



March 2018

# Anguilla & Brexit

## The Solution



Produced by **The West India Committee**

Incorporated by Royal Charter in 1904

UK registered charity no. 258545

The West India Committee has an official partnership with **UNESCO** (consultative status)

# CONTENTS

<b>Executive Summary</b>	<b>3</b>
<b>Geographical Location</b>	<b>4</b>
<b>Anguilla at a glance</b>	<b>5</b>
<b>Summary of Impact of Hurricane Irma on Anguilla</b>	<b>6</b>
<b>Status Report as of February 2018</b>	<b>7</b>
<b>Anguilla and the EU</b>	<b>10</b>
<b>Proposals</b>	<b>17</b>
<b>Benefits to the EU</b>	<b>19</b>
<b>Benefits to the UK</b>	<b>22</b>
<b>Anguillian Sports</b>	<b>25</b>
<b>Government Departments, Responsibilities and Recommendations</b>	<b>27</b>
<b>Funding Issues</b>	<b>38</b>
<b>Potential Funding Solutions</b>	<b>42</b>
<b>Executive Summary</b>	<b>46</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 has extensive waters in the Atlantic and is of strategic importance, lying on one of the main routes 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 the Dutch Caribbean islands: Saba, Saint Eustatius and Dutch Saint Martin, and the collectivité of French Saint Martin, an Outer Most Region of the EU.**

**Anguilla is heavily dependent on neighbouring French and Dutch islands for essential commodities and services** that include mail, fuel, international access, and basic medical services such as MRI scanning, oncology, educational special needs and dentistry. Each evening at 5.30pm the French close their border with Anguilla, effectively cutting the British Overseas Territory off from these essential services and access to the world.

**The EU is Anguilla's only source of significant developmental aid.** As demonstrated in the response to Hurricane Irma, the UK and the Organisation for Economic Co-operation and Development (OECD) regard Anguilla as ineligible for Official Development Assistance (ODA) from the UK's Department for International Development (DFID), despite having only recently transitioned out of eligibility and being devastated by hurricane Irma, the worst hurricane on record.

**Anguilla is ranked top in the Caribbean for good governance and financial transparency** by the US - CIA, Financial Action Task Force (FATF), the US - Federal Bureau of Investigation, 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. Anguilla is therefore regarded as the most efficacious financial centre in the Caribbean and one of the best in the world despite its aging IT systems.

**Anguilla suffers from the most out-dated constitution** of all British Overseas Territories that compromises the effectiveness of its democratically appointed government. The opportunity now exists for the UK and Anguilla to work together in a mutually beneficial manner to create a new form of British nation fit for purpose during a post *Brexit* era, in which the human and political rights of the British citizens of Anguilla will, at last, be fully recognised and supported by the sovereign state - thereby demonstrating British leadership in global democracy.





# ANGUILLA AT A GLANCE

## GEOGRAPHY

Anguilla is the most northern of the Leeward Islands and closest to Europe, comprises 23 islands and cays of which only the island of Anguilla is inhabited. There is no surface fresh water, no mountains, or lush vegetation, and a significant portion of Anguilla lies below sea level. Anguilla was hit by Hurricane Irma, subjecting the entire population to 37 hours of winds gusting up to 226 miles an hour causing loss of life and livelihoods and virtually all of its critical infrastructure.

## THE PEOPLE

As at 2016 the population of Anguilla was 16,752 comprising: African/Black: 85.3%, Hispanic: 4.9%, Mixed: 3.8%, White: 3.2%, Asian: 1%, and Other: 1.6%. The population is now less than 13,500. Since Irma the population has continued to fall significantly caused by migration due to mass unemployment, and protracted recovery due to lack of funds.

## 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%. Anguilla has the fastest growing Catholic population of the British Overseas Territories and the Caribbean.

## GOVERNMENT

Anguilla is an internally self-governing British Overseas Territory that operates under a political system based on the Westminster model. Whilst the Government of Anguilla exercises executive powers, under Anguilla's constitution the UK appointed Governor is responsible for defence, financial services, external affairs and the police, meaning these powers and responsibilities have not been devolved to the Government of Anguilla but reside under the control of the UK Government through the auspices of the Governor. 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 in accordance with section 28 (2) (a) of the constitution. The seasonal nature of Anguilla's award winning tourism, considerable foreign ownership in the sector and the risk of annual natural disaster add considerable risk to sustainable economic growth and prosperity in the absence of a diverse economy. Anguilla's GDP per capita in 2008 was US\$12,200 and was rated as minus 400% by the Caribbean Catastrophe Risk Insurance Facility in the immediate aftermath of Hurricane Irma. The UK's conditional aid package of £60 million that has yet to be remitted. If it is finally released, Anguilla's economy is set to grow by 8.1% during the reconstruction of the island despite quality of life deteriorating substantially due to the destruction of virtually all of Anguilla's critical infrastructure by Hurricane Irma.

## EDUCATION AND SKILLS

Education is compulsory for all 5 to 17 year olds and was provided by Anguilla's six state primary schools and one secondary school. All but one of the primary schools were severely damaged by Hurricane Irma, and the secondary school completely destroyed. There is a nominal presence of the University of the West Indies (UWI) 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 that, like those from UWI, may be accredited towards degree courses in the USA or on other Caribbean islands. Anguillian students are recognised as '*domestic*' in the UK, but few can afford the additional costs of accommodation and travel, and seldom succeed in securing grants that may assist in accessing education in the UK thereby excluding those without personal means from tertiary education in the UK. Moreover, unlike students from French St Martin, student visas are required for Anguillians to study in the UK.

## 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 serves both the resident population and the tens of thousands of tourists that visit Anguilla each year. However, limited diagnostic capabilities, such as no MRI scanner, cause heavy reliance on neighbouring French, Dutch and American islands. All tertiary care must be sought abroad, invariably at the expense of the patient. Under a 1985 agreement with the National Health Service (NHS), four patients a year from Anguilla are permitted access to the NHS in the UK subject to proof that the treatment cannot be secured in the region either privately or public, regardless of whether patients have contributed to the National Insurance system in the UK or not, as is the case for many.

## TRANSPORT

Dutch St Martin's Princess Juliana Airport has provided Anguilla with the majority of its international transport links. To access Anguilla, visitors must traverse French Saint Martin, an Outer Most Region of the EU. Puerto Rico provided a popular alternative for many tourists from the USA and those not averse to travelling long distances over sea in small propeller planes have the alternative of flights via Antigua. The airports of St Martin and Puerto Rico were all severely hit during the 2017 hurricane season and have yet to recover fully.

## ENERGY

Saint Eustatius is also pivotal to Anguilla in that approximately 90% of the territory's oil is transhipped through the Dutch municipality by necessity, due to the shallow waters that surround Anguilla.

# **SUMMARY OF IMPACT OF HURRICANE IRMA ON ANGUILLA**

Hurricane Irma was the first category 5 hurricane to hit Anguilla since 1928 and the worst recorded in the Atlantic, severely damaging ninety per cent of the island's housing stock and destroying nearly all of the island's critical infrastructure. It was one of two category 5 hurricanes that hit the Caribbean in close succession during the 2017 hurricane season.

The eye of Hurricane Irma stretched over twenty-three miles and engulfed Anguilla in its entirety. The island, which is a mere three and a half miles at its widest point and sixteen in length, experienced winds of 185 mph gusting up to 226 mph causing cataclysmic destruction and loss of life, livelihoods and public services.

Hurricane Irma downed over 1,500 electricity poles, demolishing the island's electricity supply that is also used for vital desalination of seawater as Anguilla has no surface fresh water and its underground fresh water supplies are brackish.

The island's only passenger ferry terminal at Blowing Point was completely wrecked, as were the French and Dutch counterparts in Saint Martin. This provided the main transport link for 90% of visitors and was the main transport link to the outside world for the islands 15,000 inhabitants of the time; also providing access to essential goods and services in Saint Martin, the main gateway to Anguilla.

The island's only Secondary School, the Albenia Lake High School, was critically damaged and had to be demolished for safety reasons. All primary schools, with one exception, have been severely damaged and the children of the island continue to be educated in makeshift accommodation in rotation from 7am to 9pm. This is an unsustainable arrangement as it entails attending school at night in many instances. The extended school hours have put considerable strain on teaching staff.

The thirty-two bed Princess Alexandra Hospital which caters for the needs of the island's entire population, and its annual visitors that number, on average, over 80,000 a year, was severely hit, losing part of its roof and electricity supply and suffering flooding. In any event, Anguilla's only hospital was inadequate prior to the storm and was heavily dependent on support from other islands, providing limited secondary care without a comprehensive diagnostic capability.

The control tower of Anguilla's airport was seriously damaged, whilst the runway is too short to offer direct long haul access, large aid flights or evacuation in the case of emergency. The Princess Juliana Airport on Dutch St Martin, that is the closest international hub to Anguilla and the island's main access point, was also critically damaged and now provides a limited service. Puerto Rico, a more distant alternative was severely damaged by the second category 5 storm in the region, Hurricane Maria.

# STATUS REPORT AS OF FEBRUARY 2018

## ANGUILLA

Access to Anguilla is steadily improving. *Seaborne* now flies five days a week from San Juan, Puerto Rico, to Anguilla, Thursday through Monday, providing connections to *American Airlines, Delta, JetBlue, United Airlines and Southwest Airlines'* service into San Juan. *Seaborne's* codeshare agreements with *American, Delta, JetBlue* provide for better connectivity and inter-airline baggage transfers for passengers transiting to Anguilla. *JetBlue* launched daily service from New York to Dutch St Martin on 5 January, up from the current twice-weekly service. *Delta* is operating daily service out of Atlanta, and *American* flies daily from Miami into Dutch St Martin, with service from additional gateways coming on stream in the second quarter of 2018. Ferry services are operating from Anguilla to both the Dutch and the French sides of St Martin. All visitors and residents are processed through Anguilla's Blowing Point Police Station on arrival and departure as the ferry port was destroyed by the hurricane. From the Dutch side, visitors and residents are processed on arrival and departure through the police station at Simpson Bay, a five-minute taxi ride from the Princess Juliana Airport. The private ferry companies operating from Anguilla to the Dutch side are *Calypso Charters, Funtime Charters, GB Express and Another Link*. The public ferry departs eight times a day from Anguilla to Marigot Bay on the French side, starting at 7:30 a.m. and ending at 4:45 p.m. The first public ferry transfer from the island of St Martin to Anguilla departs at 8:15 a.m. with the last leaving at 5:15 p.m. The border between Anguilla and French St Martin closes daily at 5.30pm and there are no services to either side of St Martin after that time.

Almost 600 rooms are available on the island this holiday season, comprised of a wide selection of villas, small hotels and holiday apartment rentals. An additional 540 rooms are due to come on stream by April, as one of the island's renowned five star resorts plan to reopen in the first quarter of 2018. Most of the island's popular restaurants and beach bars are also already open for the season. Following months of restoration due to the impact of Hurricane Irma, the Four Seasons Resort and Residences Anguilla has announced it will reopen on 23 March.

## SAINT MARTIN

As a result of Hurricane Irma, the isle's two airports, Princess Juliana International Airport (located on the Dutch side), and the significantly smaller Grand Case International Airport (located on the French side), were temporarily closed to commercial flights; Princess Juliana's main terminal also suffered structural damage. Both airports are now operational and run around 60 flights a week from 12 airlines. Princess Juliana has daily nonstop service to and from the United States. The island's other airport, Grand Case International Airport, reopened to commercial flights in September; the airport offers daily flights to and from Guadeloupe, Martinique and St Bart's and to and from destinations in Europe, Canada and the United States, but does not service Anguilla. Princess Juliana Airport on Dutch St Martin opened a new air-conditioned departure lounge to accommodate passengers in a larger facility until the interior of the main terminal has been reconstructed and reopens later this year or early next year. Until now, departing passengers have had to wait in a large tent after checking in for their flights. The new temporary facility accommodates 315 seats, 11 concessions, 17 airline check-in booths, restrooms and security screening. Next on the

airport's agenda will be a new temporary arrival pavilion to free up the general aviation building that has been used for arrivals. The airport's new roof will be designed to sustain winds over 185 mph and wind gusts to 240 mph.

Close to 95% of the island of St Martin has electricity, and everyone has water and telecommunications, according to V. H. Cornelius de Weever, interim minister of tourism and justice. On Saint Martin's French side, more than 60 restaurants are open for business, as are more than a dozen hotels. On the Dutch side of the island, around 80 per cent of the restaurants are open, and 1,600 hotel rooms are available to book; before the hurricane, 4,115 rooms were available. Cruises are also returning to St Martin: the cruise port that can accommodate larger ships, Dutch St Martin's Port Authority, reopened on 4 December. The island's other cruise port, Port de Galisbay, is once again welcoming small vessels.

## **PUERTO RICO**

While a portion of the island remains without electricity, a municipal generator is providing power to much of Isabel Segunda. Many homes and businesses are relying on their own generators, as workers from Florida Power and Light repair the downed lines, with full power on the island due to be restored this summer. The long queues for gasoline and ice are gone, and some Americans who maintain part-time homes on the island have returned, lending a semblance of normalcy. While visitors may lack WiFi at their hotel, basic services have been restored, as the island seeks to increase tourism, its economic mainstay. 120 of the 150 hotels that reported damage are now reopened with 12,458 rooms currently available in inventory with 2,670 rooms currently being "revamped." 410,000 cruise passengers travelled through the San Juan port since October 7 and 633,000 more passengers are expected by June 30. There are now 110 daily flights to San Juan.

## **SAINT EUSTATIUS (STATIA)**

NuStar Energy LP shut down operations at its oil terminal in St Eustatius ahead of the arrival of Hurricane Irma. The Statia terminal, which reopened in October 2017, has capacity to store up to 13.03 million barrels of crude and refined products and has six mooring locations to service oil tankers. This is the main hub for oil transshipment in the region.

One area of concern is the political situation on the island, which may have an adverse effect on Anguilla's oil imports, 90% of which are trans-shipped from Statia. The Netherlands has taken over the governing of Statia due to a report from a committee that investigated the state of the island and concluded that there is a "gross neglect of duties" within the island's government. The island's governing body, called the Island Council, has been dissolved and officials have been relieved of their duties. A Government Commissioner has been appointed to restore order on the island. The governing situation on Statia has been a concern for some time, as previous measures to improve the situation had no desirable effect. The investigating committee concluded that the current governing situation is characterised by lawlessness and financial mismanagement. There are also signs of *'discrimination, intimidation, threats and insults, and the pursuit of personal power at the expense of the inhabitants'*. The committee was also critical on the Dutch government's role in the development of the situation on Statia.

**ANGUILLA**  
**IS IN EUROPE ON THE**  
**CARIBBEAN SEA**

# ANGUILLA AND THE EU

## ANGUILLA PRE-BREXIT

Anguilla is a non-sovereign territory that is constitutionally linked to the United Kingdom. Through this relationship with a current member state of the EU, the UK, 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 and those that have failed to graduate from prolonged aid dependency often taking precedence. The continued tendency towards implanting solutions, personnel and NGOs within the territory not only fails to respect the political and human rights of the territory, but often fails to achieve the desired objective of sustainable self-sufficiency, instead, cultivating a culture of dependency that is not mutually beneficial nor developmental. The EU's approach to the 25 Overseas Territories and Countries (OCTs) of their member states is less dominant, dictatorial or intrusive, instead placing the onus on the democratically elected governments of the OCTs to determine their own priorities and methods of implementation supported by technical assistance and direct funding, cultivating a sustainable improvement in the OCTs within the hands and control of their people; wherever possible ensuring inclusion and diverse participation.

## ANGUILLA'S DEPENDENCE UPON THE EU

Aside from a shared colonial past, the commonality that exists between the inhabited British Overseas Territories is the fact that they are, with the exception of Gibraltar, small island developing nations with few natural resources, limited sustainable development and international trade together with high fuel, transport and communication costs, culminating in vulnerable economies that invariably lack diversity. This is a common trait both throughout the Caribbean and amongst the

overseas territories and countries of other EU member states. For Caribbean islands such as Anguilla, the position is further aggravated by the annual risk of natural disaster heightened by the effects of climate change. This forces a seasonal approach to tourism, the main economic driver of the island, and the Caribbean region at large, challenging inward investment due to the high level of insurable risk. This staccato flow of income at both public and private levels reduces the pace at which sustainable economic growth may be achieved, and challenges fiscal income streams.



French St Martin, an Outermost Region of the EU, as seen from Anguilla.

*Photo courtesy of Florian-Zet (Own Work) CC BY-SA 3.0*

Anguilla is unique among the British Overseas Territories in that due to the natural barrier of the Anegada Passage that separates the territory from the British Virgin Islands, Anguilla 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 the British Overseas Territory's limited infrastructure development resulting from the United Kingdom's disinterests over centuries due to Anguilla's lack of commercial value to the sovereign state, and the shallowness of Anguillian waters that warrants transshipment of goods and fuel.

Anguilla's lack of natural resources (including secure water supplies), fuel dependence and the current narrow economic base places the welfare of the 15,000

indigenous British citizens 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 that small island developing nations must labour under, and Anguilla's lack of a deep water port or international air access, fragmentation of regional relationships will negatively impact upon the economies of all participants whether developed or not, and challenge the welfare of their respective populations.

St Eustatius is the regional hub for oil distribution and the source of approximately 90% of Anguilla's energy supply. Along with the oil imports from St Eustatius, French and Dutch Saint Martin provide the majority of Anguilla's wholesale commodities ranging from food, medicine, and a myriad of materials necessary to support the island's infrastructure. Bottled water has often been donated by Saint Martin and has proved essential to the survival of Anguilla's inhabitants during Anguilla's frequent droughts. All of Anguilla's mail is also directed through French and Dutch Saint Martin and is used as a traditional route for remittances. Basic supplies and e-commerce are also routed through Dutch and French St Martin.

With relatively high public debt levels and the on-going, challenging reconstruction of its banking sector, Anguilla has limited scope to obtain concessionary loans. Indeed, the potential for financial input is further hampered by the fact that the UK will not permit Anguilla to access external funding without its prior approval, which has not been forthcoming in recent years. Moreover, the devastation wreaked by the 2017 Hurricane Season has placed both Saint Martin and Anguilla at risk, particularly as this event may prove annual.



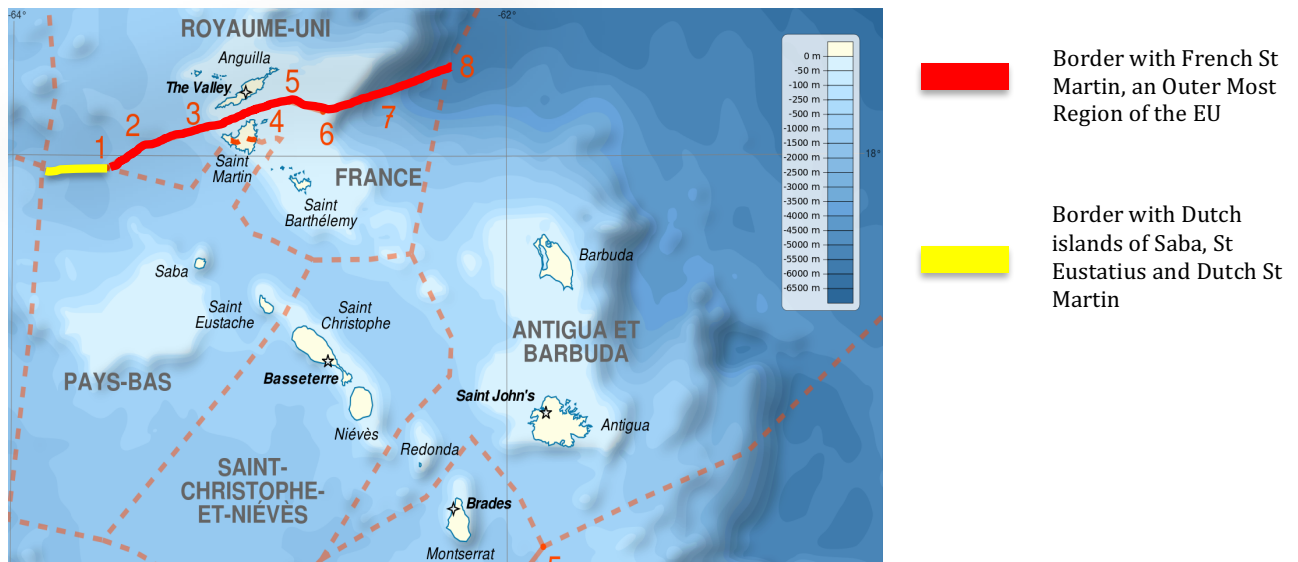
**ANGUILLA  
HAS A BORDER WITH  
THE FRENCH  
AND  
THE DUTCH**



Two Anguillian Lobster Fishermen with their catch. Anguilla's lobsters are renowned in the region.  
*Photo courtesy of The Anguillian Newspaper*



A Centre of British Excellence: Anguillian Fishermen boasting a fine haul.  
*Photo courtesy of The Anguillian Newspaper*



### Anguilla's marine borders with the EU.

Map courtesy of Sémhur / Wikimedia Commons, via Wikimedia Commons

With its relatively small population, Anguillian agriculture and fishing generate exports that have become an important element of Saint Martin's fresh food supply, generating produce that its heavily populated, mountainous neighbour cannot provide for itself. Moreover, with the EU funded '*Blue Belt*' restricting access to French 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 and technical assistance for the development of Anguilla's fishing industry. In the absence of a marine patrol, Anguillian waters have also been exploited by Japanese whalers and fishermen that have established a base in French Saint Martin. With no current means of the territory guarding against this abuse of its sovereignty over its seas, nor benefitting commercially from it, Anguilla is now introducing a licensing system and intends to work with those using its waters to promote a sustainable fishing regime.

Unlike Turks and Caicos, the Cayman Islands and BVI, Anguilla cannot look to the USA as an alternative supplier of the majority of its 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.

**ANGUILLA HAS A  
“*DEEP AND SPECIAL RELATIONSHIP*”  
WITH ITS FRENCH AND DUTCH  
NEIGHBOURS**

## **PROPOSALS**

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

Under Article 2 of Protocol 20 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 Ireland and the Republic of Ireland and is proposed in recognition of the close interdependence of the two islands and the economic down turn a 'hard' Brexit would cause, risking the general welfare of the underdeveloped British 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 was introduced by Anguilla on the 11<sup>th</sup> May 2017 for French nationals.*

- b) reduced consideration and, or no visa control for visitors that can prove that they are in transit to or 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, sentiment which 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 - 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 livestock, fresh farm produce and fish, 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 such 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**

Given Anguilla's two borders with European interests in its locality (French and Dutch), continued membership of the Overseas Countries and Territories Association (OCTA) of the European Union for Anguilla would enable the territory to harmonise with its European neighbours more efficiently, avoiding duplication. This is likely to be with the proviso that the UK continues to contribute to the EU fund for any benefit Anguilla receives from OCTA on a '*pay as you go*' basis and the Government of Anguilla continues to remit a membership subscription. This would resolve the fact that Anguilla will otherwise lose its only source of significant developmental aid as it is currently only entitled to that provided by the EU. The UK presently excludes Anguilla from DFID funding as it is not deemed eligible under OECD criteria. No commitment has yet been made by the UK to align the eligibility criteria and magnitude of UK funding with that provided by the EU that will be lost post-Brexit. Nor is there any indication of any alternative funding streams to the EDF being made available in a timely manner to ensure Anguilla is not left without support for capital development other than hurricane recovery and resilience building. EU funding currently accounts for a substantial percentage of the island's capital budget, without which its economy would suffer.

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

Consideration of the status of British Overseas Territory passport holders is needed to counterbalance the potential loss of free movement of British citizens throughout the EU and possibly within the EU's Caribbean interests, including the free movement of students. Conversion of a British Overseas Territory passport to a full British passport would support access to study, train and work in the UK in substitution for the potential loss of access to the EU lost by virtue of Brexit. This would improve links with the UK that would establish stronger, mutually beneficial relations. The ability to work in the UK is important as it is often essential for the self-funding of study and training which is often a personal responsibility of Anguillian students or trainees in whole or in part. Access to the UK's student loan facilities should also be considered and 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 and the outcome of strengthening ties with the UK's Overseas Territories aligns with the ambition to create a Global Britain. The small number of British Overseas Territory students compares favourably with the substantial drop in the number of European students that benefitted from access to tertiary education in the UK. This approach rationalises the anomaly of British Overseas Territory students being classified as UK domestic students yet requiring a visa to access that entitlement despite holding British passports.

## **BENEFITS TO THE EU**

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

Creating a Common Travel Area and ensuring free movement of people between Anguilla and both French and Dutch Saint Martin would enable continuing benefits from the high-end tourism that Anguilla offers. These compliment the cruise ship tourism model central to St Martin's sector that attract 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, islands which offer alternative routes to the British Overseas Territory, although they are likely to significantly alter the profile of visitors to Saint Martin and Anguilla due to the inconvenience entailed and competition of these islands with the tourism and retail sectors of St Martin and Anguilla, alike.

Transit travel through Saint Martin generates much needed income for small to medium size local businesses including retail, transport and hospitality. It is also an important factor in the viability of the Princess Juliana International Airport located in Dutch St Martin, whose business model is that of a regional hub in direct competition with Puerto Rico and Antigua. By permitting Anguillians to access much needed facilities, which are predominantly medical and educational, 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 '*deep and special relationship*' between the sovereign powers and their respective interests in the Caribbean, something the UK and EU are both keen to demonstrate notwithstanding Brexit.

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

The on-going movement of goods and services between what are generally regarded as small-island developing nations, is unavoidable at a regional level. A prime example is the fact that Anguilla has become a regional Centre of Excellence for renal treatment and seeks to build on that platform to the benefit of the entire region, providing the UK with a means of promoting British innovation and research to a European market.

By recognising and rationalising the need for regional collaboration, the respective sovereign powers and EU would demonstrate respect for the needs and preferences of the overseas countries and territories in question together with an Outermost Region of the union and avoid being placed in a position that may arguably be interpreted as being in breach of their respective obligations to their respective dependencies under the UN International Convention on Economic, Social and Cultural Rights.

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

Anguilla, whether directly or through the auspices of the UK, has two, post-Brexit avenues for continued interface with the European related islands on which it depends:

- a) as a nation bordering an Outer Most Region of the EU; and
- b) as a territory bordering EU OCTs within its vicinity through necessity and tradition.

In the case of the former, the EU has demonstrated a preference to ensure the viability of nations neighbouring the EU and its Outer Most Regions. To that end, the EU has provided scope for these relationships within the European Grouping of Territorial Cooperation entities. After Brexit, Anguilla may become eligible for consideration under this regime, as the only British Overseas Territory that directly borders an Outer Most Region of the EU. Similarly, Anguilla has a border and mutually beneficial relationship with Dutch islands that, unlike French St Martin, are members of OCTA. Anguilla's continued affiliation with this group would provide a strong platform for the necessary relationships, including harmonisation of environmental initiatives that must continue after Brexit if each of the small island developing nations in question is to avoid retardation of their development as a result of Brexit. OCTA would also demonstrate its value to the sovereign powers as a mechanism through which the needs of territories, that may otherwise be excluded from the support of their respective sovereign states by virtue of ODA ineligibility for example, may be provided. Continued membership of Anguilla would also enhance the profile of other Overseas Territories and Countries of the EU whose numbers will 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 collaborative global influence.



**ANGUILLA:**  
**A CENTRE OF BRITISH**  
**EXCELLENCE**

# **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 British Excellence in the region and provide market access for British goods and services. It would also ensure that the 15,000 British citizens of Anguilla are not left isolated and vulnerable by virtue of Brexit and that the island's all important tourism trade, whereby approximately 90% of its visitors transit through Saint Martin, is not adversely affected.

Pending the development of Anguilla's medical facilities and self-sufficiency in long haul travel, excluding Anguillians from access to key facilities on Saint Martin will jeopardise 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, (General Assembly Resolution 2200A (XXI) 16<sup>th</sup> December 1966, entry into force 3<sup>rd</sup> Jan 1976 in accordance with article 27).*

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

Cost effective fuel is crucial to Anguilla's very existence, affecting electricity and water supplies generated by desalination. Should the UK put the costs of transshipment through Dutch St Eustatius 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.

Continued interaction with European interests is also desirable for several further reasons.

- a) Firstly, Anguilla lost its critical infrastructure in Hurricane Irma and will take two to three years to reconstruct, assuming the island is not struck by further extreme weather conditions prior to the completion of reconstruction and successful resilience and preparedness building. Similarly, St Martin lost key infrastructure and, like Anguilla, St Eustatius, Saba, and St Barts, must stimulate its economy as part of the recovery

process. Continued collaboration between these islands is therefore mutually beneficial.

- b) Secondly, Anguilla's banking sector is still in transition and has yet to achieve sustainable financial stability.
- c) Thirdly, as part of Anguilla's initiative to diversify its economy, focus must be placed upon the development of its fishing industry, making use of its most substantial asset, Anguilla's extensive marine territory that resides under the stewardship of the Government of Anguilla. As is the case today, Anguilla has secured a niche market in supplying Saint Martin with much needed fresh produce, regarding its French and Dutch neighbour as its main market for such goods. With a population on the island of St Martin of almost 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 requirements 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. Anguilla's fishing industry may be further developed by the introduction of a licensing system. Already fishermen from St Martin, bereft of access to their own territorial waters due to the EU backed *Blue Belt*, have requested such licences to legitimately fish in Anguilla's underutilised waters, whilst Japanese fishermen and whalers that are now established in St Martin also violate Anguillian sovereignty and will be invited to participate in environmentally friendly licencing.

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

Continued access for Anguilla to the EU Development Fund would avoid the need to speedily revise the UK's Official Development Assistance criteria based upon those of the OECD. The funding of those territories without access to DFID funding or international borrowings would provide the UK with justification for the UK's continued contribution to the EDF funding program that is otherwise deemed to end in 2020, meaning the UK would have contributed to this fund beyond the exit date of 29<sup>th</sup> March 2019. This may provide an avenue for continued influence in the EU in respect of the territories that are in receipt of EDF funding in the context of harmonisation with EU objectives. Indeed, the concept of harmonisation is key to Anguilla's viability as it sits a mere eight miles from St Martin and is dependent upon various EU related islands. This may compliment the UK's proposed collaboration with the EU in intelligence and

defence, taking into account the strategic significance of Anguilla as the Gateway to the Panama Canal, its position on the Atlantic rim and the fact that it is the closest British Caribbean Territory to Europe, coupled with the goal of strengthening self-sufficiency, resilience and preparedness within the Caribbean as it faces an increased frequency and ferocity of extreme weather conditions. In addition, Anguilla is in pole position to enhance the regional quest against crime through working in partnership with its Dutch and French neighbours to combat drug running, arms dealing and other illicit activities in the Caribbean where there are 7,000 islands of which only two per cent are inhabited, and the United States has expressly stated that it will be less engaged in policing the region.

#### **4. STRONGER TIES BETWEEN ANGUILLA AND THE UK**

Revision of the status of British Overseas Territory passport holders by upgrading their rights of British citizenship would demonstrate the value attached to the territories as intrinsic elements of a Global Britain in a post-Brexit era. 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 contribute to the building of a Global Britain by creating a Centre of British Excellence in Anguilla, on the America continent, before an audience comprised of over 70% of American high end tourists, many of whom are decision makers in markets the UK seeks to do business in. Upgraded British citizenship may also be regarded as Britain leading the field in human and political rights, having placed all British citizens on a level playing field as is fitting in the twenty first century. As the territory with the most out-dated constitution, Anguilla may become the case study for the UK's global outreach, and the creation of a Global Britain.

# ANGUILLIAN SPORTS

- ANGUILLIAN SPORTSMEN AND WOMEN REPRESENT TEAM GB.
- ANGUILLA HAS PRODUCED MORE SUMMER OLYMPIC MEDALS PER CAPITA THAN ANY OTHER RECORDED COUNTRY.
- THE ISLAND HAS ONLY EVER HAD RUDIMENTARY SPORTING FACILITIES THAT WERE DESTROYED BY HURRICANE IRMA.



Shara Proctor has represented Great Britain on the world stage since 2011.  
Photo courtesy of The Anguillian Newspaper

<b>Zharnel Hughes</b>	<p>100m PB of 10.12sec and called by the Guardian and the Telegraph '<i>the next Usain Bolt</i>'.</p> <p>He currently holds the ISSA/Grace Kennedy Boys' and Girls' Athletics Championships record for the 100 m, with a time of 10.12s.</p> <p>Hughes is qualified to compete for both Great Britain and Anguilla due to his birth in a British Overseas Territory in June 2015, it was confirmed that he would henceforth compete for Great Britain in all IAAF events. Hughes said:</p> <p><i>"I have always known that if I was to run at the Olympics it would be in a British vest and that is how I have always dreamt it would be."</i></p>
<b>Keith Connor</b>	<p>Anguillian Born Triple Jumper who went on to compete for Great Britain.</p> <p>2 Commonwealth Gold Medals.</p> <p>Olympic Bronze Medal at LA 1984.</p>
<b>Cardigan Connor</b>	<p>Cardigan Adolphus Connor is an Anguillian born former English cricketer.</p> <p>Connor was a right-handed batsman and a right-arm fast-medium bowler.</p> <p>1979-1984 Represented Buckinghamshire</p> <p>1984-1998 Represented Hampshire</p> <p>Elected to the Anguillian Legislature following his Sporting Career.</p>
<b>Shara Proctor</b>	<p>Shara Proctor is an Anguillian long jumper, competing for Great Britain since 2011.</p> <p>She is the national record holder of both Anguilla and Great Britain.</p> <p>On 28 August 2015 at the World Championships in Beijing she became the first British female long jumper to jump over 7 meters (7.07), setting a new British record, and earning a world championship silver medal. She also won the 2013 IAAF Diamond League in the event.</p>

**ANGUILLA  
IS  
GLOBAL BRITAIN**

## GOVERNMENT DEPARTMENTS, RESPONSIBILITIES AND RECOMMENDATIONS

The following table shall set out the issues arising for Anguilla and shall be tabulated as follows, from left to right:

1. Attention to relevant HMG and GoA Departments
2. Description of the issue
3. Potential effect of Brexit
4. Remedy that should be enshrined in a bilateral agreement as supported by the Article 50 - Agreement

### TRANSPORT

HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<b>DEPARTMENT OF TRANSPORT</b>  <b>ANGUILLA AIR &amp; SEA PORT AUTHORITY</b>	<p>Anguilla has no form of public transport. Access to the island is by privately owned ferries to French or Dutch St Martin (via French waters) or airlift by small or light aircraft via the island's only airport to Puerto Rico, Antigua, St Kitts or St Martin. The short runway cannot accommodate long haul flights to Anguilla, nor large aid consignments, nor evacuation.</p>	<p>The result of the referendum on Brexit has already resulted in the French applying EU regulations more strictly to the Anguillian based ferries. Training and knowledge transfer has already commenced to address this. Hurricane Irma has caused the French to close the marine border with Anguilla at 5.30pm each evening, some four and a half hours earlier, meaning many are forced to revise their working hours or suffer loss of employment in St Martin. Revenue for the ferries has also been adversely affected. Should the curfew like closure of the border persist, tourists will be forced to remain in St Martin for prolonged periods, undermining Anguilla as a destination.</p> <p>Hurricane Irma devastated the airports on Anguilla and St Martin. Since that event access to French and Dutch airspace has been significantly restricted.</p>	<p>The parties should agree to close the border between Anguilla and St Martin at such hours as the parties may from time to time agree having due regard to working hours and practices in the respective islands and the access needs of their inhabitants for the purposes of health, education, tourism and the general welfare of the islanders. Access to St Martin airspace should resume to the pre-hurricane Irma levels as soon as reasonably practicable.</p>

## BORDER CONTROL AND VISAS

HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<p><b>HMG HOME OFFICE</b></p> <p><b>GOA MINISTRY OF HOME AFFAIRS</b></p> <p><b>MINISTRY OF FINANCE, ECONOMIC AFFAIRS, DEVELOPMENT INVESTMENT, COMMERCE AND TOURISM (MFEADICT)</b></p>	<p>90% of Anguilla's tourists pass through St Martin, arriving in Anguilla by ferry or by light aircraft. Whilst both the Dutch and French sides of St Martin have ferry ports, in the case of the Dutch they are obliged to traverse the waters of French St Martin, as the direct border between Anguilla and the Dutch Pay Bas is considered too distant for the size and nature of the craft.</p>	<p>Anguillians are entitled to British Overseas Territory passports. These allow 90-day access to the EU, however, as French St Martin is outside of the Schengen Region, this does not apply to St Martin.</p> <p>Many Anguillians hold full British passports that made exclude visa-free access to French St Martin and mainland Europe after Brexit.</p> <p>In May 2017 Anguilla introduced legislation that permits visa free entry of French nationals from St Martin to Anguilla. This has not been reciprocated, although Anguillians are often given reduced consideration at St Martin's borders, invariably due to the familiarity of the individuals.</p>	<p>An agreement that allows visa free access to St Martin for Anguillian nationals as holders of the British Overseas Territory passport or a full British passport.</p> <p>Consideration should be given to the desirability of permitting reciprocal rights to work in St Martin and Anguilla respectively. Similarly scope should be negotiated for student visas, this is important to Anguilla as there are no special needs facilities on the island and pupils are often referred to St Martin.</p> <p>Visa free access to both French and Dutch St Martin for tourists transiting to or from Anguilla.</p> <p><i>NOTE: This would have to take into account the likelihood of being forced to stay in St Martin overnight due to border closures.</i></p>



# HEALTH

HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<p><b>DEPARTMENT OF HEALTH</b></p> <p><b>PUBLIC HEALTH ENGLAND</b></p> <p><b>HEALTH AUTHORITY OF ANGUILLA</b></p>	<p>Anguilla has a poorly designed, underdeveloped thirty two bed hospital that caters for the health needs of its 15,000 permanent residents and over 80,000 tourists that visit the island each year. The hospital, together with the polyclinics and dental surgeries situated across Anguilla, were all severely damaged by Hurricane Irma. Even prior to the catastrophe, Anguillians were obliged to attend other islands at their own expense in order to gain comprehensive diagnostics, oncology medicines, tertiary medical care and secondary dental treatment. St Martin is the most cost effective and efficient option for medical attention that cannot be secured on Anguilla. St Martin, Antigua and Puerto Rico each have superior medical facilities to Anguilla. They are often resorted to by patients in need of care unavailable on the British Overseas Territory. The option to access care on the NHS in the UK is limited to a quota of four patients a year that was set in 1985, when the population of Anguilla was a mere 6,662, despite many having paid National Insurance.</p>	<p>It is imperative that Anguillians benefit from continued access to medical facilities on St Martin as the most cost effective means of augmenting the limited facilities on Anguilla that have recently been crippled by Hurricane Irma. As both the French and Dutch have pledged considerable sums for the reconstruction of both sides of St Martin, it is anticipated that the neighbouring island will recover ahead of Anguilla and will, in any event, resume a more comprehensive service than Anguilla is capable of providing. Moreover, the costs of acquisition, maintenance and insurance for expensive equipment, such as MRI scanners, set against the likely number of patients on Anguilla, dictates continued collaboration.</p>	<p>An agreement for the continued access to medical and dental facilities in French and Dutch St Martin. This may be provided in consideration for access to renal treatment in Anguilla that is regarded as a regional Centre of Excellence thereby providing a means of reducing the costs to the end user.</p> <p>The introduction of British medical research and facilities to Anguilla would add to its profile and may serve the UK's research, commercial and diplomatic goals with the EU.</p>

## DEFENCE

HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<b>MINISTRY OF DEFENCE</b>  <b>H.E. THE GOVERNOR'S OFFICE</b>	<p>Anguilla has extensive Territorial Waters that extend 200 miles from the only inhabited and main island into the Atlantic Ocean. The Caribbean comprises over 7,000 islands and cays of which only 2% are inhabited, allowing huge scope for illicit activity. Moreover, Anguilla sits on the traditional route from Europe to the Panama Canal, propelled by the currents of the Anegada Passage. The island does not presently have the capacity to patrol its waters and, like many British interests in the region, has relied on others, including America, to patrol the extremities of the territory. Whilst there is no current defence issue, should a conflict arise, the route through Anguillian waters may prove strategic for intelligence gathering and surveillance.</p>	<p>Brexit may deprive Anguilla of the support it enjoys from the French and Dutch, who have more capacity to patrol the region.</p>	<p>An agreement to ensure collaboration between the French, Dutch and British on matters of defence continues in the Eastern Caribbean region post Brexit.</p> <p><i>NOTE: A similar approach should be adopted for marine policing that is essential to prevent illicit fishing and whaling, and also to avoid the resumption of drug running and arms dealing in the Caribbean, should the route become exposed.</i></p>

## ENVIRONMENT

HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<p><b>HMG DEPARTMENT FOR ENVIRONMENT, FOOD AND RURAL AFFAIRS</b></p> <p><b>GOA MINISTRY OF INFRASTRUCTURE, UTILITIES, HOUSING, FISHERIES &amp; AGRICULTURE</b></p>	<p>Anguilla is separated from St Martin by the Anguilla Channel that is eight miles wide. The two islands differ considerably in that St Martin is mountainous, whilst Anguilla is an ancient volcano caked in thousands of years of coral build up. However, the two islands, together with the more distant St Barts, were once a single land mass - <i>Anguillea</i>. Today, it is imperative that environmental initiatives in the region, particularly those relating to the marine environment, are harmonized if they are to succeed. This must entail the involvement of all parties at each stage of a project to ensure that their respective interests are not compromised or undermined by those chosen by a close neighbour. The problems that may arise are evinced in the EU backed Blue Belt that embraces part of the Anguilla passage adjacent to the north shore of French St Martin. This has forced local French fishermen into Anguillian waters in pursuit of fishing stocks resulting in illegal fishing.</p>	<p>Brexit may mean Anguilla is no longer privy to arrangements that affect waters in close proximity to its coastline. As tourism is the main economic driver for Anguilla, unlike the more industrial St Martin, care must be taken to ensure the pristine waters and marine environment of Anguilla is not placed at risk.</p>	<p>An agreement to conduct comprehensive consultation and, where feasible, collaboration on initiatives that affect border waters around Anguilla.</p> <p>This would ensure no action is taken by neighbouring islands that may jeopardise access, tourism, fishing rights, defence, or the environment of Anguilla without their prior expressed agreement.</p>

## TRADE

HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<p><b>HMG DEPARTMENT OF INTERNATIONAL TRADE</b></p> <p><b>GOA MFEDICT</b></p>	<p>Aside from oil imports and the tourism industry, Anguilla's main trading partners are the surrounding French and Dutch islands, with goods also being shipped in from Florida and Puerto Rico. With agriculture and fishing the two most significant Anguillian exports, St Martin is the main recipient of Anguillian exports. There is considerable growth potential due to the limited agricultural land on the surrounding volcanic islands of the Dutch Pay Bas and French St Martin. Offering potential for Anguilla to rationalise the use of its waters by the French and the Japanese through licencing and to develop its commercial fishing further, realising the potential of the huge expanse of its marine territory.</p>	<p>Brexit may entail the introduction of tariffs and duties that may reduce the appeal of Anguillian produce. Moreover, the stricter application of EU regulations in respect of trading standards may require both technical training and new infrastructure in Anguilla, such as refrigeration for fish, certification for farm produce and packaging. The use of 'sell by' and 'eat before' dates may apply. The administrative aspects may prove too difficult for many of the subsistence farmers and fishermen of Anguilla and as such may cause a contraction in the sector, reducing Anguilla's economic diversity.</p> <p>Anguilla's financial services sector is the responsibility of the Governor under the Constitution. The UK Government have encouraged the development of this sector since the 1990s although Anguilla must continue to satisfy EU regulations to avoid Blacklisting of its financial services sector that could undermine the sector in the territory. It still only accounts for a small percentage of the island's GDP.</p>	<p>An overview of relevant EU rules and regulations, coupled with further workshops and training in Anguilla in preparation for the likely introduction of more stringent regulations for exports of livestock, food and fish.</p> <p>A review of additional equipment and procedures that must be adopted to sell goods into an Outer Most Region of the EU, and the Dutch Pay Bas.</p> <p>Trade agreements with each EU jurisdiction to which Anguilla seeks to export its goods and access to those entered by the UK.</p> <p>These agreements must be extrapolated to accommodate the sale of services from Anguilla into St Martin and the Dutch Pay Bas.</p> <p><i>NOTE: Anguilla's banking system is connected to that of the Eastern Caribbean Bank, and it is not envisaged that this will be affected by Brexit.</i></p>

## POLICING

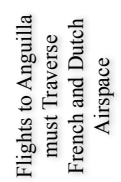
HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<b>HOME OFFICE</b>  <b>THE ROYAL ANGUILLA POLICE SERVICE (RAPS)</b>	<p>The RAPS collaborate with the police services of neighbouring islands to respond to criminal activity within the region. The capacity for marine policing is limited in Anguilla, particularly as the territory does not have a suitable vessel to patrol its extensive waters. This places heavy reliance on preventative measures fueled by intelligence shared with other islands in the region. It should be noted that the level of support provided by the USA in the region diminished significantly in recent years, America is generally discontent with the level of protection demonstrated by other sovereign states in the Caribbean. It is unlikely that the Trump administration will reverse this approach and there is a strong risk that it may move further away from 'policing' the Caribbean on behalf of other nations.</p>	<p>Brexit may inadvertently restrict the level of cooperation between the police forces of neighbouring islands, unless continuity is expressly provided, as there is a real risk that local officials may apply their own interpretation of the effects of Brexit unless they are clearly defined.</p>	<p>An agreement that mirrors the level of cooperation that the UK conducts with mainland Europe should provide ample scope for constructive collaboration in every circumstance, including natural disasters.</p>

## COMMUNICATIONS

HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<p><b>THE DEPARTMENT WITHIN HMG IS UNSPECIFIED</b></p> <p><b>THE MINISTRY OF INFRASTRUCTURE, UTILITIES, HOUSING, AGRICULTURE, FISHERIES AND ENVIRONMENT</b></p>	<p>Although there is a high usage of mobile phones in the Caribbean, with Jamaica boasting the fastest broadband in the Americas, Anguilla has not benefitted from this service. With the risk of annual natural disasters, the need for robust communications is essential. The communications network will rely on inter-island collaboration, and fibre-optic cabling, the network of which is dictated by geography as opposed to nationality.</p>	<p>Brexit should ensure continued cooperation on the maintenance and development of communication links for each of the islands.</p>	<p>This may necessitate a review of current agreements, to ensure they are not predicated on the basis of the UK's membership of the EU. Moreover, the Brexit Treaty should acknowledge that nothing within it should be interpreted as terminating or cancelling any such agreements.</p>

## EUROPEAN UNION

HMG / GoA Departments	Background Briefing	Brexit Risks	Agreement Required
<p><b>FCO</b></p> <p><b>DExEU</b></p> <p><b>THE GOVERNOR OF ANGUILLA</b></p>	<p>Anguilla is currently an associate member of the EU under Council Decision 2013/755/EU, although not forming part of the union itself. The British Overseas Territory has two marine borders with the EU:</p> <p>a) The border with French St Martin, a collectivité of France and Outer Most Region of the EU that is not a member of Overseas Countries and Territories Association (OCTA) and is represented in the French parliament</p> <p>b) The border with the Dutch Pay Bas of Saba, St Eustatius, and Dutch St Martin, each of which are members of the OCTA of the EU.</p>	<p>Upon the departure of the UK from the EU on 29<sup>th</sup> March 2019, Anguilla will no longer be an associate member of the EU. Although, we have yet to receive any insight into the position of Anguilla in the context of the proposed Transition Period that both the UK and EU envisage, Spain has indicated that Anguilla's fellow territory, Gibraltar, will not be accommodated in the Transition Period, which must be agreed unanimously among continuing EU members. As Anguilla is not the subject of a sovereignty dispute, care must be taken to ensure its case is distinguished from that of Gibraltar and scope provided for transition.</p> <p>In the context of French St Martin, the UK, and its territory, Anguilla, together may be regarded as a 'Third Country' for the purposes of an European Grouping of Territorial Cooperation (EGTC).</p>	<p>The UK and EU to negotiate:</p> <p>a) Anguilla's associate membership of OCTA as a territory that must harmonise with EU initiatives due to its close proximity to members of OCTA and the impact Anguilla may have on EU initiatives within them</p> <p>b) A series of EGTC's that will effectively reduce Anguilla's dependence on the EU and the risk of Anguillians migrating into the neighbouring Outer Most Region of the EU to improve their welfare, in accordance with the spirit of EGTC</p> <p>c) A 'pay as you go' funding mechanism that would enable Anguilla to benefit from OCTA membership, EGTC initiatives and EDF funding pending the introduction of a 'like for like' alternative developmental funding stream for which Anguilla is eligible.</p>



Dutch Pay Bas also have a direct border with Anguilla, the Dutch Pay Bas comprises St Eustatius, Saba and Dutch St Martin.



## CONDUCT OF NEGOTIATIONS

Whilst the FCO have received legal advice to the effect that negotiations may be conducted bilaterally, it should be noted that under section 28 (2) (a) of the Anguilla Constitution the conduct of 'external affairs' has not been devolved to the Government of Anguilla but resides with the Governor who is the *de facto* representative of Her Majesty's Government. The negotiation and conclusion of the agreements with the French and Dutch islands referred to must therefore be conducted by the Foreign and Commonwealth Office on behalf of Anguilla, with DExEU reflecting those agreements in the central Brexit agreement, allowing scope for local agreements to be entered and enforced. This will ensure that the position of Anguilla is duly protected and entrenched in EU and UK legislation so that it is duly respected by all members states as well as their Caribbean interests. This aspect is important as the sovereign powers of the respective islands have the right to seize power from the islands' governments, as has been recently witnessed in the case of St Eustatius. In so doing, the sovereign state may override any legislation or agreements entered at local level.

The Government of Anguilla have already made preliminary enquires at a local level and have found all of the neighbouring islands to be receptive and keen to maintain close working relationships with Anguilla in accordance with their culture and heritage. In addition, Mike Gapes MP tabled an amendment to the EU Withdrawal Bill in January:

### *New clause 9 — Saving of acquired rights: Anguilla —*

"(1) Nothing in this Act is to be construed as removing, replacing, altering or prejudicing the exercise of an acquired right.

(2) Any power, howsoever expressed, contained in this Act may not be exercised if the exercise of that power is likely to or will remove, replace or alter or prejudice the exercise of an acquired right.

(3) In subsection (2) a reference to a power includes a power to make regulations.

(4) In this section an acquired right means a right that existed immediately before exit day —

(a) whereby a person from or established in Anguilla could exercise that right (either absolutely or subject to any qualification) in the United Kingdom; and

(b) whereby the right arose in the context of the United Kingdom's membership of the European Union and Anguilla's status as a territory for whose external relations the United Kingdom is responsible.

(5) Nothing in this section prevents the use of the powers conferred by this Act to the extent that acquired rights are not altered or otherwise affected to the detriment of persons enjoying such rights."

*The intention of this new clause is to mitigate the impact of Brexit on the British territory of Anguilla which is dependent on frictionless movement between Anguilla and adjacent French and Dutch possessions of St Martin/Sint Maarten that are EU territories.*

## FUNDING ISSUES

### **MISMATCHED IDEOLOGY AND CRITERIA**

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

The UK's equivalent to OCTA is an informal, underdeveloped association of British Overseas Territories that is not supported by government, as is the case for its European equivalent. However, it is the preferred vehicle through which the UK Government interacts with the territories. Each territory nonetheless 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, having suffered marginalisation by the UK association for several years. 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 recommend, have yet to be implemented nor are they likely to overcome ingrained practices that may continue to compromise Anguilla's position. Although functional at political level, the current framework, mainly resides amongst the representatives of the territories, as such the conduct and culture of the association offer little protection for the unique and fragile interests of Anguilla, particularly in the context of Brexit and as a recent victim of the worst hurricane on record. Nor are the proposed remedies for the problems that have undermined the effectiveness of the UK association for many years likely to resolve its issues and reform its culture within a timescale that can assist the people of Anguilla during this crucial episode.

The aspirations and methodology that the EU has adopted for the OCTs, whilst similar in appearance to those voiced in the UK Government's White Papers on the British Overseas Territories of 1999 and 2012, differ profoundly in practice in that the EU provides the requisite technical and financial support for implementation without requiring the territory to be in a state of poverty as a prerequisite to eligibility, as is the case for ODA support. 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 the assurance of substitute, 'like for like', support, the territories that lie beyond the realms of ODA eligibility face having to experience an economic crash and witness their people experiencing hardship before DFID may consider and administer to their needs within their designated aid

budget. Moreover, as evinced in the department's work elsewhere, the league time for assessment, reporting, intervention and implementation is likely to amount to several years before action is taken that may result in a tangible improvement in the welfare of the islanders. None of this is pertinent in a scenario where people are known to live in a potentially life threatening environment without the means to protect themselves and, in the absence of reconstruction, resilience building and improved preparedness, are far more vulnerable to future extreme weather events, which are anticipated to become more frequent and more ferocious.

## **FUTURE ASSOCIATE MEMBERSHIP OF OCTA**

The current members of OCTA are debating the potential for the current British Overseas Territories to become associate members of OCTA 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 until the UK adopts a comprehensive, accessible alternative for the support provided by the EU to the British Overseas Territories. However, this places this indispensable EDF 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 to establish a 'Global Britain' will result in a positive step change in the UK's attitude towards this territory. Something Anguilla has patiently awaited for almost four hundred years. It should be noted that the UK's current negotiations with the OECD to extend ODA eligibility to territories that have recently graduated from its catchment, yet face hardship by events such as Hurricane Irma, are focussed on providing humanitarian aid as opposed to ongoing capital development support as currently provided by EDF funding. Both funding streams are imperative to Anguilla's sustained prosperity.

## **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 to 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 all British citizens, including those of a British Overseas Territory to ensure that their welfare is not compromised by its acts or omission, particularly when it is reasonably foreseeable that harm may be caused to those citizens whether directly or indirectly by the acts or omissions of the sovereign state. Failure to protect them is tantamount to negligence, and would be in breach of UN conventions.

Much like the European wars of old, Anguilla and its neighbours may suffer the inadvertent imposition of unnecessarily restrictive relations at regional level by virtue of Brexit in which British citizens that are subject to its consequences have been denied a vote. Inevitable future catastrophes such as the 2017 hurricane season may only be mitigated effectively through localised cooperation. The region sits on the front line of what may prove to be annual bout of extreme weather conditions brought about by climate change, as such they should reasonably expect to have that burden alleviated by those responsible for climate change that is the root cause for their endangerment and which will hinder their progress towards sustainable prosperity.

## **THE RESTORATION OF ODA ELIGIBILITY BY THE OECD**

Given the potential for Anguilla to lose its access to the EDF through Brexit, it is critical that the British Government makes up the shortfall. This could be done through the auspices of ODA if the risks to Anguilla's progress are recognised and the territory is readmitted to ODA eligibility as it reconstructs, and builds resilience and preparedness for what is forecast to be an increase in the frequency and ferocity of its annual hurricane season. This is a position that is also recognised by HMG with the Secretary of State for International Development advising that:

*“At a High Level Meeting of the DAC [(The OECD’s Development Assistance Committee)] in October last year, the UK argued for flexibility in the rules for how the world responds to catastrophic humanitarian crises such as the recent hurricanes in the Caribbean. As a direct result, the DAC has for the first time, agreed on the need to create a new, mechanism to re-admit countries that had graduated from ODA eligibility back to the list of ODA-eligible countries, if their GNI per capita falls low enough.”*

Sadly, in the case of Anguilla's recovery from Hurricane Irma, the OECD's reconsideration of its criteria is too late, and the territory must, instead, address the criteria imposed by HM Treasury that are not akin to humanitarian aid, and that may deny British citizens support from the UK, despite public representations of an aid package.

Welfare issues arising directly from a humanitarian crisis may safely be classified as essential needs, whilst economic stimulation, particularly in the absence of welfare being put at risk, may not be deemed so in all circumstances. In relying solely upon a statistical assessment of the territory, the Gross Domestic Product (GDP) per capita, or the Gross National Income (GNI) per capita, the reality of the quality of life on Anguilla has been distorted. Thus, the need for the promotion of economic growth, prosperity and sustainable development has been neglected, as have the humanitarian needs of a nation that has lost its critical infrastructure in one fell swoop.

Within the intervening three years since Anguilla was deemed ODA eligible, the economic downturn of 2008 had yet to end and the impact of Brexit began to erode relations with neighbouring islands, whilst the full impact on the territory clearly remains unfathomed by those empowered to negotiate on its behalf.

The GDP metric is open to wild swings in the case of fragile Small Island Developing nations, such as Anguilla. Although currently falling within the category of high income, after the financial crisis Anguilla had the sharpest contraction in GDP of any nation and would have been deemed middle income thereafter. Furthermore, the small number of high net worth individuals that inhabit Anguilla, in which 97% of the population is indigenous, manipulates the perspective further. Additionally, multinational hotel corporations are the main employers, and provide the bulk of the island's economic output. As such, the levels of GDP recorded include profits that are remitted outside of Anguilla and do not continue to circulate within its economy.

We should note that *The Economist* anticipates that Anguilla will be the second fastest growing economy in the world in 2018, should it receive aid from the UK to reconstruct, notwithstanding the devastating effects Hurricane Irma has had on Anguilla's economy, including mass unemployment. In reality, both lives and livelihoods have been crippled, if not lost. The anticipated economic growth is entirely due to the proposed aid package and clearly does not reflect the reduction in the quality of life that the entire population has suffered.

Moreover, the fact that the UK's precondition for the remittance of this 'aid' is increased taxation and the creation of new tax heads. The prolonged delay in responding to the education, health and general welfare needs of thousands of traumatised British citizens that are experiencing mass unemployment and edge ever closer to the next hurricane season further exacerbates their predicament. This is a certain formula for increased migration from Anguilla and a catalyst for a skills and brain drain.

If we were to look at Anguilla through the lens of the Human Development Index (HDI), it would rank in the same category as Montserrat, a British Overseas Territory that has consistently received UK aid for over 22 years, amounting to over £600 million for a population of approximately 5,000. Anguilla would also rank alongside St Helena, with a population of less than 6,000, and the recent beneficiary of a £300 million airport funded by the UK to stimulate economic growth. This suggests eligibility for aid should be more nuanced and delivered without undue delay in the case of a humanitarian crisis, and consideration given to the number of British citizens at risk. This 'lower grouping' score is realistically derived from Anguilla's poor infrastructure and public services that limit the life chances of every section of Anguillian society, despite their best efforts - a situation that predated Hurricane Irma.

## POTENTIAL FUNDING SOLUTIONS

### EUROPEAN DEVELOPMENT FUND (EDF)

Created in 1957 by the Treaty of Rome and launched in 1959, the European Development Fund (EDF) is the EU's main instrument for providing development aid to African, Caribbean and Pacific (ACP) countries and to the OCTs of EU member states. Currently this instrument is responsible for over a significant percentage of Anguilla's capital budget for development. To ensure continued access to the EDF, Anguilla has two options: Firstly, by preserving continued treatment as an overseas territory of the European Union through associate membership of OCTA. Having the UK contribute to a '*pay as you go*' membership for its overseas territories could be a potential solution to this issue, although it will not necessarily be attractive to the twenty-three remaining member states without overseas interests of their own. Alternatively, if the Brexit negotiations make this untenable, then having Anguilla join the ACP would be another viable way of providing access to the EDF. However, in order for this to occur rules would need to change, as Anguilla currently does not have autonomy regarding its foreign relations and therefore only associate membership of the ACP is probable. Similarly, Anguilla, as a territory, is merely an associate member of CARICOM, and may not access the EU funding designated to its full members through CARIFORUM.

The EDF is available to all ACP and Overseas Countries and Territories (OCTs) regardless of their stages of development and per capita Gross Domestic Product (GDP). For Anguilla, this has meant the EU is the only significant source of developmental aid accounting for a substantial percentage of its capital budget. This means a satisfactory outcome for Brexit is crucial to the welfare of Anguilla's citizens, particularly as the Department for International Development recently deemed Anguilla ineligible for support based on a 2014 OECD categorisation of Anguilla as ineligible for Official Development Assistance based on its GDP per Capita.

The exclusion of Anguilla from DFID's designated aid budget has undermined the principal that British Overseas Territories should have 'first call' on DFID funding. Section 2 of the ***International Development Act 2002*** expressly provides that the Secretary of State for International Development may use their discretion to support a British Overseas Territory even when such support is not for the alleviations of poverty. In addition, section 3 of the said Act provides scope for DFID to provide support through a broad range of avenues in the event of an emergency. This interpretation is backed by the FCO that maintains that the British Overseas Territories have first call on DFID funding. Despite the challenges Anguilla faces with its key infrastructure and DFID's continued funding of countries with debatably higher GDPs than that of Anguilla, the UK has struggled to fund the territory's recovery in a conventional humanitarian manner leading to the imposition of conditions akin to

fiscal restructuring as preconditions to responding to what is globally perceived and accepted as a humanitarian crisis.

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. This provides a more accessible form of support to that currently proffered by the UK notwithstanding similarity between the objective of the UK and EU in respect of the territory.

The territories, countries, and municipalités of the EU member states of France, Holland, Britain and Denmark benefit from a direct relationship with the EU through the auspices of OCTA. The association was established in Brussels in 2003. Membership of OCTA does not, however, extend to collectivités such as French St Martin that benefit from direct representation in the French parliament and therefore the EU. Affecting only Dutch St Martin, OCTA's mission centres upon the exchange of ideas, assessment of issues of common interest and the creation of a stronger level of representation 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.

In the case of French St Martin, Anguilla's relationship is effectively one with France as a member state of the EU. In the case of both the French and the Dutch, only the UK may interact, as the power to conduct '*external affairs*' has not been devolved to the Government of Anguilla.

## **EUROPEAN GROUPING OF TERRITORIAL COOPERATION (EGTC)**

The EGTC is a European legal instrument designed to facilitate and promote cross-border, transnational and interregional cooperation. Unlike the structures that governed this form of cooperation before 2007, the EGTC is a legal entity in its own right and as such, will enable regional and local authorities and other public bodies from different member states to set up cooperation groupings with a legal personality. For example, an EGTC or EGTC members can be:

- Member States
- Regional or local authorities
- Associations
- Any other public body

Legislation in 2013 saw the inclusion of third countries with particular reference to those within the vicinity of EU related overseas territories. Member States must, however, agree to the participation of potential members in their respective countries. An EGTC may therefore enable Member States and third parties to operate with the approval of two or more Member States. This allows scope for Anguilla to team up with EU related islands such as St Martin or institutions within either locality to deliver joint services, without requiring a prior international agreement to be signed and ratified by national parliaments. The law applicable for the interpretation and application of the convention is that of the Member State in which the official EGTC headquarters are located.

An EGTC convention sets out, in particular:

- The name of the EGTC and its headquarters
- The list of members
- The area it covers
- Its objective
- Its mission
- Its duration

Holland and France should make up the required member states in order provide eligibility of the EGTC, with a 'third country' in the guise of Anguilla through the auspices of the UK post-Brexit. Regulation 1302/2013 of the European Parliament states the following:

*'In accordance with Article 4(3a), an EGTC may be made up of members located on the territory of at least two Member States and of one or more third countries neighbouring at least one of those Member States, including its outermost regions,*



*where those Member States and third countries jointly carry out territorial cooperation actions or implement programmes supported by the Union.'*

Funding may be available from the European Union in order to implement the EGTC subject to the sovereign state contributing to the initiative. Regulation 1302/2013 also states;

*'taking into account that, in the case of the 2014-2020 programming period, a special additional financial allocation under the multiannual financial framework is to reinforce the cooperation of the outermost regions of the Union with neighbouring third countries and some of the OCTs listed in Annex II to the TFEU and neighbouring those outermost regions, EGTCs, as a legal instrument, should also be opened up to members from OCTs.'*

Hospitals have been operated under this framework in the past. As Anguilla has a particular need to utilise St Martin's hospital to access more advanced procedures such as MRI scans that are not available with its own limited facilities, to ensure continuation of these essential services and reduce the pressure imposed by Anguilla on St Martin's resources, an EGTC may prove mutually beneficial if used to improve Anguilla's medical facilities. This has been done in the past to develop a hospital serving both a French and Spanish population in Cerdanya.

## EXECUTIVE SUMMARY

Brexit gives rise to two fundamental issues for Anguilla:

1. **Freedom to interact in respect of people, goods and services with the French and Dutch islands** within its vicinity that are essential to the viability of the territory and welfare of the 15,000 indigenous British citizens of Anguilla and demonstrates a genuine 'deep and special relationship' between the islands that the UK and EU now aspire to; and
2. **Funding for Anguilla's capital development** needs over and above recovery and reconstruction in the aftermath of Hurricane Irma, which is essential for Anguilla's survival and prosperity, when faced with over £250 million in public and private sector losses, including the loss of all critical infrastructure, limited insurance cover, and £60 million in conditional aid from the UK that may only be accessed once fiscal restructuring, including raising local taxes, as proposed by the UK, is undertaken to the UK Government's satisfaction despite the prolonged suffering of children, the sick and elderly and in the light of annual hurricane seasons that are destined to increase in frequency and ferocity.

The world now recognises that Anguilla sits on the front line of **Global warming**, and has witnessed the fragility of its underdeveloped infrastructure and consequential vulnerability to one of the worst onslaughts of nature. The inequality of Anguilla's status amongst the British family of nations is also clear. The question of its future must therefore be addressed in the best interests of the people of the territory and, if comprehensively addressed, may benefit the sovereign state's desire to forge a *Global Britain* for its own benefit. The people of Anguilla have few resources at their disposal, nor does their constitutional relationship with the UK entitle them to access support from third parties without permission, nor even to speak of their needs to third parties.

This paper has therefore been prepared on behalf of Anguilla by The West India Committee, a UK registered charity incorporated by Royal Charter and a consulting NGO to UNESCO specialising in small-island developing nations to raise awareness and invite assistance.



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.

Copyright is reserved