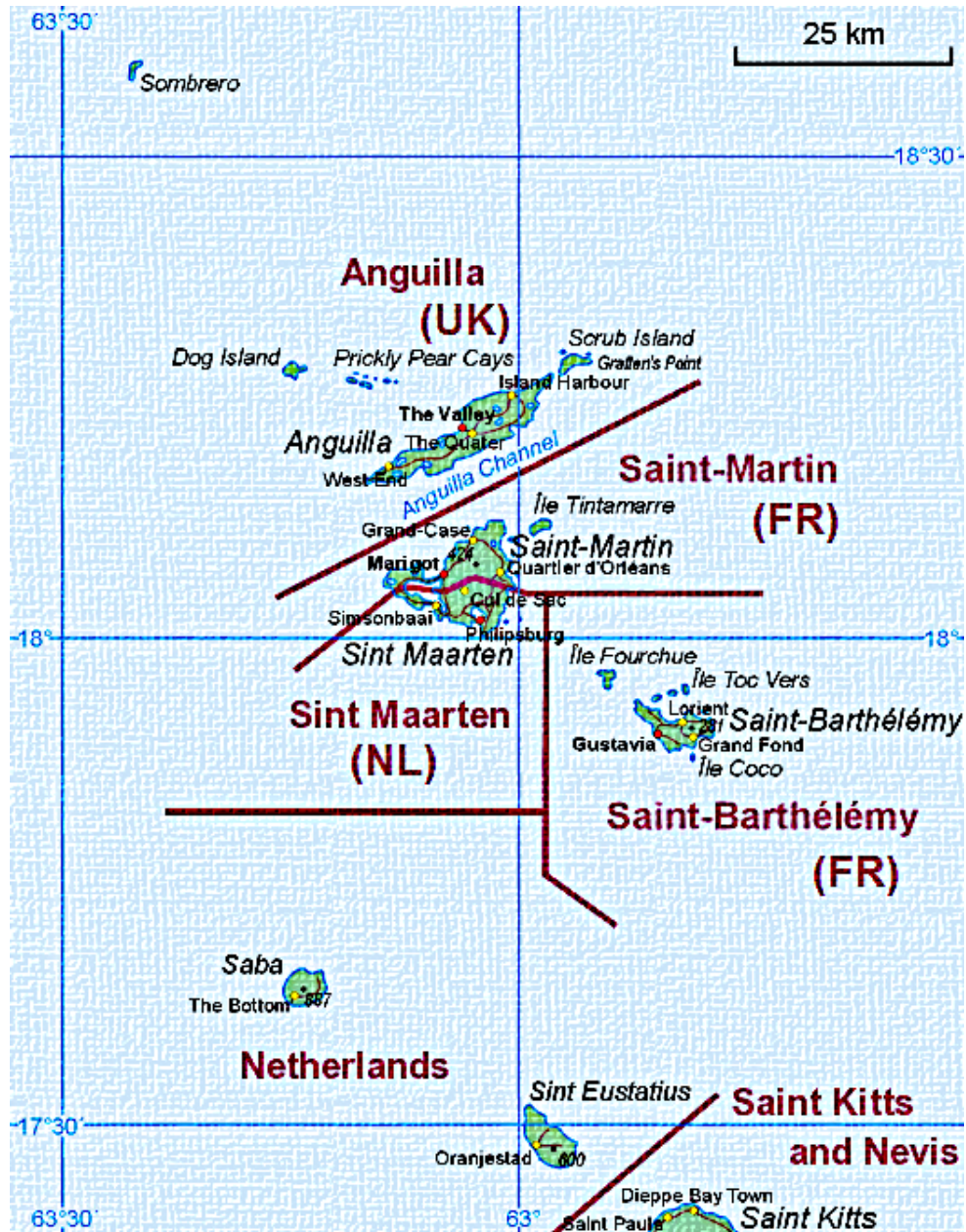
current criteria. However, it places this indispensable funding stream firmly in the arena of Brexit negotiations. Perhaps the realisation of the strategic importance of Anguilla and the need to adjust Britain's global profile will result in a positive step change in the UK's attitude towards its territory, something Anguilla has patiently awaited for almost four hundred years.

### **THE UK HAS A DUTY OF CARE TOWARDS ANGUILLA**

It may be strongly contended that the sustainable development of a British Overseas Territory is a stand-alone objective of paramount importance in the relationship between the sovereign state and the territory, and one that should not be reliant upon the poverty and suffering of British citizens as a precondition for support from a sovereign state. It may further be asserted that the sovereign state has a duty of care to its citizens to ensure that their welfare is not compromised by its acts or omission, particularly when it is reasonably foreseeable that harm would ensue.

Much like the European wars of old, Anguilla and its neighbours may suffer the imposition of unnecessarily restrictive relations at regional level, jeopardising the welfare of their people in a region that experiences annual hurricane seasons, droughts and rising sea levels that may only be effectively combated through localised cooperation.

## ANGUILLA'S MARINE BORDERS with the EU



Anguilla's Sombbrero Island (top left of the map) marks the gateway to the Panama Canal.

**ANGUILLA**  
**IN HARMONY**

## ANGUILLA AND THE CARIBBEAN

Anguilla is one of five British Overseas in the Caribbean that include the British Virgin Islands, Montserrat, the Cayman Islands and the Turks & Caicos. In addition to the UK, France and the Netherlands have territories, collectivités and dependencies in the region, with 54% of the region comprising independent countries with the exception of the US Virgin Islands together with the disputed Navassa Island which have US territorial status, and Puerto Rico which is an unincorporated US territory with the prospect of becoming the 51<sup>st</sup> state of the USA.

### TRADE

As has been the case for centuries, the main supplier of goods and services to the region is America with many goods and services being sourced in Florida, whilst much of the region's oil is generated from Venezuela. Oil is not only used for energy production, but for many predominantly coral islands such as Anguilla, it is essential for the production of much needed drinking water by desalination of seawater.

Trade and investment linkages between the Caribbean and the UK have evolved over centuries and remain relatively strong meaning the entire region is likely to be affected by the consequences of Brexit. Economic conditions in the US will also impact upon the prosperity of the region that has largely accepted the US Dollar as the unofficial primary currency of the region.

CONTRIBUTION OF GROSS DOMESTIC PRODUCT BY ECONOMIC ACTIVITY (2000-2015)

	Agriculture	Construction	Wholesale & Retail Trade	Hotels & Restaurants	Transport, Storage and Communications	Financial Intermediation	Public Administration
Anguilla	0.4	10.7	8.0	22.5	10.4	9.9	8.7
Antigua and Barbuda	0.9	11.0	16.0	13.7	13.4	8.8	9.0
Dominica	13.4	4.6	13.0	2.0	14.0	7.0	8.9
Grenada	4.2	9.7	8.3	5.2	14.2	7.3	7.3
Montserrat	1.1	9.9	7.1	2.2	9.3	10.2	39.3
St Kitts and Nevis	1.1	17.3	8.1	6.3	11.6	10.4	9.0
Saint Lucia	3.1	7.9	8.2	13.2	19.5	6.8	6.8
St Vincent and the Grenadines	6.6	8.7	14.7	2.9	14.5	6.7	9.3
ECCU	3.7	10.1	11.2	9.3	14.6	8.0	8.5

Source: ECCB Database and Authors' calculation

Table taken from a report by the Eastern Caribbean Central Bank, titled 'What Brexit means for the Eastern Caribbean: Issues and Challenges.' This report cites information from documents by HM Government, HM Treasury, the IMF, the OECD, PwC and more.

The Caribbean's economy focuses upon tourism with particular exposure to the US and UK markets with the former accounting for 37% of stay-over visitors from outside of the region and the latter 22%. Direct foreign investment from the US and UK is also a key element of regional economies, coupled with substantial remittance income from the global Caribbean diaspora that are concentrated in the US and UK.



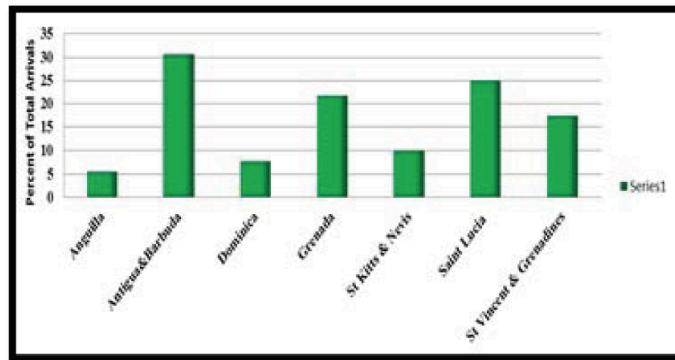
The ECCU countries are heavily dependent on tourism, with the UK and the USA accounting for 22.0 per cent and 37.0 per cent of the stay over tourists respectively. The countries are also heavily dependent on foreign direct investment from these source markets. Many of the ECCU countries depend on remittances as an important source of income.

Quote taken from a report by the **Eastern Caribbean Central Bank**, titled '**What Brexit means for the Eastern Caribbean: Issues and Challenges.**' This report cites information from documents by **HM Government, HM Treasury, the IMF, the OECD, PwC and more.**

UK tourism accounts for a sizeable share of overall tourism in much of the Eastern Caribbean Countries (ECCU) (see Diagram 3).

In 2015, aggregate (stay-over) tourist arrivals from the UK to the ECCU was roughly 2.6m, 17.0 per cent of total arrivals in the ECCU. In particular, they are sizable in Antigua and Barbuda (31.0 per cent) and Saint Lucia (26.0 per cent) (see Diagram 3). Moreover, they

**Diagram 3: UK Contribution to Total Visitor Arrivals**

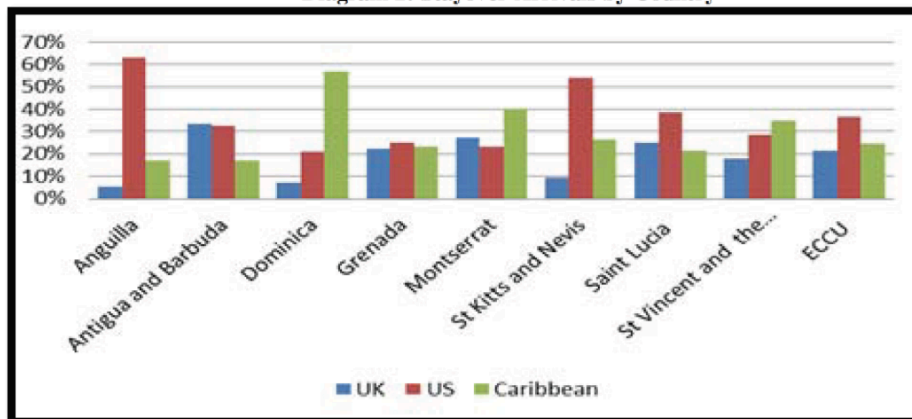


Source: ECCB Database and Authors' calculation

exhibit a positive correlation with real GDP growth in a few countries (e.g., Anguilla, Antigua & Barbuda, Dominica, and Grenada—Diagram 6 in Appendix).

Quote and diagram taken from a report by the **Eastern Caribbean Central Bank**, titled '**What Brexit means for the Eastern Caribbean: Issues and Challenges.**' This report cites information from documents by **HM Government, HM Treasury, the IMF, the OECD, PwC and more.**

**Diagram 2: Stayover Arrivals by Country**



Source: ECCB Database and Authors' calculation

The above screenshot is taken from the Eastern Caribbean Central Bank report titled, '*What Brexit means for the Eastern Caribbean: Issues and Challenges.*'

As depicted in the graph, over 60% of **Anguilla's** 'stay over' arrivals are from the **United States**.

## FINANCIAL MARKETS

Following the UK's decision to exit the EU, there would be the need to negotiate the terms of its withdrawal and a new relationship with the EU. The long-run effects on UK output and incomes are estimated to be negative and significant. Any spillovers to the Eastern Caribbean are likely to be felt over the medium term (2-3 years) via the trade, financial markets/FDI, remittances and ODA channels.

Quote taken from a report by the **Eastern Caribbean Central Bank**, titled '**What Brexit means for the Eastern Caribbean: Issues and Challenges.**' This report cites information from documents by **HM Government, HM Treasury, the IMF, the OECD, PwC and more.**

Thus far, the impact of Brexit has manifested itself in the financial markets, as was particularly evident in the depreciation of the Pound Sterling against the US Dollar and Euro. Whilst the official currency of Anguilla is the Eastern Caribbean Dollar, the Pound Sterling, US Dollar and Euro are all accepted there, the exchange rates of which directly impact upon investment and remittance incomes. The tourism market in Anguilla is denominated in US dollars, as is the case in the majority of Caribbean countries. Whilst it is inevitable that markets will experience exchange rate volatility throughout the conduct of Brexit negotiations, the lead time for tourism contracts is such that visitors will be purchasing holidays at rates that are set months in advance of their arrival increasing uncertainty in their personal budgeting. Moreover, the general health of the US and UK economies will affect the volume of visitors from these key markets, as the Caribbean is still regarded as a luxury destination at every level.

Given the historical trade and investment linkages to the UK, the countries of the Eastern Caribbean Currency Union (ECCU) are likely to be affected by any negative shocks to the UK, EU and by extension our major trading partner the United States of America (USA).

Quote taken from a report by the **Eastern Caribbean Central Bank**, titled '**What Brexit means for the Eastern Caribbean: Issues and Challenges.**' This report cites information from documents by **HM Government, HM Treasury, the IMF, the OECD, PwC and more.**

It has been estimated by the Eastern Caribbean Central Bank that a 1.0 percentage point increase in UK unemployment rate reflected in a 1.0 percent decline in UK GDP per capita would lower total arrival numbers on Anguilla by 0.7 per cent.

A 1.0 percentage point increase in UK unemployment rate (1.0 percent decline in UK per capita GDP) would lower total arrivals by approximately **0.1 to 0.7** percentage points. For example, arrivals could be lower by **0.6** percent in Antigua and Barbuda, and by 0.7 percent in Anguilla.

Quote taken from a report by the **Eastern Caribbean Central Bank**, titled '**What Brexit means for the Eastern Caribbean: Issues and Challenges.**' This report cites information from documents by **HM Government, HM Treasury, the IMF, the OECD, PwC and more.**

## **RISKS UNIQUE TO ANGUILLA**

In addition to the more general economic risks entailed in Brexit, Anguilla faces a series of unique risks each of which is serious in nature. The absence of international access other than through Puerto Rico, or Dutch and therefore, by necessity, French Saint Martin, may mean access to Anguilla may deteriorate further, particularly as inter-island travel in the Caribbean is both expensive and relatively unreliable. At present Anguilla is subject to what is tantamount to a daily curfew when French St Martin closes its border with Anguilla at 10pm each night forcing a significant number of tourists destined for Anguilla to stay overnight in French or Dutch Saint Martin, a fact barely recognised or presented by travel agents, making the requirement all the more burdensome and unwelcome. In the event of an emergency on Anguilla that may result from the island's inadequate medical facilities, other than expensive and time consuming airlift to more distant islands, support from Anguilla's immediate European neighbours is simply not an option after 10pm and may well not be an option after Brexit at any time of day in the absence of visas and other immigration requirements.

Inter-island collaboration on law enforcement, mail, and emergency water distribution and disaster recovery, may each be brought into question in the context of Brexit unless expressly provided for.

Anguilla is surrounded by particularly shallow waters and does not have a port capable of accommodating large vessels. As such, the island is totally reliant upon transshipment of goods, many of which are essential as the territory has no manufacturing capabilities of its own, and few resources. The island of Saint Martin is the main transshipment point and hub in the vicinity, supplying Nevis, Sint Eustatius, Saba and Anguilla, whilst the Dutch municipalité of St Eustatius is the regional hub for oil. The possible introduction of new tariffs, the time consuming negotiation of trade deals with the EU and potential introduction of conditions on access of such facilities and resources would adversely affect Anguilla, further eroding its viability as a tourist destination with direct negative consequences for the island's economy.

## **DEVELOPMENT AID**

Official Development Assistance (ODA) is one of the most important funding streams in the Caribbean as a whole and is hugely significant to a region that is regularly struck by natural disaster and that continues to struggle in its recovery from the global economic downturn that began in 2008. ODA has steadily declined during the past 20 years. Both the UK and EU are among the key sources of international developmental aid, however, in the case of Anguilla, notwithstanding the expressed obligation of DFID to provide aid to the British Overseas Territories as a priority, Anguilla has received nominal support over recent years, and is now classified as ineligible, despite its heavy dependence upon neighbouring European islands for key

facilities. This begs the fundamental question: must a British Overseas Territory suffer harm before being eligible for support from the sovereign state, even when such harm is reasonably foreseeable? It should be noted that this is separate and distinct from an assessment of GDP that does not take into account life experiences nor the ability of a government to improve them. It must also be noted that DFID funding has been awarded to independent Caribbean countries whose GDPs exceed that of Anguilla at a time when Anguilla was refused funding, this being the base criteria for eligibility as ordained by the OECD. At the very least this illustrates that the OECD criteria are not strictly applied by DFID and should allow scope for DFID to support a British territory in need. At the worst it depicts a form of bias against the territory.

Equally, there is uncertainty surrounding the impact of Brexit on the UK September 2015 announcement of a £300m infrastructure programme (UK-Caribbean Infrastructure Fund) to fund infrastructure such as roads, bridges and ports across the Caribbean via the CDB and DFID.

Quote taken from a report by the **Eastern Caribbean Central Bank**, titled '**What Brexit means for the Eastern Caribbean: Issues and Challenges.**' This report cites information from documents by **HM Government, HM Treasury, the IMF, the OECD, PwC and more.**

Anguilla now faces the potentially grave situation whereby its only significant source of developmental funding - the EU, may no longer continue to support its needs, whilst the sovereign state has already excluded the territory from access to its only source of significant developmental funding, DFID and has given no indication that it will accommodate the needs of the territory to the extent that will enable Anguilla to survive Brexit in tact and attain sustainable independence from its EU neighbours.

Without the **European Development Fund**,  
**Anguilla** stands to lose **36%** of its capital budget.

Under the EU's 10<sup>th</sup> European Development Fund (EDF) Anguilla was allocated €11.7 million and €14.0 million under the 11<sup>th</sup> EDF. In 2014 Anguilla was formally excluded from accessing DFID funding, whilst other British Overseas Territories and independent Caribbean countries continued to benefit from this source of funding in conjunction with EU aid. The question is whether the UK will continue to exclude Anguilla once EDF funding ceases in 2019/20 in full recognition of the reasonably foreseeable risks that face its 15,253 British citizens should support not be proffered. The fragility of Anguilla's banking sector which has recently been reconstructed, coupled with the UK's refusal to permit the territory to source external funds

magnifies the risks Anguilla faces as the UK is, at present, the only option for support, the absence of which would result in the demise of the Anguillian economy.

## HUMAN RIGHTS

The human rights of the British citizens of Anguilla as stipulated by the UN International Covenant on Economic, Social and Cultural Rights may well be called into question in the event of their general welfare being knowingly compromised when a solution may be provided with relative ease. Sustainable solutions for Anguilla's need to become self sufficient in infrastructure and public services, and economically resilient lie well within the capacity of the UK's annual international development spend of 0.7% of its GDP. Whilst the need for Anguilla to maintain a good working relationship with its close European neighbours and for its people to enjoy their economic, social and cultural rights are arguably inalienable.



Idalia Gumbs, the first female minister in the Government of Anguilla

**ANGUILLA**  
**NOT ANGOLA!**

# ANGUILLA AND THE WORLD

## INTRODUCTION

Very few people actually know that Anguilla exists, and when mentioned often mistake the British Overseas Territory for the similarly named, Angola. Sadly many in the UK that are relevant to the territory's welfare are also ignorant of its existence or circumstances, despite it having a large UK diaspora of over sixty years standing many of whom have become prominent in their chosen fields such as medicine, law, education and sport, an example being the Olympian medallists Keith Connor and more recently Shara Proctor who both served on the UK Olympic team.

Anguilla's international relations are the responsibility of the UK Government and the Governor's Office, in line with the UK's constitutional duty for the island's external affairs. This means in theory and invariably in practice, Anguilla cannot formally interact with the outside world without the approval of the UK. This has resulted in continued anonymity for the territory and loss of valuable opportunities for its people.

Anguilla has nonetheless sought to raise its international profile beyond the realms of tourism and to benefit from international human rights that are available to its citizens including those provided by the United Nations International Covenant on Economic, Social and Cultural Development 1946, Article 1 of which provides that ' All peoples have the right of self determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development'. This article recognises the negative right of people not to be deprived of their means of subsistence and imposes an obligation on those parties still responsible for non-self governing and trust territories to encourage and respect their self-determination.'

The Overseas Territories White Paper of 2012 encourages the development of productive links both regionally and globally where areas of common interest may be shown. These principles have been manifested in practice as strategic, economic and humanitarian opportunities for cooperation. Support for such participation is referred to in the White Paper as being committed by the UK, although little support has been garnered to date, and interestingly does not extend to the UN in the context of the human right to self-determination of its citizens. Anguilla has nonetheless become a full or associate member of several regional and global institutions and is represented in those fora according to its own economy of scale, using the success of its tourism offer as a platform upon which it has sought to develop a global identity in the hope of diversifying its economy and sustainably improving the opportunities for its people.

Anguilla's international footprint must facilitate the cultivation of opportunities for investment and technical assistance necessitating increased bilateral engagement. To that avail, Anguilla is currently a member of the following institutions:

### **ORGANISATION OF EASTERN CARIBBEAN STATES (OECS)**

The OECS acts as an intergovernmental organisation working for increased harmonisation and integration in the Eastern Caribbean. This includes the promotion of human rights, good governance and shared responsibility in the event of natural disasters.

The OECS came into being in 1981 following the Treaty of Basseterre. Anguilla is an associate member of the OECS and is thus not represented at OECS diplomatic missions, however Anguilla is treated as a full member for many of the organisations activities, including:

Key Provisions of the Treaty of Basseterre;  
Free movement of Trade in Goods and Services in the OECS;  
Free movement of Labour;  
Free movement of Capital;  
The establishment of a Regional Assembly; and  
A Common External Tariff.

It should be noted that the OECS does not include French or Dutch islands of Saint Martin and Sint Eustatius each of which directly impacts upon Anguilla's economy and welfare.

### **THE CARIBBEAN COMMUNITY (CARICOM)**

CARICOM consists of a grouping of twenty countries, fifteen of which are Full Members States and five of which, including Anguilla, hold Associate status.

CARICOM has evolved from former attempts at regional integration, including the West Indies Federation (1958) and the Caribbean Free Trade Association (CARIFTA) (1965). The organisation aims to provide the best opportunities for economic development in the Caribbean. Its aims include greater functional cooperation regionally, shared leverage internationally and a mandate to improve living and working standards.

Anguilla joined CARICOM in 1999 and as such attends meetings and conference as an Observer. Associate Members belong to all of CARICOM's institutions except the Council of Foreign and Community Relations. Anguilla may however promote its interests in the deliberations and programs of the organisation whilst additionally contributing to the CARICOM Secretariat.



As with the OECS, CARICOM does not include the French or Dutch islands with which Anguilla interacts for the provision of essential public services for its citizens and visitors.

## **EUROPEAN UNION (EU)**

Like other OCTs of EU members states, Anguilla has a special relationship with the European Union due to the UK's membership. There are twenty-five OCTs currently listed in the annex II of the Treaty on the Functioning of the European Union (TFEU). Their associated territories status was created under the Treaty of Rome in 1957, and is defined as the territories which depend constitutionally on four of the European Union (EU) Member States: Denmark, France, the Netherlands and the United Kingdom.

The European acquis does not apply to OCTs. They are associated with the European Union, and their relationship is based on a framework and priorities for cooperation defined in the Council Decision 2013/755/EU on the Association of the OCTs with the European Union, commonly known as the Overseas Association Decision (OAD).

The OAD provides for dialogue between the EU and OCTs on a range of areas of cooperation of common interest to the EU and OCTs. The mechanisms for dialogue include tripartite meetings, Partnership Working Parties and the annual OCTEU Forum.

Like other UK Overseas Territories, Anguilla has a special relationship with the European Union due to the UK's membership. For many Overseas Territories the relationship with the EU is manifested through beneficial trade links and market access. The EU also provides financial and technical assistance to the Territories.

Anguilla has been allocated 14 million Euros under the 11th European Development Fund (EDF) Cooperation 2014-2020, a source of funding contributed to by the UK. Previous EDF aid in Anguilla focused on assisting the Anguillan Government in implementing its economic strategy and stimulating growth. Anguilla also benefits from the EDF envelope for the OCT region however this aid focuses on lessening economic, social and environmental vulnerabilities. This is the main forum for interaction with islands that are key to Anguilla's prosperity and welfare, however, French St Martin, which, as a collectivité of France, is a part of metropolitan France and as such is not a member of this forum. Instead France, as a member state of the EU, dictates the policies of French Saint Martin and the terms of its relationship with Anguilla with which it shares a marine border.

## **CARIBBEAN DEVELOPMENT BANK (CDB)**

The CDB is a Caribbean regional financial institution, partially funded by DFID, which assists its members with social and economic programs. Established in 1970 in Kingston Jamaica, the CDB now has a membership of twenty-seven countries however only regional members are entitled to borrowing and voting rights.

CDB programmes in Anguilla have aimed to address development constraints and have historically acknowledged Anguilla's vulnerability to external shocks, which are compounded by access difficulties by air and sea.

CDB has supported Anguilla via development and contingency loans, which between 1970 and 2014 totalled USD 112.1 Million. These loans have been used to strengthen infrastructure and education in Anguilla in addition to communications and providing energy on island.

## **UNITED NATIONS (UN)**

Anguilla was placed on the United Nations list for Non- Self Governing Territories in 1946 (Resolution A/RES/66(I) 14/12/1946). However, the UK considers that all Overseas Territories should be removed from the list having opted to remain British. In 2009 during the Second International Decade for the Eradication of Colonialism, Anguilla's Representative to the UN asserted Anguilla's desire to achieve the status of a full internally self-governing territory both de facto and de jure.

During this conference Anguilla also asserted its right to select its constitutional status, recognising this as an inalienable right under Article 1 of The United Nations International Covenant on Economic, Social and Cultural Development:

Article 1 (1)

"All peoples have the right of self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development."

## **UN Educational, Scientific and Cultural Organisation (UNESCO)**

Anguilla became an associate member of UNESCO, an arm of the UN concerned with Science, Education and Culture in 2013. Anguilla is the home of a significant ancient religious site known as The Fountain Cavern that is of great significance to Carib culture. It is also the birthplace of Rastafarianism that has now attracted an extensive global following and is recognised as a religion in its own right.

## **COMMONWEALTH**

Anguilla is connected to the Commonwealth of Nations by virtue of its relationship with the UK although there is not, as yet, a formal class of memberships for overseas territories. The Commonwealth works to build cooperation between nations that were

formerly colonies of the United Kingdom on areas of shared interest, particularly in the areas of good governance, economic diversification and climate change. Anguilla has its own branch of the Commonwealth Parliamentary Association that works to ensure the best standards of democratic practice are observed in Anguilla and works closely with the UK's branch of the association to provide training, mentoring and knowledge transfer. Like other British Overseas Territories, Anguilla continues to seek a stronger more comprehensive relationship with the Commonwealth and its members.

## **CONCLUSION**

As the UK seeks to revive its international relationships in the wake of Brexit, Anguilla must also consider how its existing international presence and participation may be further developed into practical cooperation. The manner in which the UK may benefit and facilitate this process must also be reviewed. With Anguilla sitting at the gateway of the Panama Canal, the territory is of strategic importance as a British 'super highway' through which 20% of the world's shipping passes. With the sovereignty of its seas residing with the Government of Anguilla, and the island being located on the American continent, there is considerable potential for ties between Anguilla and the UK to be strengthened in a mutually beneficial manner as an aspect of Britain's aspiration to raise its own global profile and significance during the post Brexit era.

**ANGUILLA**

**A SOLUTION TO THE UK'S  
BREXIT PROBLEMS**

# **ANGUILLA'S RESPONSE TO THE UK'S EXIT FROM AND NEW PARTNERSHIP WITH THE EU**

## **BACKGROUND**

This paper is a review of the UK's White paper on its forthcoming departure from the EU ('Brexit') with Anguilla's responses to the issues raised. Throughout, the wording of the White Paper is quoted verbatim and is followed by analyses of the risks and opportunities that face Anguilla as direct and indirect consequences of Brexit and the solutions that Anguilla may provide not only for its own issues, but for those of the UK too.

The intent is to identify how Brexit will impact upon Anguilla and to prepare the territory for a post Brexit future. The paper also identifies areas of work that may be undertaken in readiness for the event together with work that will become imperative to ensure the smooth running of Anguilla and its institutions without impacting upon the lives of its citizens, both present and future, in a detrimental manner.

## **FOREWORD BY THE PRIME MINISTER, THE RT HON THERESA MAY**

**“We do not approach these negotiations expecting failure, but anticipating success.”**

It is important to identify how Anguilla may support the UK and share in its success. Anguilla ranks 8<sup>th</sup> in the world in attracting the top 1% wealthiest people on the planet and as such has a unique opportunity to showcase British goods, services and innovation, which in turn may benefit the island itself, should it take on the mantle of a **Centre of British Excellence in the Caribbean**, for which it is already known in the Tourism sector.

**“...we are a great, global nation with so much to offer Europe and so much to offer the world.”**

Anguilla, along with the other UK Overseas Territories, provides an important aspect of the global dimension of the UK's profile to which the PM refers. Anguilla, as the case if of Gibraltar, is effectively operating within a European forum due to geography and in respect of Anguilla, dependence upon surrounding European islands.

## **“With the finest intelligence services ... and alliances in every continent.”**

Anguilla may support the UK's intelligence services on two major issues:

1. Through the adoption of comprehensive transparency in financial services, which is already in hand, placing Anguilla together with its fellow Overseas Territories at the vanguard of the sector enhancing the potential for intelligence gathering by agencies both in Anguilla, the UK and amongst the UK's global network.

The position of Anguilla is unique in that under its current constitution responsibility for international financial services vests in the Governor who is also the head of the sector's regulatory authority within the jurisdiction, hence it may be argued that the success or failure of Anguilla's financial service is a success or failure of the UK. On that premise there is scope to secure support, as a means of 'showcasing' the UK's leadership in this field, whilst at the same time marketing British innovations in this field and allowing scope for the City to continue to enhance its offering through legitimate use of offshore financial centres.

2. Anguilla comprises 23 islands and cays many of which are uninhabited, including Sombrero Island that lies at the gateway of the Panama Canal together with an extensive expanse of the Atlantic Ocean and Caribbean Sea, a strategic geographic location. Over 20% of the world's shipping passes through Anguillian waters making Anguilla an ideal location for surveillance and environmental monitoring, particularly as a lighthouse facility is already established there, albeit in need of repair due to hurricane damage.

## **“Not merely forming a new partnership with Europe, but building a stronger, fairer, more Global Britain too.”**

Anguilla and the islands that surround it reflect the profile of Europe, with the British Overseas Territory having direct marine borders with France (via the French collectivité of St Martin which is an outer region of metropolitan France), French St Barths, the Dutch country of Sint Maarten and Dutch municipality of Saba. As such it is essential that Anguilla not only forges a viable working partnership with these European entities, but that the potential to build a “more Global Britain” that exist through closer collaboration between Anguilla and the UK is realised in a mutually beneficial manner demonstrating how much the UK has to offer Europe.

## **PREFACE BY THE SECRETARY OF STATE**

Article 50 was triggered on the 29<sup>th</sup> March. The Secretary of State has stated that the focus of the Brexit initiative will be about **“ensuring new barriers do not arise.”** The Minister recognised that the links between the UK and the rest of Europe are numerous and longstanding as is the case between Anguilla and its European neighbours with whom they enjoy a close working relationship that provides Anguilla with much needed support in key areas such as transport, medicine and communications where Anguilla’s infrastructure remains under developed and as such is incapable of accommodating the needs of its permanent population and thousands of visitors upon which its tourism driven economy is dependent. Like the Secretary of State, Anguilla hopes that Brexit will mark a **“high degree of international cooperation and good neighbourliness”** in the absence of which a sustained and timely effort must be made to strengthen the infrastructure and facilities of the island to ensure that it remains viable in the absence of cooperation by its neighbours.

## **PROVIDING CERTAINTY AND CLARITY**

The **Great Repeal Bill** will be introduced to remove **European Communities Act 1972** from the statute book and to convert the body of existing EU law (*‘acquis’*) into domestic law. This will mean that wherever practical and appropriate the same rules and laws will apply in the UK after the UK’s departure from the EU.

Whilst Anguilla is not part of the territory of the European Union, given its special relationship with the UK, an EU members state, Anguilla has been associated to the EU since the founding Treaty of Rome in 1957. The purpose of the association, which is described under **Part IV of the Treaty on the Functioning of the European Union (Articles 198 to 204 TFEU)**, is to *“promote the economic and social development of the OCTs and to establish close economic relations between them and the Community as a whole”*. It is through this relationship that Anguilla receive the majority of its developmental aid, being ineligible under the current criteria of the Department for International Development for support.

We understand that consideration is being given by the UK Government as to new funding structures and streams that may support the needs of UK Overseas Territories, we also recognise that there may be scope to retain this relationship with the EU as the Prime Minister has stated that **“ There may be European programmes in which we might want to participate. If so, it is reasonable that we should make an appropriate**

**contribution.”** We trust that the needs of territories such as Anguilla that are in real need of strategic development and that have received limited support directly from the UK to date will be addressed.

Two issues therefore arise:

1. Whether Anguilla have to reflect the provisions of the Great Repeal Bill in its legislation and who will decide which elements of EU law it may seek to amend or repeal;
2. Whether there is scope for Anguilla to remain affiliated or associated with the countries and territories of continuing member states of the EU where there is a commonality of regional interests and whether the EU and UK will endorse such arrangements;
3. Whether all or any of the terms and conditions of the OAD should be incorporated into the constitution or legislation of Anguilla to sustain the current level and quality of support that it receives from the EU;
4. Whether the needs of Anguilla will be taken into account in the development of new funding streams by the UK, to reduce and, if necessary, end Anguilla's dependence on Saint Martin for basic public services, the continued provision of which may not prove tenable to the French or Dutch in the event of a 'hard' Brexit.
5. Whether Anguilla requires technical assistance and funding to take the abovementioned initiatives and whether the UK will provide it.

## **PUBLIC AND PARLIAMENTARY INVOLVEMENT AND SCRUTINY**

Under the Constitution of Anguilla the Governor, who is the *de facto* representative of Her Majesty's Government, is responsible for the territory's external relations. However the UK Government has established avenues for the direct engagement of the territory through the Joint Ministerial Council (JMC) and Joint Ministerial Council - OT - EN where the latter relates solely to matters arising from Brexit. The Minister of State for the Overseas Territories chairs both Joint Ministerial Councils. In addition a series of Select Committees of both the House of Commons and House of Lords scrutinise and inform issues that affect the British Overseas Territories by means of conducting inquiries.

## **FUNDING COMMITMENTS**

Anguilla is eligible for EU funding from the EDF and the EU is currently committed to funding the needs of the territory under the 11<sup>th</sup> EDF through which the territory is entitled to Euros 14 million amounting to 36% of Anguilla's capital budget. The 11<sup>th</sup> EDF is scheduled to end in 2020, and although there have been representations made by both the UK and EU that commitments that have been entered prior to Brexit shall be honoured, this may well be made subject to the Brexit negotiations by any one of the 27 remaining EU member states, the majority of which do not have



countries or territories of their own.

The current proposition of continued funding for pre Brexit commitments is analogous to the treatment of the European Structural and Investment Funds ('ESIFs') which support the Common Agricultural Policy and direct applications to the EU Commission for research, innovation, health and education where HM Treasury have committed to underwriting the payment of such awards even when specific projects continue beyond the UK's departure from the EU.

The same level of assurance has been provided to the devolved administrations and HMG departments that are similarly reliant upon EU funding. No mention has been made in the Brexit White Paper as to the level of HMG's funding commitment to UKOTs, although it is clear in the case of Anguilla, that receives no other significant funding of this kind, that sustaining the source, nature and magnitude of EU funding will "best serve the UK's national interests".

The issues arising are therefore:

1. Whether HM Treasury and or other HMG departments, including the DFID will underwrite payment of awards that have been committed to prior to the UK's departure from the EU;
2. Whether this source of funding whether directly from HMG or via the EU will be sustained or replaced by similar levels of funding without compromising the eligibility of Anguilla through the introduction of new criteria for entitlement or continuation of criteria more onerous than those of the EDF.

## **TAKING CONTROL OF OUR OWN LAWS**

The Great Repeal Bill as defined in the UK Government's White Paper (Legislating for the United Kingdom's withdrawal from the EU, DEXEU March 2017) specifies the conversion of the EU 'acquis' or body of EU legislation into UK law, once the European Communities Act has been repealed. In so doing HMG aims to provide the greatest degree of certainty in the interim of Brexit, it will then be the responsibility of Parliament to decide any changes in UK law respectively.

Chapter 5 of the Whitepaper (5.1-5.6) specifies that the Crown Dependencies and Overseas Territories including Gibraltar are not part of the UK for the purpose of EU law, neither are they separate EU members despite differing special statuses under EU treaties. As EU treaties apply only in a limited sense to Overseas Territories other than Gibraltar and the Sovereign Base Areas, the question of equivalent legislation in Anguilla is not touched upon in the White Paper.

Unlike the UK, Anguilla has a written Constitution consisting of the Anguilla Constitution Order 1982 (UK statutory Instrument Number 334, amended 1990). Constitutional supremacy in Anguilla specifies the enactment of laws is conducted by the Legislative Council; successive readings are then conducted in the House of

Assembly and receive assent via the Governor of Anguilla. Laws passed in the UK may also be extended to Anguilla under certain circumstances.

Local statutes are combined with English common law to form the basis of Anguilla's legal system. Anguilla's judicial bodies are part of the Eastern Caribbean Supreme Court; civil and criminal appeals may be also referred to the Anguillian High Court. Additional appeals are to the Judicial Committee of the Privy Council in the UK, and it has been asserted that appropriate appeals could go to the European Court due to the UK's membership. However, overseas territories are not directly subject to EU law (see Article 355 (2) of the Treaty on the Functioning of the EU).

## **STRENGTHENING THE UNION**

Whilst Anguilla is grateful for the level of engagement that HMG has and intends to afford the British Overseas Territories in the Brexit process, and have responded by providing briefings and advice to HMG on the territory's current position which will be constantly reviewed and updated throughout the negotiations, we remain concerned by the recent representations made to the effect that Anguilla has no Brexit problems and that its position will remain unaltered by the Brexit process. In reality the position of Anguilla is extremely vulnerable in that it is so heavily dependent upon its European neighbours and without development is likely to remain so. Moreover, Anguilla's 1982 constitution is recognised as being outdated, affording an opportunity to shape a new relationship with the UK that is fit for purpose in a post Brexit global environment.

The establishment of the aforementioned Joint Ministerial Council chaired by the Secretary of State for the Overseas Territories benefits from representation by the Department for Exiting the European Union together with ministers from HMG departments that support the territory, and its political leadership from, however the high turnover of staff within HMG, many of whom are relatively junior means the Anguillian case must be reiterated constantly to ensure that this does not remain yet another forgotten EU border to the detriment of EU negotiations and ultimately the 15,253 British citizens who are the people of Anguilla. The JMC are intended to meet regularly throughout the Brexit process, and should continue to do so in the aftermath as the Great Repeal process is conducted.

There is therefore a mechanism by which Anguilla may inform the JMC of its priorities. To that avail it is conducting a series of public and governmental consultations that will inform the JMCs. It is hoped that this will enable Anguilla to agree a UK approach that will encompass the needs and aspirations for the territory to attain full self-sufficiency and prosperity as stipulated in the terms of the White Paper of 2012.

Priorities relating to law enforcement, security and criminal justice, civil judicial cooperation, immigration and trade must be among those taken into consideration,

with particular emphasis on the desire to ensure that new barriers do not arise for Anguilla such as restrictive visa access to the international airport of Dutch Sint Maarten, or tariffs on oil supplies from Sint Eustatius. The risks of Anguilla becoming 'cut off' from the world, or suffering punitive tariffs on its energy is real, and may only be sustainably resolved if Anguilla is made self sufficient and is no longer dependent upon its foreign neighbours.

Bilateral engagement between the HMG and the Government of Anguilla through the auspices of its London Office must continue with particular focus on the key issues relating to the UK's withdrawal from the EU at an appropriate level and on ongoing business. This must be reflected in Anguilla's interaction with the EU Commission through the OCTA which hosts regular tripartite meetings that include the member states which are poorly attended by the UK, unlike other member states.

### **PROTECTING ANGUILLA'S STRONG AND HISTORIC TIES WITH SAINT MARTIN AND MAINTAINING A DE FACTO COMMON TRAVEL AND TRADING AREA (CTTA).**

Anguilla and Saint Martin are inescapably intertwined through a shared heritage, strong familial ties, and shared environment (the islands were once one land mass) with Saint Martin acting as the gateway to the world for Anguilla for generations. The two islands are irreconcilably integrated, to the contentment of the local population.

### **ECONOMIC TIES**

The close historic, social and cultural ties between Anguilla and Saint Martin predate the memberships of Holland, France, and the United Kingdom of the EU and have led to the enjoyment of additional rights and benefits for both the member states and their related collectivité, country and territory beyond common membership of the EU. In practice, although border controls are more stringently exercised by French St Martin in respect of the movement of goods and people to and from Anguilla, there is nonetheless a more relaxed assessment afforded to Anguillian citizens.

Saint Martin is recognised as the main wholesale hub for the majority of Anguilla's goods and services, in addition over 95% of people travelling to Anguilla transit through both Dutch and French St Martin, whilst Anguilla has long been regarded as the breadbasket of its closest neighbour providing its populous neighbours with fresh meat, fish, fruits and vegetables that cannot be cultivated in the limited space available on this mountainous island.

Like the border between Northern and Southern Ireland, it is desirable to facilitate

the free movement of goods, services and people across the marine border between Saint Martin, and Anguilla. Unlike Ireland, however, Anguilla is already experiencing resistance on the part of its immediate neighbour, the French collectivité of St Martin closing its border each night at 10pm. Whilst the working hours of French coast guards has been accepted as being the cause for the border closure, offers of support from Dutch coast guards have been refused, and the development of an Anguillian coast guard will not suffice as they would have no jurisdiction over French waters.

The Anguillian trade of fresh fish and produce in Saint Martin has also been interrupted forcing Anguilla to facilitate sales in Anguilla as opposed to the more customary exporting of fresh produce to French St Martin where fish stocks were recently rejected and dumped as being in breach of import controls. A recent workshop in Anguilla attended by their French counterparts recognised the need for infrastructure, training and more advanced administration of Anguilla's fishing industry in order to satisfy EU regulations that have now been more strictly applied since the advent of Brexit.

The exercise of localised diplomacy coupled with strong local ties has served to reduce the friction that has arisen as a result of instructions from government in Paris. Unlike the Irish scenario, the French and British have not expressed a mutual desire to avoid the adoption of a strict border between Anguilla and Saint Martin. At a local level, a satisfactory arrangement that will accommodate free movement of goods, services and people is being sought. Local efforts alone are, however, unlikely to affect negotiations nor avoid the risk of Brexit for the islands.

### **The Common Travel Area (CTA)**

The CTA is a special travel zone for the movement of people between the UK, Ireland, the Isle of Man and the Channel Islands. It was formed long before the UK and Ireland were members of the EU and reflects the deep-rooted, historical ties provided for by the free movement of respective members' nationals within the CTA and the synergies between our countries. The UK is committed to protecting this arrangement. In the Caribbean there are similar zones that facilitate the free movement of people, goods and services, such as that between Montserrat, Antigua and St Kitts. Anguilla does not enjoy such an arrangement with Saint Martin, although there is a local appetite for a greater degree of freedom than exists today. There may well be scope to devise a protocol analogous to **Protocol 22 of the EU Treaties** that provides that the UK and Ireland may continue to make arrangements

between themselves relating to the movement of people within the CTA. Nationals of CTA members can travel freely within the CTA without being subject to routine passport controls. This protocol has arisen from the consensus of both parties that freedom of movement in this context is mutually beneficial. This is arguably the case for Anguilla and Saint Martin in that Anguillian trade and the volume of Anguillian tourism accounts for a sizeable percentage of Saint Martin's economy. This is also the case for oil distribution from Sint Eustatius. .

The Government of Anguilla wants to protect the ability to move freely between the Sint Martin and Anguilla recognising the special importance of this to people in their daily lives. They trust that the UK Government will work with them to deliver a practical solution that allows for the establishment of a CTA, while protecting the integrity of the Anguilla's and ultimately the UK's immigration system.

Issues arising:

1. Whether the UK will support the development of key infrastructure in Anguilla through various means including public/private partnerships in order to reduce and ultimately extinguish its dependence upon French and Dutch Saint Martin;
2. Whether the UK will support the establishment of a Common Travel Area or similar entity between Anguilla and Saint Martin in order to attain a sustainable, frictionless border;
3. Whether the UK would support the improvement of immigration facilities in Anguilla as a means of preparing for a potentially hardened border between Anguilla and Saint Martin.

## **CONTROLLING IMMIGRATION**

Anguilla has a relatively successful immigration policy and control. The main demand on the Anguillian immigration services is derived from the tourism industry. In the absence of updated immigration systems, the process is often labour intensive creating bottlenecks during high volume travel. A recent **unicef** assessment of migration profiles for Anguilla, indicates that immigration from Saint Martin is nominal, and as such the introduction of soft border control is unlikely to warrant increased immigration control. It is hoped that Anguilla will remain an open and tolerant territory and one that recognises the valuable contributions made by migrants which is reciprocated throughout the Caribbean region including those countries, collectivités and territories with European ties and in particular with both Saint Martin and Saint Barts where there are strong familial relationships with

Anguillian populations.

Student Migration is a distinct issue for Anguilla which has rudimentary tertiary education offer on the island. This, coupled with deteriorating secondary education facilities, makes the opportunities that have arisen through the EU's Erasmus scheme of increasing importance to the development and prosperity of the island. Whilst it is envisaged by the Prime Minister that the number of EU students that are eligible for student loans and home fee status will decline once those that have started their courses before the UK leaves the EU graduate, it is hoped that this will allow increased scope for Anguillian students, who are deemed domestic for UK purposes, to attend tertiary education in the UK thereby strengthening the territory's ties with the UK in a manner that is of mutual benefit.

In addressing the profile of the British passport in a post Brexit era, the opportunity to rationalise the criteria underpinning the British Overseas Territories Passports should be taken, with a view to strengthening the British family of nations. Alignment with those granted to citizens of the Crown Dependencies may be an option. In any event the significance of all British passports will be under review globally, and as such BOT passports will be subject to international assessment alongside those of the United Kingdom.

### **SECURING RIGHTS FOR EU NATIONAL IN ANGUILLA AND ANGUILLIAN NATIONALS IN EU RELATED COUNTRIES, COLLECTIVITÉS AND TERRITORIES**

In view of the hundreds of Anguillian national living in EU related countries, collectivities and territories, and the reciprocal arrangements that are currently in place, Anguilla trusts that in negotiating Brexit the interests of these persons are also taken into account by extending the catchment of agreed provisions to include the UK overseas territory. Whilst the numbers are not high, the diplomatic impact is likely to be extensive should such persons be effectively deported as a result of Brexit and could result in a localised backlash further adding to the risk of isolation for Anguilla.

### **PROTECTING WORKERS' RIGHTS**

Sadly, many of the workers' rights that are enshrined in EU law have not been adopted within the jurisdiction of Anguilla and although EU law will be taken onto the UK's statute book under the Great Repeal Act, there is no provision for the review and alignment of workers' rights in Anguilla with those in the UK. We see the post Brexit review of EU legislation by the UK as an opportunity to apprise the territory of

those provisions that may improve the general welfare of the people of Anguilla, acting as a means of aligning the standards of living and life experiences of the islanders with those of the citizens of the UK, bringing them in line with those of the Crown Dependencies thereby consolidating the persona of the British family of nations. This is of particular significance to Anguilla where the majority of the workforce is made up of the indigenous population unlike Montserrat, Turks and Caicos, Cayman Islands and other UK Overseas Territories where the majority of the workforces are made up of foreign nationals, including, in some instances, those employed within government.

## **ENSURING FREE TRADE WITH EUROPEAN COUNTRIES, COLECTIVITIES AND TERRITORIES**

As Anguilla is almost totally dependent upon Saint Martin for its postal services, and the wholesale of the majority of imported goods, it is imperative that the freest and most frictionless trade in goods and services is established, in any event ensuring that it does not deteriorate below the levels currently enjoyed by both Saint Martin, Sint Eustatius and Anguilla. Unlike the UK and the EU, the relationships that prevail in the Caribbean are not subject to membership of the Single Market, but are derived from strategic relationships that have evolved over time with many predating the establishment of the EU itself. If modern standards of living are to be maintained for the majority of Anguillian citizens it is crucial that essential goods and services remain accessible and cost effective. This is in line with the Prime Minister's objective to pursue a new strategic partnership with the EU that will include an ambitious and comprehensive Free Trade Agreement. To that avail, it is important that the arrangements being sought for the UK are extended to Anguilla in a manner akin to that envisaged for Northern and Southern Ireland.

### **Goods**

The principles of 'mutual recognition' (which allows goods lawfully sold in one member state to be sold in another) may be applied by analogy as may the rules of harmonisation of product rules and the voluntary adoption of standards of manufacture, testing and licensing.

### **Agriculture, food and fisheries**

It is anticipated that Anguilla will remain the breadbasket of Saint Martin post Brexit providing its over populated neighbour with essential fresh produce, the most prominent of which is fish. It is also recognised that French and Dutch fishermen

from Saint Martin regularly fish Anguillian waters in contravention of the island's sovereignty over its seas. Given the heavy reliance that Saint Martin places on Anguillian fish, and the desire of Anguilla to develop its commercial fisheries it is in both parties' interests to reach a mutually beneficial deal that will 'dovetail' with a harmonised approach to environmental initiatives that the EU are currently funding in the region, and which the UK have expressed a desire to emulate. The potential for Anguilla to issue fishing licences as part of a post Brexit relationship is an example of how currently unsatisfactory circumstances may be rationalised, however this should not be undertaken in a manner that will compromise the development of its own fishing industry.

### **Services (excluding Financial services)**

Trading barriers for services must be avoided particularly as Anguilla is heavily dependent upon Saint Martin for the provision of services which are not available within the island's public services, coupled with the accepted culture of mutually beneficial interaction. This is a situation that is not experienced in the UK nor among majority of other British overseas territories.

### **Financial Services**

In the absence of a comprehensive public services offer, the Government of Anguilla has limited justification for high taxes, and so the territory, with the encouragement of the UK Government, as stipulated in the White Papers of 1990 produced during the Blair administration, and 2012 produced during the Cameron administration, has pursued the development of a financial services industry. Unlike its fellow territories, BVI, Caymans and Bermuda, the sector is not a major element of the Anguillian economy. Unlike its counterparts, Anguilla's constitution control of the international financial services of Anguilla vests in the Governor, who is also the head of the Regulator of the sector. As Anguilla's economy continues to be dominated by tourism with agriculture and fisheries providing significant revenue, its financial services sector has never exceeded more than 16% of its GDP (2015). Having exchanged notes with the UK Government in 2016 on transparency of beneficial ownership, Anguilla is now working closely with the UK Government to develop and implement legislation and updated systems that will place them at the forefront of the sector. It remains to be seen whether the UK will then seize the opportunity to work alongside the territory in promoting integrated British financial services to a global market, supporting the City of London in retaining its position as number one global financial centre as stated in the Global Financial Centres Index 2016 due to its ability to offer a broad range of services, products vehicles and models to a global market whilst at the same time leading the field in integrity and good governance. Anguilla ranks first within the Caribbean for transparency, anti money laundering and



compliance according to a report compiled by many of the world's leading agencies in the field including: the CIA, the Financial Action Task Force (FATF), Federal Bureau of Investigation (FBI), Organisation for Economic Co-operation and Development (OECD), HM Treasury, the International Monetary Fund (IMF), the Egmont Group of Financial Intelligence Units (A group of police forces across the globe), Transparency International, the US Department of State, the United Nations, and the World Bank Group with the UK ranking only slightly higher in the assessment.

Notwithstanding the UK's endeavours to introduce a higher standard of conduct to the sector, Anguilla, like various other UK Overseas Territories faces the blacklisting of its financial services by the EU. Whilst efforts are already being made by the UK Government to combat this classification which is predicated on the basis of the unacceptability of low tax rates, an inevitability in a territory such as Anguilla that offers restricted public services, it is important that all British financial centres avoid such treatment as it will ultimately adversely affect the British brand as a whole.

### **Energy, transport and communications networks**

Around 95% of Anguilla's fuel consumption is petroleum, approximately 90% of which is transported through Sint Eustatius. Anguilla is almost completely exposed to the EU introduce higher tariffs that would render its fuel unaffordable. Due to the limited size of Anguilla's fuel consumption and shallowness of its coastal waters there is no other viable option for fuel supplies, leaving Anguilla exposed to the risk of an introduction of tariffs on this most essential commodity that could inflate its economy to a critical level overnight.

### **Transport**

The bilateral air agreement that Anguilla enjoys with Saint Martin provides access to its closest international airport. In the absence of this connectivity Anguilla would be effectively cut off from huge swathes of the Caribbean and denied the global access currently used by over 95% of its visitors. An option is being developed through Puerto Rico, however, should this service cease or become more arduous due to Puerto Rico's aspiration to join the USA, not only would Anguilla's citizens be isolate and unable to access crucial health care, but the island's principle economic driver – tourism would be jeopardised.

### **Policing**

The Royal Anguilla Police Force (RAPF) Policing Strategy (2016-2019) specifies the

creation of public safety via intelligence led police work to reduce crime, protect tourism and create an environment where citizens may thrive. Interaction with other Caribbean islands, particularly those within the immediate vicinity is essential for this strategy.

The RAPF has identified illegal boat traffic between the islands as a major concern in the fight against drugs and firearms. The RAPF notes that clamping down on these routes is a regional challenge requiring agencies and island administrations to share intelligence and when appropriate share operations.

The RAPF Policing Strategy also notes that regional partnerships are an essential aspect of crime reduction in Anguilla, including the sharing of resources and intelligence for enhanced criminal targeting.

## **EU Customs Union**

There may well be scope to devise a strategic regional customs union that includes Saint Martin and Anguilla in support of Saint Martin's important role as the regional transshipment hub for several surrounding islands, including Saba, St Barths, St Kitts, Montserrat and Sint Eustatius together with three territories: Montserrat, BVI, and Anguilla. In turn Saint Martin's role as the hub for regional goods and services is an important aspect of its own economy allowing scope for negotiation. The position of the Crown Dependencies which, like Anguilla, are not in the EU in their own right, but are part of the EU Customs Union and whose relationship with the EU in this regard, will have to be negotiated accordingly affording an opportunity to apply similar provisions by analogy.

## **Securing new trade agreements with other countries**

Anguilla has been British since 1650, and although historically famed for its salt production, and being the home of world class Sea Island Cotton, its limited production of sugar and tobacco has never marked it out as a trading asset for the UK. Today Anguilla is famed for its high end tourism, however, the UK has yet to share in this market in that most of the operators are foreign, with only Cap Juluca residing under some degree of government ownership with few, if any, goods that support the industry emanating from the UK.

With Anguilla recently being ranked 8<sup>th</sup> in the top 10 destinations of the world's top 1% wealthiest people the UK has consistently failed to recognise or realise the potential Anguilla holds as a means of marketing UK goods and services to the wider world. In addition the opportunities for market, medical and scientific research and

innovation have also been overlooked, meaning the neat vitrine that Anguilla poses sits vacant and the local skills base largely unused. The percentage of British goods and services on sale in Anguilla is nominal despite its high net worth footfall which attracts leading business men and women from America and elsewhere, including China, India and the Gulf States, each of which has been targeted by the UK in its own pursuit of trade.

In so far as the UK seeks to secure new trade agreements with other countries Anguilla may prove to be an asset in a manner that could prove cost effective and mutually beneficial for Anguilla and the UK. Engagement with the UK's Department of International Trade together with the Department for Business, Energy and Industrial Strategy should therefore be encouraged. As Anguilla is not a member of the Commonwealth this initiative will not detract from the efforts being made to attract trading partners from within the family of the Commonwealth, and may well enhance the prospects of success.

In anticipation of Anguilla developing its export market in fishing and other goods and services it is hoped that the UK will include British Overseas Territories within the scope of its own global trade agreements, with the territory adopting global standards and legislation to facilitate such trade relations. Again, if conducted as an aspect of the 'British brand' this will have the knock on effect of raising the trading profile of the UK itself, particularly as goods and services produced by a small territory may easily be classified as rare luxuries as has been the case for the lobsters of Tristan da Cunha for example.

Scope for the extension of the UK Export Finance regime to include the territory should also be investigated as a means of ensuring that viable Anguillian exports may benefit from finance and insurance from the private sector, thereby nurturing small to medium size enterprise and possibly giving rise to Anguillian investment opportunities within the UK.

### **Ensuring the United Kingdom remains the best place for Science and Innovation**

The UK is renowned for science and innovation and yet there is little evidence of this fact within its overseas territories, each of which would provide prime locations for scientific research, and innovation development and testing. This coupled with the high volume of footfall of influential decision makers within Anguilla provides an ideal scenario for the promotion of the British brand in science and innovation, whilst at the same time addressing the needs of a small population making comprehensive

success attainable.

Relationships between research institutions, (such as the UK's world class universities and hospitals), and commerce both within the UK and Anguilla should be explored and encouraged in support of this objective and funding streams identified in both jurisdictions, including the EU's Horizon 2020 up until the UK's departure from the EU.

### **Cooperation in the Fight against crime and terrorism**

Being located on the other side of the world the relevance of Anguilla to the UK's fight against crime is not immediately obvious. However, as the island sits at the gateway of the Panama Canal where over 20% of the world's shipping travels, it is of great strategic importance to both trade and global security. Moreover, it has long been recognised that the Caribbean, where only 2% of its 7,000 islands and cays are inhabited is a well-trodden route for guns, drugs and money laundering at present Anguilla is ill equipped to fulfill the constructive role that it is geographically poised to achieve. Without a customs boat of its own and Sombrero lighthouse, in need of repair, the fact that Anguilla has one of the most extensive marine areas among the UK Overseas Territories is overlooked and that Anguilla may serve to enhance the UK's profile as an important agent in the fight against global crime and terrorism.

The territory suffers continued poaching of its fish stocks by neighbouring islands and illegal whaling countries as far a field as Japan, the rationalisation and introduction of commercial fishing licences with the support of the UK in negotiations, would provide a much needed income stream for the territory and a means of harnessing the benefits of hitherto illicit fishing for the island whilst providing a cost effective viable mechanism for policing Anguilla's extensive waters.

### **Delivering a smooth, orderly exit from the EU**

Unlike Gibraltar, Anguilla has not sought to establish a separate line of negotiation with the UK on the conduct of Brexit, not least of all because it is heavily reliant upon maintaining a delicate diplomatic balance with neighbouring Saint Martin in order to ensure that it is not isolated by virtue of reduced cooperation in the run up to Brexit. Unlike Gibraltar, Anguilla has limited resources, being heavily reliant upon the services of its London Representative and the West India Committee, a UK NGO that supports her work.

**The result is that Anguilla is  
the UK's forgotten EU  
border, potentially putting  
the welfare of thousands of  
British citizens at risk.**

**ANGUILLA**

**A NEW TYPE OF BRITAIN**

# GOVERNMENT

## SWOT analysis in the context of Anguilla & Brexit

Strengths	Opportunities
<ul style="list-style-type: none"> <li>• <b>Her Majesty's Government (HMG) funds</b>, previously allocated to the European Development Fund (EDF is Anguilla's only significant source of developmental aid) and other European Union (EU) expenses including the retention of technical experts mainly from the EU. <b>These HMG funds may be applied directly to projects in Anguilla that showcase British innovation, commerce and industry.</b></li> <li>• HMG will have <b>greater autonomy</b> in terms of international trade and relations, which can be <b>harnessed</b> by the GoA to improve and diversify relationships with neighbouring islands and mainland countries.</li> <li>• Anguilla has a relatively <b>good reputation</b> as it is unaffected by political corruption and its relatively small financial services sector has always been governed by the UK.</li> <li>• <b>Anguilla's picturesque natural scenery and luxury tourism offer ranks 8th most popular destination in the world for the richest 1%</b> of the global population who are invariably decision makers making it an ideal location for marketing British goods, services and innovation whilst stimulating the local economy.</li> <li>• Anguilla is <b>already in the midst of the consultation process for redrafting its Constitution</b>, which is being developed using UK expertise that will make it fit for purpose during a post-Brexit era.</li> <li>• <b>Anguilla's Sombrero Island is the Gateway to the Panama Canal</b>, meaning the territory hosts 20% of global shipping in its waters, providing excellent opportunities for global security under British control.</li> </ul>	<ul style="list-style-type: none"> <li>• HMG and GoA can <b>devise new funding apparatus</b> tailored to Anguilla's particular needs to enhance the Social Cost Savings. This could prove more cost effective and provide a better yield for the UK taxpayer than the current development aid regimes.</li> <li>• The GoA could become a <b>case study</b> for how the UK can form <b>constructive relationships</b> with neighbouring EU states. This <b>template</b> could prove a useful example for both the EU and UK alike to prove that their relationship has not totally dissolved with Brexit and would ensure that the GoA's strategically important relationships in the region do not become the collateral damage of Brexit.</li> <li>• Anguilla's <b>good reputation</b>, along with its <b>attractive natural scenery</b> and <b>world class hotels</b> can <b>attract and promote UK businesses</b> that want to <b>showcase the much sought after 'British brand'</b>. This has already been undertaken in EU territories and countries but not in a UKOT.</li> <li>• Brexit (a time when it appears that HMG are more <b>open to new ideas</b>) is occurring simultaneously with the redrafting of the Constitution, which provides the GoA the opportunity to work with HMG to create a Constitution for a <b>new type of country/territory</b> that is mutually beneficial in a post-Brexit era and will showcase the UK's commitment to democracy, human rights, self determination and social justice.</li> </ul>
Weaknesses	Threats
<ul style="list-style-type: none"> <li>• <b>EDF funding</b>, which has immensely benefited Anguilla in the past, will eventually <b>cease</b> to be allocated to Anguilla. This may trigger an immediate economic downturn in Anguilla if it is not replaced with immediate effect as EDF funding accounts for <b>36% of the capital projects budget for the territory.</b></li> <li>• Anguilla is <b>dependent</b> upon its relationship with three EU territories, St Martin (French), Sint Maarten (Dutch) and Sint Eustatius, in numerous ways (e.g. transshipment of 90% of its fuel, international airport, postal service, trade, tourism, healthcare, education, family ties etc.). Without scope for these relationships to continue unhindered Anguilla will become <b>vulnerable.</b></li> <li>• Anguilla is a UKOT, along with 15 other territories. <b>Poor reputations</b> among the UKOTs may adversely affect Anguilla's reputation.</li> <li>• Anguilla's old and <b>out-dated Constitution</b>, combined with a <b>lack of EU protection</b> means that Anguilla will be vulnerable to potential abuse from future HMG administrations without full recourse or protection from the sovereign power outside of the UK should the need arise.</li> </ul>	<ul style="list-style-type: none"> <li>• HMG may <b>fail to replace EDF funding adequately</b>, or at all, due to the application of OECD criteria for aid entitlement that is deemed by HMG to override its <i>prima facie</i> obligation to provide aid to UKOTs as a first call on its funds.</li> <li>• <b>Ongoing border issues</b> with the French collectivité of Saint Martin (French) may be <b>exacerbated</b> by <b>animosity</b> caused by Brexit and the <b>lack of protection</b> by EU rules and legislation or UK diplomacy. This could have <b>profound negative affects</b> on Anguilla's <b>economy jeopardising the welfare of over 15,000 British citizens.</b></li> <li>• <b>Poor reputations</b> of the UK and some of its UKOTs may <b>negatively affect Anguilla's reputation</b>, and subsequently could <b>diminish its tourism sector, and attraction of inward investment.</b></li> <li>• Anguilla could suffer at the hands of future HMG administrations that are <b>less sympathetic to the territory's interests</b> if the GoA does not strengthen its constitution significantly to promote its autonomy.</li> </ul>

# INSTITUTIONS

## SWOT analysis in the context of Anguilla & Brexit

Strengths	Opportunities
<ul style="list-style-type: none"> <li>• Anguilla boasts a huge amount of <b>biodiversity</b>. When taken with that of the UK, Anguilla and its fellow <b>UKOTs account for 94% of the UK's biodiversity</b>. Similarly when combined, the biodiversity of the Overseas Countries and Territories and their related Member States of the EU, the OCTs hold over 80% of the combined biodiversity of the EU.</li> <li>• Anguilla has a <b>captive gene pool</b> of a nature that is ideal for <b>research and development that would prove mutually beneficial to Anguillians and UK research, training and educational institutions</b>.</li> <li>• Anguilla is an <b>attractive destination for high net worth and educated individuals</b> who may be encouraged to contribute to Anguilla's institutions in terms <b>financial support and professional expertise through the auspices of universally recognised registered charitable institutions</b>.</li> <li>• Many of Anguilla's public institutions and infrastructure projects are funded through the GoA, however their limited funds will not enable them to achieve autonomy from neighbouring EU islands before the UK leaves the EU. A soft Brexit will therefore be a practical necessity, meaning Anguilla may provide an <b>ongoing symbiotic relationship with the EU</b> akin to that envisaged for Ireland, which will be welcomed politically in the UK by many.</li> </ul>	<ul style="list-style-type: none"> <li>• Anguilla, as a <b>low-lying UKOT</b>, with a significant percentage of the inhabited island lying below sea level, as such it is at the <b>'front line' of climate change risk</b>. The UK and Anguilla have an opportunity to promote British innovation and expertise in the field in order to create a centre of excellence and regional hub. Redirecting attention from the <b>EU towards the UK</b>.</li> <li>• <b>Anguilla's gene pool provides ample opportunity for UK research and development in cancer, genetics, diabetes, obesity, etc.</b> Post-Brexit, institutions in Anguilla could find that they are allocated more HMG funds if they argue they can create <b>'centres of excellence'</b> in these fields of research. <b>Partnerships</b> could be struck with renowned UK research institutions, such as <b>King's College London</b>, to facilitate this.</li> <li>• Increasing numbers of high-skilled professionals and specialists from the UK may be more likely to seek alternative opportunities outside of the EU as working there becomes more difficult in the coming years. Post-Brexit, Anguilla's institutions can encourage <b>more UK specialists and professionals</b>, in health and education for example, to live, work and organise exchanges in Anguilla, providing <b>increased UK knowledge transfer to Anguilla</b>.</li> </ul>
Weaknesses	Threats
<ul style="list-style-type: none"> <li>• Many <b>biodiversity</b> conservation and research programmes are <b>funded through EU funding schemes</b>, such as BEST, HORIZON 2020 and Erasmus+.</li> <li>• <b>Medical and scientific facilities on Anguilla are currently insufficient</b> for this type of research and arguably for the purpose of secondary and tertiary education in the field.</li> <li>• Often expatriates are hired for the most prestigious jobs in Anguilla's institutions, <b>relegating the local people to low skilled, low paid jobs that invariably have no job security</b>. This has had a <b>negative affect on the aspirations</b> of local Anguillians resulting in a 'brain drain' of those denied these opportunities, meaning essential local knowledge and culture is not used to enhance the outcome of such work.</li> <li>• <b>The loss of EU funding and the failure to find equivalent substitute funds that are available on the same terms</b>, will mean that there is <b>less scope</b> for critical infrastructure projects and the development of Anguilla's public institutions, which are <b>already struggling financially as the current EU funding provides a significant proportion of Anguilla's economy, accounting for 36% of the capital budget in 2016</b>.</li> </ul>	<ul style="list-style-type: none"> <li>• When Brexit occurs, a potential termination of EU funding may have a <b>negative impact on biodiversity</b> conservation and research on Anguilla, which unlike the UK's current offer has been conducted in a manner that supports and develops skills, education and training of the indigenous population in a sustainable manner that is of a global standard that enables them to continue to successfully manage their own environments.</li> <li>• Unless a strong case is made throughout the Brexit process, <b>'freed up' HMG funds may be diverted elsewhere</b> and the opportunity to create sustainable centres of British excellence located within the catchment of continental America, may be <b>missed</b>.</li> <li>• Post-Brexit, <b>visa regulations</b> that may be introduced for US and EU countries or territories and <b>the lack of full British status for British Overseas Territories passport holders</b> may mean Anguillian become <b>less able to access opportunities abroad</b> for education, training or employment and may become less attractive to professionals that are key to the development of Anguilla.</li> <li>• The inability of Anguillian students to access funding or support to study abroad through the current EU routes may result in a <b>brain drain</b> to less compatible jurisdictions that will impact upon the compatibility of future leadership with that of the UK, with whom they must work effectively.</li> <li>• In the absence of the development of the hospital, <b>Anguilla will continue its dependence upon neighbouring islands for basic medical support</b>, making the territory vulnerable to political risk from third parties over whom the UK and Anguilla shall have reduced influence.</li> </ul>



# INDIVIDUALS

## SWOT analysis in the context of Anguilla & Brexit

Strengths	Opportunities
<ul style="list-style-type: none"> <li>Over many generations Anguilla's people have spread throughout the region, taking on influential roles in many Caribbean islands. These familial and cultural ties are the cornerstone of Anguilla's good reputation, which has facilitated the smooth movements of goods, services and people.</li> <li>Anguillians have made positive contributions to society in America, Canada, Europe and the UK across a range of disciplines including education, philanthropy, diplomacy and sport, which includes a range of Olympians that have each represented the UK with many winning medals on behalf of the sovereign state.</li> <li>Anguillians are <b>British citizens</b> and are therefore classified as '<b>domestic</b>' students in the UK.</li> <li>Anguillians are the only peoples that have <b>fought the British to remain British</b>, which they did with success during the <b>Anguilla Revolution of 1967-69</b>.</li> </ul>	<ul style="list-style-type: none"> <li>Anguillians may be able to use Brexit as an <b>opportunity to promote trade and investment opportunities in the UK</b>.</li> <li>Promoting Anguilla as '<b>BRITAIN IN THE CARIBBEAN</b>' may <b>become more attractive to UK nationals</b> who may struggle with new travel restrictions in the EU and increasing prices on their holidays to EU countries and territories. This will stimulate Anguilla's tourism further, which currently is heavily dependent upon the American market.</li> <li>Anguillians can <b>capitalise</b> on the <b>lower student fees as UK domestic students</b> and secure a better understanding and potential for collaboration with the UK, in so doing promoting UK educational institutions in the Caribbean region which is currently dominated by the University of the West Indies (UWI) or American universities.</li> </ul>
Weaknesses	Threats
<ul style="list-style-type: none"> <li>Anguilla <b>relies heavily on its relationship with three EU territories</b>, Saint Martin (French), Sint Maarten (Dutch) and Sint Eustatius (Dutch), in numerous ways (transhipment of 90% of its fuel, international airport, postal service, trade, tourism, healthcare, education, extended families with dependents on other islands). <b>Without the replacement of EU rules and regulations</b> that govern free movement of goods, services and people in the current relationships, Brexit would leave Anguilla <b>vulnerable to logistical hurdles and uneconomic essential goods and services that may undermine its economy instantly</b>.</li> <li><b>Uncertainty surrounding Brexit is and will continue to adversely affect Anguilla's interaction with key service providers and markets in the region, together with its tourism market in the EU and America.</b></li> <li><b>Anguillians are unable to plan ahead due to uncertainty in respect of visas for living, studying and working in the US, UK and EU.</b> This is of particular concern to students that seek to embark on courses that will straddle the UK's departure from the EU.</li> <li>The <b>UK's education offer has not been marketed comprehensively</b> and the funding streams for Anguillian students studying abroad are not synchronised with the acceptance procedure for educational institutions, meaning places are sometimes accepted without secured funding.</li> </ul>	<ul style="list-style-type: none"> <li><b>Ongoing border issues</b> with French St Martin, who currently impose a curfew on Anguilla each night at 10pm, may be <b>exacerbated</b> by the conduct of Brexit negotiations and the <b>lack of protection for Anguilla</b> by EU rules and legislation. This could have <b>profound negative affects</b> on Anguilla's <b>economy and living standards</b> if not improved from the current levels and protected against further deterioration.</li> <li>Brexit's affect on trade with the UK, US and EU may result in prices and tariffs going up while living standards go down. This could <b>damage the spending power of families in Anguilla</b> and the overall <b>economy and may instigate a 'brain drain.'</b></li> <li><b>Anguillians may find it harder to live and work in the US, UK and EU</b>, despite having familial ties in these countries and territories. Families in Anguilla may suffer as 'breadwinners' lose the employment prospects abroad required to meet their financial needs due to visa changes. This could result in a <b>significant drop in remittances being sent back to Anguilla's families.</b></li> <li>Anguillians may find it <b>harder to get visas to study</b> in the US or EU post-Brexit.</li> </ul>

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**FOR NEGOTIATIONS ON  
BEHALF OF ANGUILLA**

# PROPOSALS

## **1. COMMON TRAVEL AREA BETWEEN SAINT MARTIN AND ANGUILLA**

Under protocol 22 of the EU Treaties that provides that the UK and another EU member state(s) may continue to make arrangements between themselves for the free movement of people within the CTA.

This is the same model adopted for Northern and Southern Ireland and is proposed in recognition of the close interdependence of the two islands and the economic down turn a 'hard' Brexit would entail, risking the general welfare of the underdeveloped territory of Anguilla. In practice this would mean:

- a) free movement of nationals of Dutch and French Saint Martin and Anguilla between the two islands via a frictionless border without the need for passport control.

NOTE: This has been introduced by Anguilla on the 11<sup>th</sup> May for French nationals.

- b) reduced consideration/ no visa control for visitors that can prove that they are in transit to and from Anguilla.

## **2. CUSTOMS UNION WITH EUROPEAN COUNTRIES, TERRITORIES AND MUNICIPALITÉS IN THE EASTERN CARIBBEAN.**

It is the expressed ambition of the UK's Prime Minister to establish a strategic partnership with Europe that will include a viable trade agreement which sentiment has been echoed in certain quarters of the EU. In the case of Anguilla it is imperative that free trading arrangements are secured for all essential goods transhipped and accessed through and from neighbouring French and Dutch islands, as the Anguillian economy could not bear the introduction of tariffs on oil or other essentials and has no alternative markets to resort to.

Conversely Anguillian goods, largely comprised of fresh produce, are predominantly sold into Saint Martin compensating for the limited agriculture and fishing there. A strategic partnership may entail the adherence to EU rules and regulations in respect of goods produced in Anguilla and sold into EU islands. This may be provided for in local legislation.

## **3. CONTINUED RELATIONSHIP BETWEEN THE UK AND EU FOR THE PURPOSES OF INTERNATIONAL DEVELOPMENT**

Continued membership of the Overseas Countries and Territories Association of the European Union of Anguilla with full access to European Development Funds and support is proposed. This is likely to be with the proviso that the UK shall continue to contribute to the EU fund on a 'pay as you go' basis. This would resolve the fact that Anguilla will otherwise lose its only source of significant developmental aid which is only provided by the EU; that the UK currently excludes Anguilla from eligibility for

Department for International Development funding as a result of the OECD criteria applied by the department; and that no commitment has yet been made by the UK to align the eligibility criteria and magnitude of EU and UK funding streams in a timely manner to ensure Anguilla is not left without support of this nature and magnitude, EU funding currently accounting for 36% of the island's capital budget without which its economy would crash.

#### **4. STRONGER TIES BETWEEN ANGUILLA AND BRITAIN**

Recognition or revision of the status of British Overseas Territory passport holders within the UK to counterbalance the loss of free movement of people throughout the EU and possibly within the EU's Caribbean interests including the free movement of students under the EU's Erasmus scheme. The aim being to substitute opportunities to study, train and work in the UK with those opportunities lost by virtue of Brexit. The ability to work in the UK is important as it is often essential for the funding of study and training which is often a personal responsibility in whole or in part. Access to the UK's student loan facilities should also be considered perhaps underwritten by the territory's government. Such a policy would be in keeping with the sentiments of the Brexit referendum as the citizens in question are all British in any event and the outcome of strengthening ties with the UK's overseas territories aligns with the ambition to create a global Britain.

## **BENEFITS TO THE EU**

### **1.COMMON TRAVEL AREA BETWEEN SAINT MARTIN AND ANGUILLA**

By creating a Common Travel Area and ensuring free movement of people to and from Anguilla and Saint Martin, both French and Dutch Saint Martin would continue to benefit from the high -end tourism that Anguilla offers which compliments their cruise ship model that attracts a lower on-island spend. In the event of access through Dutch and French Saint Martin proving difficult for those destined for Anguilla, this trade may be diverted to Puerto Rico, and possibly Antigua which offer alternative routes to the British Overseas Territory, although they are likely to significantly reduce the volume and profile of visitors to Saint Martin and Anguilla due to the inconvenience entailed. Moreover day-trippers from Anguilla to Saint Martin are likely to tail off.

Transit travel through Saint Martin generates much needed income for small to medium size local businesses including retail, on-island transport and hospitality, as well as being an important factor in the viability of the Princess Juliana International Airport located in Dutch Sint Martin which was designed as a regional hub. By permitting Anguillians access to much needed facilities, which are predominantly medical, income may also be generated for Saint Martin. More importantly, support of this kind will generate soft power and strengthen ties and cooperation within the region. It would also serve as an example of a continuing relationship between the sovereign powers, something the UK and EU are keen to demonstrate notwithstanding Brexit.

### **2. FREE TRADE WITH EUROPEAN COUNTRIES, TERRITORIES AND MUNICIPALITÉS.**

On-going movement of goods and services are unavoidable at a regional level. By recognising and rationalising this both sovereign powers would demonstrate respect for the needs and preferences of their overseas countries and territories together with their outer most regions and avoid being placed in a position that may arguably be interpreted as being in breach of the respective obligations under UN International Convention on Economic, Social and Cultural Rights.

### **3.CONTINUED RELATIONSHIP BETWEEN THE UK AND EU FOR THE PURPOSES OF INTERNATIONAL DEVELOPMENT**

Formalising an on-going membership of OCTA would demonstrate its value to the sovereign powers as a mechanism through which the needs territories that are otherwise excluded from the support of the sovereign state may be provided. It would also enhance the profile of other Overseas Territories and Countries of the EU whose numbers would be substantially decreased upon the departure of the British cohort. This would provide a means whereby the EU and UK are seen to collaborate for humanitarian reasons in the field of international development in a post Brexit era and establishes an avenue for continued dialogue and mutual influence globally.

## **BENEFITS TO THE UK**

### **1.COMMON TRAVEL AREA BETWEEN SAINT MARTIN AND ANGUILLA**

There is a great deal of potential for Anguilla to become a centre of British Excellence in an array of goods, services and innovation both at local level and as a conduit for institution and companies based in Britain. Free movement of people could support the development of a centre of excellence in the region and encourage market access to British goods and services . It would also ensure that over 15,000 British citizens of Anguilla are not isolated by virtue of Brexit and that the island's all important tourism trade, whereby approximately 95% of its visitors transit through Saint Martin, is not adversely affected.

Pending the development of Anguilla's medical offer and self- sufficiency in travel, excluding Anguillians from access to key facilities on Saint Martin will compromise the welfare of its people. Such an outcome, which is reasonably foreseeable, may be in breach of the UK's UN obligations towards its territory whereby the welfare of its territories should not be jeopardised by the actions of the sovereign state in accordance with the UN International Convention on Economic, Social and Cultural Rights.

### **2. FREE TRADE WITH EUROPEAN COUNTRIES, TERRITORIES AND MUNICIPALITÉS.**

Similarly, cost effective fuel is crucial to Anguilla's very existence affecting electricity and water supplies generated by desalination. Should the UK put this at risk by virtue of Brexit there is a strong case to answer in breaching UN conventions on the treatment of the citizens of dependent territories.

As part of Anguilla's initiative to diversify its economy, focus will be placed upon the development of its fishing industry, making use of its extensive marine territory. As is the case today, Anguilla has secured a niche market in supplying Saint Martin with much needed fresh produce regarding Saint Martin as its main market for such goods. With a population of over 100,000, there remains considerable scope for Anguilla's market share to grow fuelling the development of its fishing industry. The infrastructure required for the adherence to EU regulations for the exports of such goods should be supported and the EU requirement, and the EU requirement may easily be surpassed by British standards furthering Anguilla's role as a centre of British excellence in the region should such infrastructure development be undertaken by British entities.

### **3.CONTINUED RELATIONSHIP BETWEEN THE UK AND EU FOR THE PURPOSES OF INTERNATIONAL DEVELOPMENT**

Continued access to the EU Development Fund would avoid the need to speedily revise the UK's international developmental criteria based upon those of the OECD.

The need to fund those territories without access to DFID funding or international borrowings, would provide the UK with partial justification for the UK's contribution to the EU that is likely to post date the UK's departure from the EU in any event. It would also provide an avenue for continued influence in the EU with a lesser level of commitment. It would not, however, affect Brexit directly in that the citizens of the overseas territories, with the exception of Gibraltar that is in Europe, did not participate in the referendum. This approach to humanitarian work compliments the proposed on-going collaboration with the EU in intelligence and defence, taking into account the strategic significance of Anguilla as the Gateway to the Panama Canal.

#### **4. STRONGER TIES BETWEEN ANGUILLA AND BRITAIN**

Revision of the status of British Overseas Territories passport holders by upgrading them through enhanced rights of British citizenship would demonstrate the value attached to the territories in a post Brexit era to their citizens and to the world at large. It would also encourage future generations of Anguillians to look to the UK for education, training and on-going interaction in a manner that will strengthen the platform upon which they may build a centre of British excellence in the Caribbean in a manner that is mutually beneficial and sustainable. Improved citizenship may also be regarded as Britain leading the field in relationships of this nature that affect other EU member states and over one million people worldwide that comprise the population of the **EU's Overseas Territories and Countries today**. Anguilla may become the case study for the UK's global outreach.



The Representative of the Government of Anguilla and The West India Committee have prepared this document on behalf of the Government of Anguilla. The West India Committee is a UK registered charity incorporated by Royal Charter in 1904 the object of which is to improve the general welfare of the peoples of the Caribbean and the societies in which they live and work through the auspices of education, training, advocacy and advice, where necessary acting as an umbrella organisation in so doing promoting the interests of manufacturing, trade and commerce. The West India Committee is a Consulting NGO to UNESCO specializing in Small Island State Development, and is custodian of The West India Committee collection and library that spans five hundred years of Caribbean history which is inscribed as a UNESCO Memory of the World, second only to a World Heritage Site.

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