Written evidence – Anguilla Government (OST0001)

EXECUTIVE SUMMARY

1. Anguilla was not consulted prior to the EU Referendum and was not given a vote. The issues facing Anguilla are unique and critical in nature. Like Gibraltar, Anguilla has focused on working independently in pursuing its policy priorities as Brexit may have an immediate humanitarian impact upon its population. The territory has found this approach to be the most efficient given its limited resources that cannot accommodate additional levels of bureaucracy whether formal or otherwise and as a safeguard for localised diplomatic work in sensitive conditions.

2. Like Gibraltar and Northern and Southern Ireland, Anguilla is a British nation that has a direct border with an EU member state, France. Each evening at 10pm the French close their border with Anguilla, effectively cutting the islands off until the morning due to the absence of alternative viable forms of transport.

3. Anguilla is heavily dependent upon French and Dutch islands in its vicinity for essential goods and services that include over 90% of its fuel (which is also used to desalinate drinking water), international access, key medical services and mail as Anguilla has no deep-water port capable of accommodating large ships, and the runway of its airport is too short for larger aircraft. The introduction of higher tariffs post Brexit will have an immediate, negative impact upon Anguilla’s economy.

4. International tourism is the main economic driver of Anguilla meaning international access is essential to its prosperity. This is only available through the auspices of neighbouring Dutch and French Saint Martin, or to a substantially lesser extent, Puerto Rico.

5. The EU is the only source of significant developmental aid for Anguilla accounting for 36% of its capital projects budget (2016). Without EU funding Anguilla would be unable to balance its budget. The UK regard Anguilla as being ineligible for DFID support, and only provided nominal support when the territory was eligible despite Anguilla having a lower GDP that other recipients of its aid and British Overseas Territories being deemed to have first call on DFID support.

6. French and Dutch Saint Martin are the main market for Anguillian fish and agricultural produce that must all be transported into French Saint Martin, an outermost region that is a constituent part of Metropolitan France. Anguilla seeks to expand its fishing industry and as such will require continued access to these French and Dutch markets, however, Anguilla has yet to fulfil EU requirements for the export of its fish and may face additional criteria post Brexit.

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

8. Anguilla is ranked 22nd in the world (April 2017) for good governance and financial transparency by the CIA, FBI, HM Treasury, OECD, IMF, the UN, the World Bank, the Financial Action Task Force, the Ergmont Group, the US State Department, and various regulatory authorities globally for the territory’s avoidance of money laundering, terrorist financing, international sanctions, corruption, narcotics, governance related risks and
financial transparency. The territory provides very limited public services and its tourism industry is predominantly seasonal hence taxation on Anguilla is relatively low by global standards.

9. **Anguilla suffers from the most out-dated constitution of all the British Overseas Territories.** This provides an opportunity to devise a new more mutually beneficial relationship with the UK in the context of a post Brexit era. 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.

**OVERVIEW**

10. **It is imperative that Anguilla is not forgotten during Brexit negotiations and is treated with the same level of concern and effort as our fellow overseas territory, Gibraltar, and Northern and Southern Ireland, each of which, like Anguilla, share borders with EU member states.** In so doing thought must be given to how Brexit will affect Anguillians both in Anguilla and neighbouring islands and how Anguilla’s may reduce its heavy dependence upon EU related islands for key public services that include health, transport and fuel and upon the EU for its sustainable development.

11. Despite representations having been made by the FCO and Governor to the effect that Anguilla does not have an EU border per se, and that the position of the island will not change beyond its current position, the EU does accept the fact that there is a border with an integral part of the EU and recognise the vulnerability of the people of Anguilla and the economies of Dutch and French Saint Martin and Saint Eustatius should a suitable post Brexit arrangement not be agreed between the UK and the EU. As expressly stated by the EU Parliament in its 2017 Fact Sheet entitled Outermost Regions: ‘Regardless of the great distance separating them from the European continent, the outermost regions are an integral part of the European Union, and the acquis communautaire is fully applicable in their territory. Owing to their specific geographical location and the related difficulties, EU policies have had to be adjusted to their special situation. The relevant measures concern, in particular, areas such as customs and trade policies, fiscal policy, free zones, agriculture and fisheries policies, and conditions for supply of raw materials and essential consumer goods.’

12. **Like the United Kingdom, Anguilla lies outside of the EU VAT and Schengen Areas, which also do not apply to French St Martin.** Under EU Council Articles 349 and 355 of the Treaty of Lisbon, French St Martin is classified as an Outermost Region of France whilst Dutch Sint Maarten, Sint Eustatius and Anguilla are classified as Overseas Countries and Territories of the EU.

13. **The Outermost Regions of the EU are specifically mandated by the EU and as such will require specific negotiation in the context of Brexit taking into account their needs.** The European Council is responsible for decisions in respect of the Outermost Regions such as St Martin and the European Parliament also plays a ‘very active role’ having recently focused upon trade policy, maritime policy, fisheries, blue growth, cohesion policy, environment and energy, each of which is relevant to St Martin’s symbiotic relationship with its British neighbour, Anguilla. Whilst the FCO continues to argue that this effectively means that Anguilla does not have an EU border per se, there is an undeniable physical border with an Outermost Region of France that is directly represented in both the French parliament and the EU. Anguilla also has marine borders with Dutch Sint Maarten, Saba and Sint Eustatius to
the west. It is an unfortunate and undeniable fact that due to underdevelopment, the British territory will remain dependent upon both French and Dutch Saint Martin for essential goods and services long after Brexit and unless the island is given assistance to develop key infrastructure, will be vulnerable to UK/EU relations that may negatively impact upon the welfare of its citizens and the sustainable development of the territory.

14. International access underpins Anguilla’s main economic driver – tourism that accounts for over 21% of the nation’s Gross Value Added (GVA). Approximately 95% of Anguilla’s access will be subject to deliberations between EU member states during the course of Brexit. Similarly, Anguilla’s fuel and consequently its desalination capacity will be exposed to negotiations on whether tariffs are to be added to oil imports from Dutch Sint Eustatius.

15. Whilst continued debate within the UK on the semantics of Anguilla’s border issues may offer an elegant way of excluding Anguilla from consideration in the Brexit negotiations to the same extent afforded to Gibraltar or Ireland, the welfare of over 15,000 Britons will, in reality, be held in the balance if Anguilla is not properly provided for and the ethics of Brexit will be brought into question.

16. The current position of Anguilla whereby French St Martin, acting upon instructions from Paris, closes its border with Anguilla each night is both challenging and highly unsatisfactory and, although discussions between the Governor and their French equivalent - the Prefect of Saint Martin, have taken place, no tangible improvement has arisen despite Anguilla suffering years of an effective curfew. Meanwhile the Government of Anguilla has succeeded in maintaining good diplomatic relations with their EU neighbours and have recently softened the border requirements for French citizens arriving in Anguilla in a bid for reciprocity. The UK Government must accept the realities of Anguilla’s position and negotiate in accordance with its obligations under the 1966 UN International Covenant on Economic, Social and Cultural Rights. This approach aligns with the intentions of both the EU and UK to ensure the full rights of their citizens after Brexit, satisfying the expressed aim to respect the interests of the Overseas Territories as stated in the Prime Minister’s White Paper on Brexit.

17. Anguilla lies in the eastern Caribbean Sea, and is the most northerly of the Leeward Islands lying approximately eight miles north of the neighbouring Dutch and French Saint Martin. It is unique among British Overseas Territories in being surrounded by and heavily dependent upon territories, collectivités and municipalities that are each related to EU member states. Just over three miles at its widest and some sixteen miles long, covering thirty five square miles, Anguilla is home to approximately 15,250 people, 90% of whom are indigenous and as such British citizens. The Gross Domestic Product (GDP) of Anguilla is severely distorted by the wealth of the part time expats, significantly failing to reflect the economic realities that face the indigenous people of the territory that comprise the majority of the population, and rendering the underdeveloped territory ineligible for support from the UK’s Department for International Development. Even when Anguilla satisfied the international ODA criteria to which DFID adheres, little financial support was ever forthcoming from that source.

18. Anguilla’s second most significant island is Sombrero Island, twenty-three miles north east of Anguilla’s capital, the Valley. Sombrero marks the gateway of the Panama Canal lying at the mouth of the Anegada Passage. Virtually all European shipping, and 10% of US shipping between the Atlantic and the Pacific traverse Anguillian waters, the sovereignty of which resides in the Government of Anguilla. This amounts to 20% of world’s marine traffic. Sombrero Island is therefore of international strategic importance magnified by the recent
improvements to the Panama Canal that now accommodates the third highest annual shipping tonnage in the world. As recently as the 1990’s Anguilla collected a toll from shipping traversing its waters, providing the island with much needed income that was used by the islanders in a program of road building. This arrangement was ultimately challenged by Italy through the auspices of the EU, ending this much needed income stream.

19. There are few British goods or services on sale or promoted within the territory despite a huge opportunity to do so, depicting the UK’s lack of interest in the commercial opportunities that exist there today to market and trade British goods, services and innovation to a sophisticated client base that frequents the island’s high end tourism offer. Originally the territory was regarded as the British equivalent St Barthélemy (St. Barths) - a nearby French territory that is renowned as a ‘shop window’ for French luxury goods and services. This status is St Barths’ unique selling point within the tourism sector. St Barths is generally regarded as having little natural beauty, and has limited resources and accommodation making it an extremely expensive destination. The success of St Barths is predicated upon its commercial relevance to France making the island one of the most sought after destinations in the region despite its limited physical attributes. Limited effort has been made to promote the opportunities for inward investment into Anguilla by British companies and institutions, as such the potential remains for Anguilla to act as a much needed platform to market British goods, services and innovation to an audience of renowned decision makers with the added social cost benefit of stimulating and diversifying the economy. This is in line with the Prime Minister’s aspiration to build a “stronger, fairer, more Global Britain”. Instead, other countries regularly promote their goods and services in Anguilla to international fora as evinced by a recent Mercedes convention hosted on the island.

20. Anguilla is unique in the region. Only Barbuda has a similar profile. In each instance indigenous landownership as opposed to government or Crown ownership has arisen as a direct consequence of slavery. Unlike Barbuda where the former slaves were given a lease over the island much like the crofters of northern Scotland, Anguillians acquired full title to their lands, now accounting for over 94% of the territory. It is from this landownership that Anguilla’s culture of subsistence farming and fishing arose long before that of other islands in the Caribbean and is for that reason that Anguillians today are wedded to their land to an extent rarely seen elsewhere. As such there is a prevailing Anguillian culture on the island that has not been diluted by the tens of thousands of international tourists that visit the island each year, nor dominated by expat populations witnessed elsewhere.

21. The education available on the island is limited with only one secondary school within the territory through which the island’s children may attain Caribbean Secondary Education Certificates (CSEC) in a number of subjects, the qualification being recognised as the regional equivalent to a UK GCSE. The A level equivalent, the Caribbean Advance Proficiency Examination (CAPE), is also taught at the Albena Lake Hodge Secondary School. The Anguilla Community College is currently expanding its curriculum with some assistance from the University of the West Indies that also has a nominal presence on Anguilla. The College has recently adopted Btech qualifications as taught in the UK and offers Associate Degrees that are mainly recognised in universities in the USA. As students of a British Overseas Territory, Anguillians are deemed as domestic for the purposed of education in the UK. However, attendance of universities and colleges in the UK inevitably entails considerable expense and the termination of Erasmus opportunities will further diminish opportunities for essential study abroad. Few British Overseas territory students have benefitted from Erasmus to date and similarly few Anguillian students travel to the UK for education due to their ineligibility
for many grants or bursaries in the UK. The few provided by institutions such as the Association of Commonwealth Universities, (which unusually extends to Overseas Territories despite them not being members of the Commonwealth), are seldom synchronised with the acceptance timetables of UK universities and colleges leaving students with places without the security of funding.

22. As with education, Anguilla’s medical services are not self-sufficient, being highly dependent upon collaboration with foreign islands, including those under European control for basics such as diagnostics. Sadly the inadequacy of Anguilla’s sole hospital, the Princess Alexandra Hospital, which has a mere 32 beds, is such that the sick must raise funds to travel abroad for treatment, which impacts greatly upon the health of the poor. **This position is further aggravated by the quota system imposed by the UK Department of Health in 1985 when the population of Anguilla was 60% less than that of today, whereby a mere four patients a year may be nominated by the Government of Anguilla to access the NHS in the UK for treatment that may not be accessible in the Caribbean region.** This four patient quota pertains notwithstanding the strong likelihood of patients having spent their working lives in the UK during which time they would have contributed to the National Health Service. Sadly there is no indication of the thirty-two year old quota being adjusted in the foreseeable future.

23. There is no public transport on Anguilla, and other public services are similarly limited, including water supply, which is constantly under strain due to the lack of fresh water on the island. Water supplies are regularly rationed in Anguilla and in extreme conditions, support from neighbouring islands in providing bottled water welcomed. **The limited public service offer in tandem with the poor condition of the hospital and school provides little justification at present for higher taxation.** Moreover with the main employer being tourism, there is little scope for high taxation of a people that rely upon seasonal employment that fails to offer job security nor a minimum wage.

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

25. Anguilla is relatively unaffected by political corruption. The territory has recently been ranked 22\textsuperscript{nd} in the World (April 2017) The UK was placed at 18\textsuperscript{th} and Switzerland ranked 23\textsuperscript{rd} in the same ratings table. Anguilla is therefore regarded as the most efficacious financial centre in the Caribbean and one of the best in the world, albeit a relatively small enterprise. The territory is currently enhancing the IT systems and legislation for its financial services sector in collaboration with HM Government in a bid to continue to lead the world on global standards of transparency in accordance with the UK’s Criminal Finance Act 2017.

26. When taken with that of the UK, Anguilla and its fellow British Overseas Territories account for 94% of their joint biodiversity. Similarly when assessed with its fellow EU countries and territories, together with the twenty-eight EU member states, the EU countries and territories hold over 80% of their joint biodiversity. Anguilla, sit at the ‘frontline’ of climate change risk. This is of particular significance as approximately two thirds of Anguilla lies below sea level, meaning the island’s limited fresh water supplies, which are low lying may well be breached by seawater long before inhabited areas are endangered. The island also lies in the pathway of hurricanes that have consistently hit Anguilla over recent years to
devastating effect. These grim circumstances provide an excellent opportunity for the UK to cost effectively showcase British innovation and commerce in this globally important field, generating a social cost saving by addressing the needs of the island at the same time.

27. Unfortunately, current initiatives such as the UK’s Blue Belt, referred to in the 2012 White Paper, dominated by UK based NGOs, is evidently not designed to generate sustainable outcomes that reside within the safe hands of the local population who are the true custodians of the territory’s environment. Education, training, and employment that may be generated by such initiatives could and arguably should vest in the indigenous population who are best placed to enhance the implementation and outcomes with personal knowledge, skills and culture derived from their heritage, as opposed to UK based entities that are invariably involved on a temporary basis and who generally consume the majority of the funding allocated to the territory. The necessary step change in the UK’s approach and attitude towards the territory has yet to take place and the goal of establishing a British Centre of Excellence that resides in the Caribbean accords with the Prime Minister’s aspiration to “forge a new relationship with the EU and look outward into the world.” This has yet to begin in a viable, sustainable manner but should be a positive outcome of Brexit that is of mutual benefit to Anguilla, the UK and Anguilla’s European neighbours that have assisted the territory so greatly in the past.

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

29. With the most outdated constitution of all UK Overseas Territories Anguilla will be undertaking major constitutional reform by necessity. With the many uncertainties faced by the UK, Anguilla offers a practical opportunity for both the Government of Anguilla and UK Government to develop and test a new form of relationship between them that is fit for purpose and mutually beneficial to the UK and Anguilla during a post Brexit era with potential to lead the world in constitutional reform. This may well give rise to the creation of a new constitutional entity and demonstrate British leadership in the field of constitutional reform and human rights. It may also create a model that other UK and EU countries and territories may adopt in due course.

30. Like Gibraltar, Anguilla suffers from a problematic border with an EU member state. Essential goods, services, and over 95% of Anguilla’s visitors pass through both French and Dutch Saint Martin making Anguilla’s EU borders of immense significance to the development and prosperity of the territory and that of French and Dutch St Martin and nearby St Barts who also benefit from Anguillan tourism. Already treatment of Anguillans and their visitors has deteriorated to a level below that currently envisaged by Article 16 of the EU Overseas Association Decision (2001/822/EC) that provides for regional cooperation, inter alia. Instead each evening at 10pm visitors are prohibited from crossing Anguilla’s border with France, and many are forced to make an overnight stay in Saint Martin. Efforts are currently being made to improve access through diplomatic means and funding has been allocated from the UK’s Conflict Stability and Security Fund to train Anguillan coastguards. Success of this initiative is nonetheless subject to the outcome of Brexit as to whether the French will harden the border with Anguilla, adding to the
difficulties and expense of accessing Anguilla for both visitors and residents alike and potentially compromising access to key medical support, further undermining Anguilla’s tourism offer. The current border dispute that has arisen between French and Dutch Saint Martin has compromised the cooperation between the two halves of Anguilla’s closest neighbour, and, with the international airport being located on the Dutch side, and Anguilla only being accessible via French Saint Martin, Anguilla’s position is further aggravated.

31. Anguilla’s relationship with the Dutch municipalité of nearby Sint Eustatius is also of paramount importance as almost 95% of the island’s energy is generated from oil that is transhipped from the Dutch municipalité. Oil is not only required for electricity generation but also desalination which is consumed by poorer members of the community who seldom have cisterns in which rainwater may be captured and stored. In the absence of surface rivers or fresh water lakes, this is the only viable option available, a situation further jeopardised by the frequent droughts that blight the territory which has often had to resort to bottled water, occasionally donated by its European neighbours, in the absence of assistance from the UK or elsewhere.

32. Export of fresh fish, livestock and crops from Anguilla to Saint Martin is also of paramount importance, being the main focus of the diversification of Anguilla’s economy. Work is in hand to improve the current impasse on Anguilla fish entering Saint Martin, however the effects of Brexit have yet to be identified and the question of how the EU Council Decision 2013/755/EU (the OAD) on the territory’s relationship with the EU is renegotiated or replaced by the UK has yet to be answered.

33. The welfare of the people of Anguilla is therefore wholly dependant upon a Brexit scenario that ensures sustainable flexible borders with French Saint Martin, Dutch Sint Maarten and Dutch Sint Eustatius to ensure that unmanageable tariffs, impractical visa control and other similar hurdles for the movement of goods, services and people, such as the curfew and rejection of Anguillian fresh fish currently imposed upon Anguilla by France, are not inadvertently or intentionally erected or entrenched as a consequence of the UK’s departure from the union. The continued use of a formula for the GDP that includes an evaluation of Anguillians traditional landholdings, and wealthy expat residents, has denied Anguilla support from the UK’s Department of International Development. This has resulted in the European Union being the sole source of significant budgetary aid for Anguilla during a period when various key aspects of Anguilla’s infrastructure of are on the verge of collapse, rendering the territory even more dependent upon its European neighbours and ultimately the UK.

34. In accessing the Conflict Stability and Security Fund to support the Overseas Territories, HMG have chosen to focus upon a range of initiatives, some of which are pertinent to preparedness of the island for the aftermath of Brexit whether hard or soft. However, infrastructure work cannot currently be supported by the limited funds available from the UK outside of DFID’s budget.

35. At present Anguilla is prevented by the UK Government from accessing funding from foreign sources, which has caused dependency of the territory upon the UK and EU contrary to the object stipulated in the 2012 White Paper that encourages self sufficiency. In the circumstances it is imperative that we address the border, budgetary aid and infrastructural issues of Anguilla to reduce its exposure to Europe once the UK’s influence has ceased there. This is imperative if the territory is to avoid serious and immediate
decline should a ‘hard’ Brexit occur. Such a reasonably foreseeable and avoidable result of Brexit for Anguilla would be a situation that embodies the definition of negligence.

36. At a recent meeting of EU OCTs in Brussels it was clear that certain EU member states and other members of OCTA, of which the British territories account for over 60%, are keen for the British territories to remain within an inter-OCT relationship in some capacity for fear that the relevance of the countries and territories that shall remain after the UK’s departure will be devalued in the eyes of the EU member states, the majority of which do not have countries or territories of their own. The level of interest by the EU for such an arrangement has yet to be fathomed, and will be subject to the conduct of Brexit negotiations, although we have received indications that they may be receptive to a continued relationship of sorts.

37. 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 given the limited resources allocated to the Overseas Territories within HMG. In practice this has resulted in territories such as Anguilla being marginalised with the more demanding logistics of remote territories and those of military relevance often taking precedence. In the circumstances of Brexit it is essential for the welfare of over 15,000 British citizens that Anguilla’s case be heard, and so the territory is obliged to pursue its unique priorities independently as has been the case for both Gibraltar and Ireland which face similarly grave, distinctive challenges that could have an immediate negative impact upon the lives of their citizens.

38. The more appropriate collective for Anguilla is that of Anguilla and the neighbouring EU related islands who could make a united case to their respective sovereign states, France, The Kingdom of the Netherlands, the United Kingdom and the EU Commission to secure protection of the needs of their citizens at a local, regional and global level and not to undermine the symbiotic relationships that have evolved there over time by necessity.

39. Aside from a common colonial past, the commonality that exists between the inhabited British Overseas Territories is the fact that they are, with the exception of Gibraltar, islands with few natural resources, little sustainable development, and limited international trade together with high fuel, transport and communication costs, culminating in vulnerable economies that are invariable lacking in diversity. Their social and constitutional profiles, whilst bearing similarities, do not conform but are individual. This entails the risk of issues that effect few territories negatively impacting upon all, as we are currently experiencing.

40. With relatively high debt levels and the on-going reconstruction of its banking sector, Anguilla has limited scope to obtain concessionary loans. Indeed the potential for financial input is further challenged by the fact that the UK will not permit Anguilla to access external funding of this nature without its prior approval, which has not been forthcoming in recent years. With its relatively small population, Anguillian agriculture and fishing generate exports that have become an important element of Saint Martin’s fresh food supply, providing produce that its heavily populated, mountainous neighbour cannot provide for itself. Moreover, with the French ‘blue belt’ restrictions limiting access to their own waters, people from Saint Martin are known to make illicit use of Anguilla’s extensive marine territory and now seek fishing licenses from Anguilla whilst at the same time denying Anguillian fishermen access to their markets without satisfaction of EU regulations that have been interpreted more rigorously since the EU referendum of 2016. Workshops for Anguillian fishermen on EU requirements are currently being undertaken, but the position may only be sustainably resolved with suitable outcomes from Brexit and additional
infrastructure for Anguilla’s fishing industry. In the absence of a marine patrol, Anguillian
waters have also been exploited by Japanese whalers, with little or no means of the territory
guarding against this abuse of its sovereignty over its seas.

41. The territories, countries, and municipalités of EU member states of France, Holland, Britain
and Denmark benefit from a direct relationship with the EU through the auspices of OCTA
that was established in Brussels in 2003. Membership of OCTA does not, however, extend to
collectivités such as French St Martin that benefit from direct representation in the French
parliament and therefore the EU. OCTA’s mission centres upon the exchange of ideas,
assessment of issues of common interest and the creation of a stronger level of
representation as between its membership and their related member states and similarly
with the EU Commission. These objectives stand on the three pillars of improving policy
dialogue, improving strategic partnerships, and 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.
The EU has created a range of financial instruments that are available to all members of
OCTA regardless of their stages of development, and Gross Domestic Products (GDP). The
problem Anguilla therefore faces is the mismatch of objectives, entitlement and support
by the UK in substitution for that provided by the EU, albeit EU funding being indirectly
and partially provided by the UK. The UK’s equivalent to OCTA is an informal and, by its own
admission, underdeveloped association of British Overseas Territories that is, the preferred
vehicle through which the UK Government interacts with the territories. The British
association operates under a ‘constitution’ together with ‘conventions’ and ‘traditions’ that
currently fail to observe the rules of natural justice resulting in an inequitable balance of
opportunities and outcomes amongst the cohort. Plans to improve the legal framework and
to elevate its governance to a standard that is mandatory in public life in the UK and which
the 2012 White Paper on Overseas Territories recommends have yet to be implemented.
Sadly, the introduction of a legal constitution is unlikely to overcome ingrained practices that
may continue to compromise Anguilla’s position nor would it restore confidence in this
vehicle in sufficient time for it to benefit the territory during Brexit negotiations that have
already commenced.

42. The British approach of not directly supporting certain of its territories is arguably justified in
the current context of EU funding to which the UK contributes considerably, however,
without assurance of alternative support, the territories that lie beyond the realms of DFID
would face having to await an economic crash and witness their people experiencing
hardship before DFID would even consider their needs for development. Also, as evinced in
the department’s work elsewhere, the league time for assessment, reporting, intervention
and implementation by DFID is likely to amount to several years before action is taken that
may result in a tangible improvement in the welfare of the islanders. During the intervening
period, the people of Anguilla would require support from their European neighbours or
face a rapid decline in living standards coupled with limited public services, some of which
may endanger the health of its people.

43. Inter-island collaboration on law enforcement, mail, emergency water distribution and
disaster recovery, may each be brought into question in the context of Brexit unless
expressly provided for. The possible introduction of new tariffs, the time consuming
negotiation of trade deals with the EU and non-EU markets and potential introduction of
conditions on access to such facilities and resources would adversely affect Anguilla, further
eroding its viability as a tourist destination causing rapid negative consequences for the island’s economy. This begs the fundamental question: must a British Overseas Territory suffer harm before being eligible for support from the sovereign state, even when such harm is reasonably foreseeable? Under the EU’s 10th European Development Fund (EDF) Anguilla was allocated €11.7 million and €14.0 million under the 11th EDF. In 2014 Anguilla was formally excluded from accessing DFID funding, whilst other British Overseas Territories and independent Caribbean countries continued to benefit from this source of funding in conjunction with EU aid. The question is whether the UK will continue to exclude Anguilla once EDF funding ceases in 2019/20 in full recognition of the reasonably foreseeable risks that faces over 15,000 British citizens should support not be proffered. In addition we must consider whether Anguilla should be formally excluded from the UK’s own trade negotiations, or given equal status with the Crown Dependencies as envisaged by the Prime Minister in her EU White Paper. This is of great significance as it may prove impossible for a small territory to negotiate entry into organisations such as the World Trade Organisation without support or allegiance with the UK, and in any event, such negotiation must reside with the Governor as the party constitutionally responsible for external affairs. Moreover in negotiating Brexit care must be had to ensure that regional European markets remain accessible, such as that of Saint Martin which is important to Anguilla’s economy, and vice versa.

44. Whilst Anguilla has a large well established UK based diaspora of over sixty years standing, there is little anticipated need for specific provision to be made above and beyond that afforded to other British citizens to travel freely in Europe after Brexit. Conversely, the need for visa free travel within the vicinity of Anguilla is imperative, particularly as many Anguillians have extended families that reside in neighbouring EU countries, municipalités, collectivités and territories, many of whom are dependent. The continuation of visa free travel for Anguilla’s tourists should also be taken into consideration, as must the outcome of the border dispute between French and Dutch Saint Martin.

45. The financial services sector of Anguilla is relatively small when compared to others in the region. It is not one that is marketed or promoted to a great extent, and so the impact of Brexit hinges on the union’s Blacklisting regime. This will come into effect notwithstanding Brexit, hence the impact of Brexit will be the extent to which inappropriate classifications by the EU may be successfully challenged by former member states and their related territories. Anguilla is currently responding to the EU’s information requests and awaits the outcome of its deliberations.

46. French Saint Martin, like the UK’s Ascension Island, have suffered from the imposition of an environmental Blue Belt that has compromised its fishing industry. In the case of Saint Martin this has driven fishermen to illegal fishing of Anguillian waters at a time when Anguillian fish is being rejected by Saint Martin for failing EU regulatory requirements. Brexit is likely to increase the rigour with which EU regulations are enforced. This negative effect may be mitigated by the introduction of commercial fishing licences that may be granted to French fishermen to a level that complements the Anguillian fishing industry by adding additional dimensions to Anguilla’s commercial strategy without undermining the position of Anguilla’s 125 fishermen. The extent of Anguillian waters is such that this may be accommodated with relative ease.

47. Brexit has served to bring the EU’s and UK’s attention to the attributes and problems facing Anguilla. The most prominent is the curfew caused by the closure of the French border each night at 10pm, which has already reduced revenue for the ferrymen and challenges
Anguilla’s appeal as a holiday destination.

48. Recent talks undertaken with the EU and UK demonstrate an appetite to resolve the Anguilla border and funding problems as an illustration of how Brexit may be resolved without jeopardising the welfare of local people.

49. With the step change in the UK’s global profile, the opportunity to work with Anguilla to promote British goods, services and innovations is a real one, particularly as the island attracts some of the most influential people in the world as repeat visitors.

50. Brexit affords Anguilla the opportunity to devise a means of extinguishing its undue dependence upon Saint Martin and Sint Eustatius moving closer to a position of self-reliance through infrastructure development and economic diversification.

51. Our engagement with the UK government on Brexit has been relatively disappointing, and at times incredulous. We have recently issued a Freedom of Information request to enable us to assess the basis for the claim that Anguilla does not have an EU border, having been advised that legal advice was provided to the FCO to that effect. We have yet to receive a response. The high turn over of staff in DExEU coupled with the preference for avoiding direct interaction does not accord with the Prime Minister’s White Paper which states that HMG will “continue to involve [Anguilla] in our work, respect their interests and engage with them as we enter negotiations”. Speedily arranged roundtable meetings have proved logistically challenging for the territory. Whilst the JMC forum, although extremely welcome, is a poor substitute for stronger lines of on-going communication.

52. As ever, the FCO department has limited resources and constantly fails to interact other than to gather information for their own purposes. This is also reflected in the limited insight provided by the Governor. In short the position is fragmented and gives the impression that the established classification of an Overseas Territory as being a ‘Contingent Liability’ of the UK will characterise the conduct of negotiations on our behalf, despite the assurances of the Prime Minister and the more preferential treatment provided to the Crown Dependencies.

53. We have therefore produced a White Paper on the subject entitled: Anguilla & Brexit: The UK’s Forgotten Border available at:


This was produced after having conducted considerable research in the UK, Anguilla and EU. The White Paper not only sets out the facts and circumstances of Anguilla, but includes an analysis of what Anguilla may do to support the UK during and after Brexit. A SWOT Analysis for Government, Institutions and Individuals is rounded off with a Blue Print for negotiations setting out the benefits for the UK and EU in resolving Anguilla’s plight.

54. To conclude we would advise that Anguilla could and should be a Brexit ‘good news’ story clearly demonstrating how sovereign powers should behave towards those who have no say in their decision making, and yet whose welfare is at stake by virtue of their actions.

55. Anguilla is about to commence a course of rigorous interaction with various parties in Brussels. With the publication of our written evidence to the House of Commons Select Committee on Exiting Europe, there has been press attention, and we are therefore obliged
to engage with them over the course of time to protect Anguilla’s reputation by ensuring that Anguilla’s position is correctly presented to the public at large, particularly in view of the adverse publicity that various overseas territories have attracted in the recent past. Whilst the Governor is responsible for external affair under the constitution, we understand that there has been nominal input made with EU institutions or Member states on behalf of the territory thereby necessitating interaction on our own behalf which is in line with our associate member status of the EU.

56. The impact of Brexit on the relationship between the UK and Anguilla will be dictated by the manner in which the UK protects the interests of the territory from any adverse effects from the UK’s withdrawal from the union and particularly those that are negative and reasonably foreseeable. As aforesaid, Anguilla could present both the UK and EU with a cost effective success story that would serve to illustrate how the two entities may collaborate in the future in the best interests of developing economies, whilst at the same time supporting their respective interests in the Caribbean. The entire process will be a test of how Anguilla is regarded by the UK.

57. Anguilla now sincerely hopes that the UK will wake up to the potential that resides in the territory, which despite nominal assistance from the UK has evolved into one of the prime destinations in the world, whilst at the same time preserving its rare and unique British culture and heritage in tact thereby providing a platform to promote British goods, service and innovation to one of the most sought after captive audiences in the world.

58. Constitutionally, we are long over due a new constitution – one that respects the democratic rights of the citizens of Anguilla. We propose that instead of merely catching up with what are soon to be out-dated constitutions, Anguilla presents an ideal opportunity to show case British leadership in human rights, good governance, international relations and a myriad of other international issues by creating an new type of territory or country that is fit for purpose in a post Brexit era.

59. Now more than ever, the British brand will need to be strengthened and the fiercely loyal and patriotic people of Anguilla are, as ever, poised to lend our support. This of itself would mark a positive step-change in relations between Anguilla and the UK, a relationship that would be played out in the setting of a European neighbourhood where a constructive working relationship is in the interests of all concerned.

7 July 2017