



# 2023 BUDGET ADDRESS

**ANGUILLA REIMAGINED:  
ECONOMICALLY RESILIENT, SOCIALLY  
INCLUSIVE & FISCALLY RESPONSIBLE.**

PRESENTED BY  
THE HONOURABLE PREMIER  
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MINISTRY OF FINANCE  
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# ANGUILLA REIMAGINED: ECONOMICALLY RESILIENT, SOCIALY INCLUSIVE, & FISCALLY RESPONSIBLE

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### 1 INTRODUCTION

Madam Speaker, I wish you, the Members of the House of Assembly, the members of the gallery, the Clerk and staff of the House, Specially Invited Guests, Public Servants, Members of the Media, Belongers and Residents of Anguilla, Friends and Investors; a pleasant good day!

The theme for the 2023 Budget, Madam Speaker is “*Anguilla Reimagined: Economically Resilient, Socially Inclusive, & Fiscally Responsible*”. This is a simple theme but one of profound importance. It represents my administration’s shared vision for Anguilla and this is reflected throughout this 2023 budget as well as in our policies and programmes over the years.

Madam Speaker, the last fifteen years has been a turbulent period for Anguilla, with several significant shocks impacting both macroeconomic and fiscal performance. But whilst these shocks may be unusual Madam Speaker, they are certainly not unforeseen. Yes, Madam Speaker, we should expect the unexpected. By way of example Madam Speaker, we live in a Hurricane Belt and whilst hurricanes are relatively infrequent, they are hazards that we should expect. However, hurricanes are not natural disasters, but instead they are natural events. What determines how we ‘weather the storm’ are the decisions we make. To quote an African proverb of simple wisdom “do not stand in danger trusting in miracles”. None of us here, I imagine would stand outdoors in a Category 5 hurricane hoping for a miracle....at least I hope none of us would. It is our preparedness, our immediate response and our

reconstruction efforts; these decisions will impact the effect these weather events have on our island, our people and our economy.

So how do we build economic resilience? Based on our theme Madam Speaker, a reimagined Anguilla requires economic resilience, social inclusivity and fiscal responsibility. First let us discuss what economic resilience is. Economic resilience, Madam Speaker, is generally defined as the ability of economic systems to cope with and recover quickly from a shock. To build an economically resilient Anguilla requires us to make multidimensional interventions and coordinated approaches across multiple sectors. It means developing our Clayton J Lloyd International Airport and expanding our airlift; so we do not have to rely on our neighbours to reopen their airports for our tourists to access Anguilla. It requires investment in our food systems to increase our food security and reduce our reliance on imports. It means developing sound building codes that protect our homes and communities, and reduce vulnerabilities. These are all projects and programmes, Madam Speaker, that are underway currently to build resilience. Madam Speaker I can go on listing these programmes and I will get into them further later in this address.

But I want to turn now to our vision of a “socially inclusive” Anguilla. Social inclusion has been defined as *“a process that ensures citizens have the opportunities and resources necessary to participate fully in economic, social and cultural life and to enjoy a standard of living and well-being that is considered normal in the society in which they live. It encompasses, but is not restricted to, social integration or better access to the labour market, and also includes equal access to facilities, services and benefits.”*<sup>1</sup> Madam Speaker, a socially inclusive Anguilla means that all Anguillians participate in the growth process. Let me remind you of Our Vision for Anguilla. “The Anguilla Progressive Movement understands that enhancing the foundation of a great society means investing more in its people and empowering them to take ownership of their own destiny. We are

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<sup>1</sup> <https://www.eurofound.europa.eu/topic/social-inclusion>

determined to let our society be judged the same way all great societies are judged – by the way it takes care of its young and its elderly. We shall set about to build not just another society – but a just, fair and flourishing society.’ These are not mere words from the campaign trail, Madam Speaker. This is a commitment, which governs our actions. Social inclusion and upward mobility. As the late father of the nation has said on many occasions that when the big ships rise the small boats should also rise. We need to direct more resources to investment in our human capital so we all share in our prosperity. When we say the youth are our future this is not lip service. We are investing in our educational systems and tools, to enhance the learning experience and improve data collection to support informed decision making and policy analysis in the education sector. We are protecting and supporting those most vulnerable amongst us through our social protection mechanisms. Madam Speaker, we are expanding our public assistance programmes. We are providing free health services for our pioneer generations who set the foundations that we are now building resilience from. Madam Speaker, they carried us through a revolution and this is now how we pay them back. This is how we recognise their early contributions to our development. Furthermore, we will continue to support the arts and sports which embody our shared culture and unite us. These are just a few of the ways we are promoting an inclusive society. Madam Speaker, I must quickly applaud the Department of Youth and Culture for the 2022 Malliouhana Festival which seeks to highlight and promote Anguilla's rich cultural and artistic heritage. The festival is not yet over and I encourage all to attend the final activities this weekend.

Madam Speaker, the third part of this theme is a guiding principle that I am passionate about, which is fiscal responsibility. In my first budget address I noted that *“we have inherited a distressed economy which is the product of interplay between endogenous and exogenous shocks, deferred policymaking, and a lack of financial responsibility.”* Madam Speaker, let me briefly turn to scripture, Genesis 41; 34-36 it reads *“Let Pharaoh appoint commissioners over the land to take a fifth of the harvest of Egypt during the seven years of abundance. 35 They should collect all the food of these good years that are coming and store up the grain under the authority of Pharaoh, to*

*be kept in the cities for food. 36 This food should be held in reserve for the country, to be used during the seven years of famine that will come upon Egypt, so that the country may not be ruined by the famine.”* Madam Speaker, we all should be familiar with this scripture and we should heed it. The need to prudently handle prosperity. But yet Madam Speaker my administration inherited an economy depleted of reserves. Nothing saved for a rainy day and there has been many rainy days, severe storms actually. There was one Minister, Minister Bellingham that said when Anguilla was doing well no one chose to save for a rainy day and that accounted for the state we are in today. I am pleased to announce we have now prudently amassed modest reserves. Since our fiscal rules were enshrined in our laws in 2013, under an agreement with the United Kingdom Government, we are now projected to be in compliance with one of the borrowing ratios. Now I have always said since I got in office that we are not compliant with any of the borrowing ratios, I am pleased that I can now say that we have met one of those borrowing ratios. At the end of 2022, we are projected to have sufficient liquid assets to cover 96 days of recurrent expenditure; this stands in glaring contrast to previous periods of not having enough to even cover 1 day of recurrent expenditure. I remember Madam Speaker when in September 2020 when I said that we only had 500 dollars in the sinking fund. I mean this shows the state of affairs that we met Madam Speaker. Madam Speaker, being fiscally responsible means applying the principles of transparency and accountability in decision making. It means making the difficult decisions and taking decisive action to implement comprehensive reforms that put our finances on a sustainable trajectory. Our decisions, or lack thereof, have consequences Madam Speaker. It is high time that we cease sacrificing the standard of living for future generations of Anguillians. It is high time that we stop heaping millstones around the necks of our future generations.

Madam Speaker, please allow me to now provide a brief overview of our 2023 budget policy priorities. These policy priorities have guided how we have allocated resources across programmes in ministries

and departments. These policy priorities, in-keeping with Our Vision, are geared towards the continued advancement of Anguilla in various sectors. With equal priority they are to:

1. Improve health outcomes of citizens by:
  - Strengthening the health system and making health care more affordable,
  - Increasing access to specialized care,
  - Increasing protection of vulnerable citizens and better addressing mental health issues, and
  - Reducing the potential for transmitting communicable diseases.
2. Improve food security and offset food imports by increasing agricultural and fisheries production.
3. Support youth development through sports, reduced youth unemployment, and better education outcomes.
4. Reduce income inequality.
5. Prioritize environmental issues:
  - Improve disaster management and climate change resilience,
  - Improve access to and management of water resources, and
  - Reduce energy costs and promote the use of alternative energy sources
6. Enhance access to Anguilla and improve physical infrastructure management.

You will see in this 2023 Budget judicious allocations of resources that build economic resilience, promote social inclusivity and exhibit fiscal responsibility. Astute decisions and sound investments today, for an *“Anguilla Reimagined: Economically Resilient, Socially Inclusive, & Fiscally Responsible”* tomorrow.

## 2 ECONOMIC AND FISCAL REVIEW

### 2.1 2022 REVIEW OF THE ECONOMY

Madam Speaker, in line with this year's fitting budget theme, as disruptions and crises arise over time, it is imperative to note that economic resilience is concerned with the ability to withstand global shocks in the presence of continuous adversity, whilst identifying diverse measures to mitigate, adapt and accelerate economic development. Today, Anguilla is beset by several crises of global importance. Nonetheless, this administration is aware that sustaining economic resilience in the face of recent developments will facilitate the ability to anticipate risk, assess how such risks may affect important socio - economic assets, and establish a responsive fiscal capacity.

Madam Speaker, please allow me to give a brief overview of the economic performance in 2022 and the forecast for 2023. In line with optimistic predictions for global development, the Eastern Caribbean Central Bank<sup>1</sup> (ECCB) expects real GDP to have increased by 10.67 per cent by 2022, with a further recovery of 8.11 per cent in 2023. Madam Speaker, Anguilla has a modest open economy competing on a large scale. The global economic and humanitarian repercussions of rising costs of energy, food and other aspects of commodious living are intensifying. Inflationary pressures affecting our island have led to average consumer costs<sup>2</sup> being 8.00 per cent higher than the same period last year.

Madam Speaker, despite a rapidly changing external environment, the recovery from the pandemic continued on a firm footing in 2022. With the help of high vaccination rates and milder new COVID-19 variants, mobility and international travel have been returning to pre-pandemic levels at a satisfactory rate. This has allowed various sectors to reopen vigorously amid a strong upturn in consumption and a robust employment recovery. At the year's end, activity in the Hotels and



Restaurant Industry is estimated to have increased by 72.90 per cent compared to 2021. This does not take into consideration other supporting amenities to Anguilla's tourism product. The solid rebound in tourism and encouraging indicators in bookings and airlift capacity, only further raise optimism and assurance for a robust tourism season for 2022/2023.

Madam Speaker, inflation has been on an upward trend since the start of 2022. The war in Ukraine has amplified these pressures through higher food and energy prices. It is for this reason that this administration has stood steadfast and continued to introduce fiscal measures in the form of monetary support and exemptions to mitigate these adverse effects on vulnerable households. The exemptions on essential foods and gasoline have recent been extended now until March 2023. The GST exemption on fuel remains in place until at least June 2023.

Besides recovery in the Hotel and Restaurant sector, the Construction sector saw the most significant increase over the course of the year, growing in real terms by 25.00 per cent. Madam Speaker, we continue to see an uptick in construction of personal housing and tourism-related, foreign-owned projects. This shows confidence in this administration Madam Speaker. There have also been opportunities provided from our local financial institutions to supply 100 per cent financing for home construction and purchases. Additionally, the Transportation and Storage sector also grew in real terms by a significant 12.14 per cent. This is attributable to positive movements in cargo and visitor arrivals. A significant increase is anticipated in 2023, as positive travel flows are expected in light of group business travel, returning tourists and the airport expansion.

Whilst the energy and food crisis, coupled with underlying international conflicts and uncertain virus mutations, starkly remind us that the Anguillian economy is experiencing a number of turbulent challenges; this administration remains committed to withstanding and recovering rapidly from all

shocks and threats to our economy and people. Let us continue to work collectively as we develop an, “*Anguilla Reimagined: Economically Resilient, Socially Inclusive, and Fiscally Responsible*”.

## **2022 FISCAL REVIEW**

Madam Speaker, I will now provide a brief synopsis on the 2022 fiscals, for revenue, expenditure and debt.

### **2.1.1 RECURRENT REVENUE**

For 2022, recurrent revenue was budgeted at EC\$237.67 million however, as of November 30<sup>th</sup>, 2022, actual collections totalled EC\$313.81 million with an anticipated outturn of EC\$336.53 million at year-end December 31<sup>st</sup>, 2022. In relation to specific tax types, the Universal Social Levy (USL) was budgeted in 2022 for EC\$15.03 million, however collections totalled EC\$17.27 million on November 30<sup>th</sup>, 2022, with a projected outturn of EC \$18.43 million on December 31<sup>st</sup>, 2022. This shows that people are working and the 6 per cent is being paid Madam Speaker.

Taxes on property also performed above estimates, with collections of EC\$10.84 million, which is above the estimate of EC\$7.09 million. In addition, Stamp Duty performed significantly above the budget estimate of EC\$8 million, with an actual outturn of EC\$47.92 million. It is anticipated to increase to EC\$48.90 million by December 31<sup>st</sup>, 2022. This is primarily due to the sale of two hotel properties. It shows there is confidence in Anguilla, Madam Speaker.

Madam Speaker, the improvements in public finance management are evident thanks to the hard-working staff in the Ministry of Finance. Through strengthening the capacity of the Inland Revenue Department and the Customs Department, our revenue collecting agencies, we are closer to bridging the financial gap experienced by the country after the impacts of external shocks such as Hurricane

Irma and the Covid-19 pandemic. I pause here to commend the diligent efforts of officers working in these departments.

### *Good and Services Tax*

Madam Speaker, I wish now to provide a brief overview of GST performance in its first six months of implementation. GST (Goods and Services Tax) collections at the end of November totalled EC\$40.87 million, which is 14.70 per cent above the revised GST revenue estimates of EC\$35.63 million. Revenue collections have surpassed estimates and an uptick is expected as the tourism season approaches the peak periods, that is, December to February. Customs collections on imports continue to increase steadily, which is expected during the tourism and festive season.

The filing compliance rate remains steady over the past four months. On-time filing compliance for October tax period was 95 per cent, with an overall rate of 98 per cent at the end of November. The continued high rate is attributable to the effectiveness of IRD's communication and compliance strategies and businesses' increased willingness to cooperate with the tax measure.

Madam Speaker, this tax is meeting the projected target, and to allay any concerns, I repeat my previous statements and this budget likewise confirms, that there is no planned increase in the GST rate. I will repeat that Madam Speaker, there is no planned increase in the GST rate.

### **2.1.2 RECURRENT EXPENDITURE**

Madam Speaker, the recurrent expenditure performance for 2022 is forecasted at EC\$234.32 million, from an approved Estimate of EC\$224.58 million. Two Supplementary Appropriation Budgets were approved to increase the recurrent expenditure to EC\$248.75 million, an overall increase of

approximately 24 million. Madam Speaker, these increases in the recurrent expenditure were made possible through the robust performance of various revenue accounts. That is Anguilla's money Madam Speaker. Funds were committed to a cost-of-living program which facilitated payments towards electricity grants and food vouchers for senior citizens, estimating approximately EC\$13 million. The supplementary funds will also facilitate the payment of the balance of deferred salaries in the amount of EC\$1.9 million. This will make sure that all the deferred salaries is now paid to public servants. We are also making sure some of our other outstanding obligations are serviced before year end which include the payment of arrears of approximately EC\$3 million towards regional organisations such as The Caribbean Regional Technical Assistance Centre (CARTAC), The Eastern Caribbean Supreme Court and the University of the West Indies (UWI). Madam Speaker, being fiscally responsible requires systematically clearing our expenditure arrears and putting proper systems and controls in place to prevent future accumulation.

### **2.1.3 RECURRENT BALANCE**

The recurrent balance which is the difference between the recurrent revenue and recurrent expenditure is anticipated to be EC\$102.21 million. This surplus is EC\$89.13 million greater than the budgeted surplus of EC\$13.08 million.

### **2.1.4 CAPITAL REVENUE AND GRANTS**

Capital receipts during 2022 are projected to total EC\$2.95 million, a slight increase of 8 per cent over those recorded for 2021. They include the initial disbursements of funds to support projects to be implemented under the European Union's EDF 11 Regional Programme and reimbursements from the UK Government for various capital interventions that they agreed to support.

### **2.1.5 CAPITAL EXPENDITURE**

Madam Speaker, capital expenditure for 2022 is expected to top out at EC\$8.5 million, compared to the EC\$2.0 million originally budgeted.

Given the fiscal constraints, the initial focus was the implementation of the Anguilla Population and Housing Census, and outfitting the new laboratories at the new ALHCS Campus but it was clear from the onset that critical development requirements would materialize throughout the year, matters that could not be deferred, and Madam Speaker, they did.

Capital resources were supplemented by a further EC\$7.7 million to address a range of development needs including the Government of Anguilla's contribution to the completion of works at the new Blowing Point Port Terminal Building and Package 2 of the Albena Lake Hodge Comprehensive School. Madam Speaker, when the UK has stretched and exhausted the resources that they so carefully allocated to fund these developments, it is our duty and commitment to step up and see them through. I must say that I am proud that we have been able to find and continue that funding these projects being for the benefit of the people of Anguilla.

### **2.1.6 CAPITAL BALANCE**

Capital receipts in 2022 are expected to total EC\$2.95 million and capital expenditure is projected to total EC\$8.5 million. The Capital Account Balance which is the difference between Capital Receipts and Capital Expenditure is a deficit of approximately EC\$5.5 million.

### 2.1.7 OVERALL BALANCE

Madam Speaker, Government's overall fiscal position is determined by the sum of the recurrent balance and the capital balance. The estimated recurrent balance for 2022 is a surplus of EC\$102.21 million, the capital balance is estimated a deficit of EC\$5.54 million. The estimated debt amortisation is EC\$35.69 million. Therefore, the overall balance for 2022 is expected to be a surplus of approximately EC\$60.96 million. These are real numbers Madam Speaker.

### 2.1.8 PUBLIC DEBT REPORT

Madam Speaker, preliminary estimates show that total public debt, which comprises of Central Government debt, and Government Guaranteed and Non-Guaranteed debt of State-Owned Enterprises (SOEs), is projected at **EC\$410.77 million (41.51 per cent of GDP)** at the end of 2022. At the end of 2022 Central Government debt stock is projected at **EC\$394.46 million**, a decrease of **EC\$33.46 million** over the 2021 debt stock of **EC\$427.92 million**. Madam Speaker every dollar that is spent to pay debt is a dollar that is not available to be used for education, health or to take care of an Anguillian child. This is why it is important to take care of our debt. Government guaranteed debt stock is projected at **EC\$1.80 million**; a decrease of **EC\$1.24 million** over the 2021 debt stock of **EC\$3.04 million**. Non-Guaranteed SOEs debt stock is projected at **EC\$14.52 million**, a decrease of **EC\$2.24 million** over the 2021 debt stock of **EC\$16.76 million**. Accounting for the change in Central Government, Government Guaranteed and Non-Guaranteed debt stock is that for fiscal year 2022, projected scheduled amortization is expected to exceed disbursements.

Of the outstanding debt for the period under review, Central Government debt stock projections account for **96.03 per cent** of the portfolio; Government guaranteed debt stock projections, **0.44 per cent**, comprising of loans for the Anguilla Development Board. The Non-Guaranteed SOE debt

stock projections account for the remaining **3.53 per cent**, which is a Public Private Partnership for the Water Corporation of Anguilla. Domestic debt accounts for **57.65 per cent** of the portfolio and external debt the remaining **42.35 per cent**.

Madam Speaker, during the fiscal year 2022, there was no new debt contracted. Madam Speaker I think we should applaud that. However, the government is contemplating borrowing over the medium term the following:

- i. **EC\$ 13.50** million under the third phase of the programmatic stability and resilience building policy-based loan with the CDB that has been re-approved in principle in 2021, and
- ii. **EC\$27.00** million in 2025 to assist with the development of the Clayton J Lloyd International Airport. Madam Speaker you may say why should we incur debt but this debt is for productive investments.

Disbursements for the fiscal year 2022 is projected at **EC\$2.11 million** on the Anguilla Community College (ACC) Project Loan, contracted from Caribbean Development Bank in 2014. At the end of November 2022, projected disbursements on the ACC Project Loan amounted to approximately **EC\$0.37 million** with a projected undisbursed balance of **EC\$1.74 million** which is expected to be disbursed before the end of year. There was no new borrowing or disbursements associated with Government Guaranteed and Non-Guaranteed SOEs debt.

Madam Speaker, the cost of servicing Central Government debt is projected to move from **EC\$49.36 million** (amortization – **EC\$35.54 million** and interest payments – **EC\$13.82 million**) in 2022 to **EC\$52.19 million** (amortization – **EC\$35.55 million** and interest payments – **EC\$16.64 million**)

in 2023. This represents an increase of **5.73 per cent** or **EC\$2.83 million** due primarily to the increased cost of debt, specifically the variable interest rate on the external debt that is refixed every three months.

Madam Speaker as you are aware, the Government of Anguilla is required to maintain public debt levels within three stipulated borrowing limits as outlined in the Framework for Fiscal Sustainability and Development (FFSD). The borrowing limits are that net debt and debt service should not exceed 80 per cent and 10 per cent of recurrent revenue respectively, and that liquid assets that should be sufficient to cover 90 days or 25 per cent of recurrent expenditure. I said earlier that we are at 96 days. At the end of 2022, preliminary analysis shows significant improvements in the FFSD ratios, with the Government attaining compliance with one of the ratios whilst remaining in breach of two ratios. The projections for the ratios as at the end of 2022 are as follows:

- i. net debt ratio is projected at **105.73 per cent** compared to **165.42 per cent** at the end of 2021;
- ii. the debt service ratio at **15.71 per cent compared to 18.49 per cent** at the end of 2021; and
- iii. liquid assets at **26.35 per cent (approximately 95 days)** compared to **0.26 per cent (approximately 1 day) at the end of 2021.**

The debt-to-GDP ratio is trending positively and is projected to decline to **41.51 per cent** at the end of 2022 compared to **56.21 per cent** at the end of 2021. This ratio is 18.49 percentage points below the Eastern Caribbean Currency Union (ECCU) target benchmark of 60 per cent. Madam Speaker, my government pledges our continued commitment to manage Anguilla's debt portfolio in a manner that is *fiscally responsible* and prudent.



### 3 RECURRENT EXPENDITURE 2023

Madam Speaker, the Recurrent Expenditure Estimate for this 2023 fiscal year is projected to be **EC\$245.93 million**, excluding amortisation of **EC\$35.50 million**. This is a **9.5 per cent** increase or **EC\$21.35 million** variation when compared to the 2022 approved recurrent budget of **EC\$224.58 million** and a decrease of **EC\$2.82 million**, when compared to the 2022 revised approved budget of **EC\$248.75 million**.

Madam Speaker, the Personal Emoluments for the 2023 budget is estimated at **EC\$95.61 million** resulting in **6.67 per cent** or **EC\$5.97 million** difference over the 2022 approved budget of **EC\$89.64 million**. This increase is due mainly to the reinstatement of increments and progressions which is estimated at approximately **EC\$4.8 million**.

Retiring Benefits for 2023 is estimated at **EC\$11.59 million**, an increase of **EC\$1.18 million** from the 2022 estimate of **EC\$10.41 million**. This is due to the number of persons attaining the age of retirement for this year and the one percent increase to the Public Service Pension Fund.

Interest Payments, which includes both domestic and foreign, has an estimated budget of **EC\$16.70 million**. This is an **EC\$0.61 million** increase over the 2022 approved budget. This increased sum is due to anticipated increases in the domestic variable interest rate.

Goods and Services is estimated at **EC\$57.88 million**, a decrease of **EC\$2.18 million**, when compared to the 2022 budget to **EC\$60.06 million**. This decrease is mainly as a result of a decrease in Government related GST expense which was budgeted in 2022 at **EC\$5.90 million** and is now budgeted at **EC\$3.21 million** based on actual trends. To clarify, this is GST paid by Government on its purchases of goods and services, not GST revenue collections.

Current Transfers has an estimated budget of **EC\$64.12 million** for 2023. This is an increase of **32.58 per cent or EC\$15.76 million** above the 2022 approved budget of **EC\$48.36 million**. Under this account, payments are made to statutory bodies, medical treatment overseas, public assistance, and; sports, youth, culture and arts development initiatives. Madam Speaker, there is a significant increase under the payments to statutory bodies where EC\$ 4 million is budgeted for Water Corporation, and there is also an increase of EC\$1.7 million for the Health Authority of Anguilla to enhance the outcomes of health programmes and for the maintenance of the MRI machine. Madam Speaker at this point I would like to thank the Richard Schulze Family foundation for helping to procure the MRI machine which should be on its way to Anguilla. Also, there is an increase of EC\$6 million for the implementation of medical assistance for our seniors.

### **3.1 HM GOVERNOR'S OFFICE & DEPARTMENTS**

H.E the Governor's Office and Departments has a recurrent expenditure budget for 2023 of EC\$31.30 million. This represents an increase of 2.2 percent or EC\$ 0.68 million when compared to the 2022 approved budget of EC\$30.62 million.

#### *Improved Administration and Delivery of Public Services*

For just over a decade Anguilla has experienced significant shocks which impacted both macroeconomic and fiscal performance including the Global Financial Crisis in 2008, a banking crisis in 2016, Hurricane Irma in 2017 and now the COVID-19 pandemic since 2020. The Financial Crisis in 2008 led to a prolonged era of 'austerity measures' which included decreases in expenditure through retrenchment of public services and cuts to salaries of public officers. Civil servants experienced salary cuts in 2009 and again in 2010. Since this time there have been no salary increases or increments. I

must commend public officers for being patient through these austerity times with stagnant salaries in the face of inflationary pressures, which have eroded the real value of their income. Madam Speaker, in the context of the current cost of living crisis and given current fiscal performance, the reinstatement of increments and progression was revisited under the updated 2023-2025 medium term fiscal framework. Being fiscally responsible Madam Speaker, meant we costed the implications of the planned reinstatement of increments and progression to ensure it was affordable and sustainable. This measure does not herald a return to past reckless spending and unsustainable salary increases. This measure compensates public servants for their hard work, their patience and their sacrifice. It combats potential decreases in performance from demoralised or discouraged employees. It assists public servants in coping with cost-of-living increases. The reinstatement of increments and progression does not undo the past. It does not compensate public servants for the years of stagnant salaries. We have endeavoured to ensure that the current reinstatement is judicious and equitable, whilst recognising that 'equal' treatment is impossible. To fund this measure a total allocation of EC\$4.8 million has been applied across ministries and departments. Madam Speaker, you will note that these increments are not reflected in the detailed personal emoluments breakdowns. These adjustments are still being made and we hope that January's payroll will reflect these increments.

Notwithstanding this first year of increments, Madam Speaker it is high time we align compensation in the public service with the performance of public servants rather than simply tenure. The coming year will see the Public Administration department re-institutionalize the Performance Management System (PMS) to maximize potential and address underperformance areas in public servants. We need to go further and align annual increments for public officers to successful performance assessments via a robust performance management system. Public administration will also further support the improved delivery of public services through a review of the human resource information system

(BESTHR) and processes to promote timeliness, productivity and efficiency in the delivery of services offered to its internal and external customers.

### **3.2 MINISTRY OF HOME AFFAIRS & DEPARTMENTS**

The 2023 recurrent expenditure budget for Ministry of Home Affairs and Departments is **EC\$8.67 million**. This slight increase of **1.9 percent** or **EC\$0.11 million** increase over the 2022 approved budget of **EC\$8.15 million**, was primarily due to an increase in provision for additional officers within the Immigration Department, as we look to open the Blowing Point Ferry Terminal in the coming year.

#### *Fairer working conditions*

Madam Speaker, being *socially inclusive* is about improving the terms by which our people participate in society, including the labour market. To improve working conditions, we must focus on addressing entrenched systemic inequities. Our inclusion and resilience agenda must ensure the people of Anguilla can live prosperous lives through earning liveable wages with fair employment terms. In the coming year, the Ministry of Home Affairs will continue work to deliver a national minimum wage – the first ever for Anguilla. This work will also focus on other key social protection planks such as severance pay and pensions. We will further review and revise the Labour Relations Act to provide for modern and progressive worker occupation and safety standards.

#### *Improved Immigration Services*

Madam Speaker, we have seen the massive growth in airlift to Anguilla. We will soon have a new seaport. Work has commenced this month on a redeveloped Clayton J Lloyd International Airport. Now we must implement state of the art tools and modern legislation to ensure passengers have a seamless experience when they travel to Anguilla. In 2023, the Immigration Department will continue

with reforms to improve the efficiency of the delivery of immigration services. The department will implement an online embarkation form portal which will facilitate advanced notice and screening of passengers to Anguilla, enhancing both border security and the passenger experience. In the coming year we hope legislation to facilitate the Advanced Passenger Information System (APIS) will be finalized, to further strengthen the advanced security systems utilized by the Immigration Department.

For 2023, the Ministry of Home Affairs will be devoting resources to reviewing the period for qualification for Permanent Residency with a view to revising the time period to 7 years which is where it previously was, and to 5 years in certain cases. Whilst there remain varying schools of thought on the dynamics between population size and economic development; a popular view in relation to Anguilla is that a larger population size will support improved scale economies in the domestic market. Some feel that this right number is 25,000 persons.

However, Madam Speaker, there should be effective means of achieving a larger population which must be supported by suitable infrastructure. Proper planning is a central issue. A long-standing impediment to development is parcels of land without proper access. Road access is key to unlocking the potential of land ownership and there must be a cost-effective means of doing so.

*Resilience through effective land use and planning.*

Madam Speaker, effective land management is a key driver for economically resilient and sustainable development. The proper management of land is crucial to quality human existence and its distribution is vital to optimal economic development. We must continue to forge ahead to be the leader in land administration and deliver quality service. During the course of 2023, the department will officially launch its Land Information System (LIS) that will aid in providing the pillars for sustainable development, and effective land policies and management. The LIS will lend to a more effective and

efficient land market, which is a crucial component of any successful market economy, creating a variety of advantages to the nation of Anguilla and its citizens.

In order to promote an *Anguilla Reimagined; Economically Resilient, Socially Inclusive and Fiscally Responsible*, land-use planning is paramount. The Department of Physical Planning will concentrate on developing a National Physical Plan and strengthening land use policies, with a focus on promoting *economically resilient* and *socially inclusive* communities that are developed in a sustainable manner. We recognise the serious responsibility we all have for the future of our communities and for future generations who should be able to enjoy them in all their glory. Land uses therefore, should be in harmony with one another and not cause adversity to the surrounding environment by reducing the marketability and value of life investments. It is for this reason that emphasis must be placed on ensuring that developers must obtain full planning and building permission before a shovel hits the ground. We must reduce vulnerability in our communities and ensure the future prospects, goals, aspirations and prosperity of our people are realised. The pathway to achieving this is through the creation of policies to guide development, the implementation of minimum standards enshrined within modern legislation. It is essential therefore to build a ‘Sustainable Island’ framework that concentrates on building resilience within our communities through our building standards.

### **3.3 MINISTRY OF SUSTAINABILITY, INNOVATION AND ENVIRONMENT**

The Ministry of Sustainability, Innovation and Environment has for its 2023 budget an allocation of **EC\$12.18 million**. This new Ministry will lead on efforts to place Anguilla on a sustainable development path that is clean, green and *economically resilient*. Recognising that climate change poses an existential threat to the people of Anguilla, climate resilience and adaptation must be part of the sustainability agenda and at the forefront of the decision-making process. Additionally, available technology must be leveraged to improve the quality of life of the Anguillian people. In 2023, the

Ministry's efforts will focus on the development of the blue economy, renewable energy integration, food security, environmental protection and increased digitisation of public services.

### *The Blue Economy*

Building on the work of the Blue Anguilla Task Force which produced the Blue Anguilla Implementation Plan 2022 to 2024, the Ministry will be joining the United Kingdom's Blue Belt programme and forging partnerships with UK and other international agencies to develop a programme of support for Anguilla in the development of the blue economy. Support will include local capacity building, scientific research and analysis, marine spatial planning, and increased protection of marine parks. To support fisheries development and reduce illegal, unreported and unregulated fishing, work will focus on training local fishers in new techniques, improving surveillance of the exclusive economic zone (EEZ), and improving standards to obtain certification by the Marine Stewardship Council. Certification will ensure Anguilla's fishery can be marketed and recognised globally as meeting sustainability standards and thus opens opportunities to enter new markets.

### *Renewable Energy Integration*

Madam Speaker one of the 2023 budget priorities I referenced earlier is reducing energy costs and promoting the use of alternative energy sources. To further the Government's renewal energy agenda, the Ministry of Sustainability, Innovation and the Environment will seek to position Anguilla on a path to decarbonisation through the establishment of the Anguilla Renewable Energy Advisory Service in the Department of Natural Resources. The Unit will comprise of a dedicated team that will focus on increasing energy security and enhancing environmental and economic sustainability. Efforts

will be geared towards lowering energy costs, addressing legislation and compliance issues and improving energy access, particularly for the most vulnerable.

Coupled with this initiative, the Ministry will also partner with the Rocky Mountain Institute for the effective deployment of resilient renewable energy technologies, electric mobility and related infrastructure, as well as technical support in the development and adoption of related policies, regulations and laws.

### *Resilient Food Systems*

Another policy priority of this administration is to improve food security. Through the introduction of new farming technology, capacity building, provision of materials for climate amelioration and development of support facilities, the Ministry will increase its efforts in 2023 to revolutionise the agriculture sector. With an anticipated capital investment of EC\$1.2 million, the Ministry will increase its support to farmers through the development of a hatchery to support poultry farmers and an abattoir where livestock farmers can slaughter animals in a safe environment. Additionally, various forms of protected agriculture will be available to crop farmers to diversify and increase crop production and improve access to good quality local produce year-round.

### *Environmental Protection*

Alarmed by the impacts of climate change and human behaviour on Anguilla's environment, particularly our coastal and ocean ecosystems, the Ministry will focus on establishing the legal and regulatory frameworks necessary for improved environmental management and protection. In particular, the Ministry will lead efforts to ensure that climate change considerations are main-streamed in policy development across all sectors.



### *Digitisation of public services*

Through the work of the Department of Information Technology and E-Government Services, the Ministry will expand its efforts at digitisation. These include improving the usability of the Government website and improving functionality of digital systems such as the postal services system, to enhance the experience of customers accessing these services.

## **3.4 MINISTRY OF FINANCE AND HEALTH & DEPARTMENTS**

The Ministry of Finance and Health has a total of EC\$112.69 million for its recurrent expenditure budget for 2023. There has been an increase of 11.4 percent or EC\$11.54 million over the 2022 approved budget of EC\$101.15 million. This was mainly due to the implementation of medical assistance for senior citizens seventy years and older.

### *Fiscal Transparency, Accountability and Sustainability*

Madam Speaker, projections from the MTEFP indicate that nominal debt is projected to decline over the medium to long term. Our debt is projected to remain on a sustainable path. Even though our debt servicing cost, specifically interest payments at EC\$16.64 million, is projected to peak in 2023 and slightly declining over the projected period, it remains manageable. Analysis of our forecast performance against the borrowing ratios indicates that we are projecting to comply with two of the FFSD ratios in the medium term and will remain in compliance thereafter. They are - The Liquid Assets/Recurrent Expenditure ratio – 2022; and the Net Debt/Recurrent Revenue – 2025. We are projecting surpluses for the same period that are sufficient to cover scheduled debt amortization and make a significant contribution to reserves and the Sinking Fund. Further preliminary analysis reveals that the government will be compliant with the remaining FFSD ratio (Debt Service/Recurrent

Revenue) within the stipulated timeframe due to the level of surpluses projected over the medium to long term.

Madam Speaker, economic resilience requires fiscal responsibility. In my Ministry we will continue to exercise prudence, fiscal responsibility, accountability, and transparency in the management of public finances; recognising the trust bestowed on us by the public in the management of the public purse. We will continue with the review of the Financial Administration and Audit Act and the associated financial instructions which will form the basis of reforms to our public financial management framework. We are strengthening our financial controls and procedures to improve the efficiency of how resources are used to deliver public services. Madam Speaker, proper controls prevent the further accumulation of expenditure arrears that we are earnestly addressing each year. We are improving our budgeting framework by linking the allocation of resources to approved government strategy. We are improving budget transparency in 2023 through the publication of regular budget execution reports on central government operations. We also intend to publish in 2023 the first ever Citizen's Budget which is a simplified less technical abbreviated version of the budget which delivers key information of public interest. Additional resources have been supplied to this Ministry to provide for oversight and monitoring of the financial operations of government agencies which will include the publication of regular reports.

The focus remains on curtailing expenditure, mobilising revenue and improving debt sustainability. We continue to invest in improving our revenue collection agencies and systems, to maximise collection of revenues to fund improved public services. This budget provides additional personnel resources to the Customs and Inland Revenue Departments as we continue these efforts. These departments continue to review their systems, procedures and controls, to ensure our laws are effectively administered in a manner that facilitates enterprise.

### *Improving economic resilience through industrial diversity*

In 2023 the Ministry will finalise the policy on gaming and will propose legislation that establishes a framework for the development of a high-quality, well-regulated gaming industry. Additionally, a more proactive approach to attracting investment is proposed with the finalisation of the Investment Promotion Policy and the development of investment packages to incentivise investors. With the newly established Capital Development Fund, a robust mechanism is in place to receive and utilise contributions from investors toward infrastructure development projects.

Madam Speaker, our new and highly secured bespoke company registration system, known as CRES is now a reality and was launched in April of this year. The Commercial Registry continues to provide first class services to both our local and international customers and will be expanding its complement of staff to meet our international requirements and ensure the quality of our services remains. The CRES system is governed by its own piece of legislation and also houses the Beneficial Ownership Register, an initiative that allows Anguilla the capacity to be at the forefront of the global agenda in setting the standard for transparency of company ownership. The system provides services for both our local and international customers through a payment gateway and it provides real time information and reports on the management of entities. Madam Speaker this government intends to ensure that our financial sector will remain relevant; compliant and profitable and Anguilla will continue to be a viable choice for international business registrations. 2023 will also herald the return to an agency being formally responsible for the marketing of our financial services product. We are currently working through these arrangements.

### *Consumer Protection*

In keeping with Government's strategic priority of reducing income inequality, consumer protection legislation will be introduced to the House of Assembly and a Consumer Protection Unit will be

established. In 1962 President John F Kennedy told the US Congress: "*If consumers are offered inferior products, if prices are exorbitant, if drugs are unsafe or worthless, if the consumer is unable to choose on an informed basis, then his dollar is wasted, his health and safety may be threatened, and the national interest suffers,... On the other hand, increased efforts to make the best possible use of their incomes can contribute more to the well-being of most families than equivalent efforts to raise their incomes*".

Inter alia, the consumer protection unit will be responsible for receiving complaints from consumers, conducting investigations and delivering education about consumer rights, supplier duties, and available remedies

#### *Improving access to quality healthcare*

Madam Speaker, the delivery of quality healthcare is a top policy priority for this 2023 budget and for the years to come; and significant financial resources are being deployed towards improving health services and strengthening our health systems. Madam Speaker, my administration committed to providing free healthcare for our senior citizens and whilst I wished to deliver on this promise in my first budget in 2021; to be *fiscally responsible* required certain preparatory work which included the conduct of an actuarial assessment and the incorporation of expenditure associated with the intended programme into our updated fiscal framework. Madam Speaker, this is all consistent with the requirements of our Fiscal Responsibility Act; and the intent is simple, to deliver quality free healthcare for our seniors in a manner that is sustainable.

This new programme, which has an allocation of EC\$6 million, will reduce financial barriers to accessing healthcare for some of the most vulnerable persons including providing essential preventative care and timely treatment including prescription drug coverage. Work is underway to ensure this healthcare scheme is well-designed and implemented, consistent with our vision to deliver high quality, compassionate care.

Madam Speaker, we must forge forward with significant health reforms to address structural problems in the delivery of healthcare. A Health Services Reform Committee has been formed to develop a blueprint for the reintegration of the Health Authority of Anguilla (HAA) into central government in a manner that will improve the accountability and enable greater patient-centred decision making, ensuring a resilient healthcare system for the people of Anguilla.

This past year saw the culmination of many years of infrastructural improvements within the health sector resulting in the opening of a modern and fit for purpose Central Polyclinic, an administrative building and the completion of a state-of-the-art dialysis ward. This year, the Health Authority of Anguilla made history with the employment of two highly skilled surgeons for the first time, therefore making more advanced surgical care options available to the people of Anguilla. In 2023, the HAA will further focus on strengthening the health system at both the primary and secondary levels by ensuring relevant services are fully functional. This will include the recruitment of specialist doctors and technicians in addition to providing increased surgical, psychiatric and radiological services. The latter will allow the Princess Alexandra Hospital to offer on island MRI services for the very first time with the MRI machine anticipated to be on island early next year. There will be no need to travel overseas to access this service.

#### *Minimizing Health Related Risks from Disease Threats*

Madam Speaker, for the third year, the COVID-19 Pandemic continues to be a seminal issue. Though the numbers of infections and deaths have been on the decline globally, the rates are still relatively high. In addition, we must also be prepared to face other disease threats in a world where communicable diseases are ever present and the threat of outbreaks and pandemics is a reality that we must live with. In 2023, the Ministry of Health will concentrate on enhancing our disease surveillance system to protect against such threats. Madam Speaker, a functioning health information system is a

critical component of a first line responsive surveillance system. In 2020, the HAA introduced an electronic system of health records known as 'EVIDENT', which offers the prospect of improved detection of disease outbreaks and the monitoring of disease trends. However, the shift from paper-based to digital systems is not without its challenges. In collaboration with the UK Health Security Agency (formerly Public Health England), the Ministry of Health and the HAA have prioritized the further strengthening and implementation of the EVIDENT system going forward to enhance our surveillance for both communicable and non-communicable diseases.

In the Ministry, the last two years were dominated with developing programmes and providing human and financial resources to fight the SARS-CoV-2 virus. However, we know that non-communicable diseases present continuous threats. The COVID-19 Pandemic has further served to reinforce this, as persons with underlying chronic diseases such as heart disease, diabetes, and cancer were particularly vulnerable to severe disease and death in the pandemic. In Anguilla, we saw that persons with diabetes in particular were at highest risk. Madam Speaker, in 2023 the Ministry and the National Chronic Disease Unit will seek to renew efforts to tackle these diseases through a multipronged approach which includes promoting prevention and lifestyle changes, early detection and the proper management of health programmes to ensure that they are *economically resilient, socially inclusive and fiscally responsible*.

### **3.5 MINISTRY OF SOCIAL DEVELOPMENT AND EDUCATION & DEPARTMENTS**

The Ministry of Social Development and Education has a 2023 recurrent expenditure budget of EC\$54.43 million. This is a 13.1 percent or EC\$6.32 million increase when compared to 2022 recurrent budget allocation of EC\$48.11 million. Of this increase just under EC\$1 million in additional

funds is supplied to the Department of Education. The increase represents funds allocated to teachers to encourage further enhanced training of our teachers. Additional resources are also provided for the professional and consultancy services, as we prepare for the launch of the new campus towards the end of the New Year. Madam Speaker, to refer to the opening of the new high school as long awaited does not do it justice. We thank you teachers, parents and students for your patience as we soon relocate to this new facility which will support improved learning outcomes. The Anguilla Community College subvention is also increased by EC\$0.04 million to assist with the transition of the Sixth Form to the College.

### *Social Transformation*

Madam Speaker, to deliver an *Anguilla Reimagined: Economically Resilient, Socially Inclusive and Fiscally Responsible* requires us to effectively address social ills through addressing the root causes of these scourges rather than seek superficial remedies. In these efforts, the Ministry of Social Development and Education has recently launched Anguilla's first 'National Parenting Enrichment Programme'. This programme is designed to develop healthy families and provide a strong foundation for schools and communities by partnering directly with parents to empower them to successfully nurture children. Through 'Family First', the possibility is there for Anguilla to build strong, resilient families that mitigate the risk of violent and/or anti-social behaviour in schools and in our communities.

Furthermore, in order to fortify families that require additional support, the Ministry will launch the 'Supporting Family Programme' early in 2023. In doing so, the Ministry will provide tailored support to families according to their individual needs; as the complex challenges facing family units require coordinated multi-agency approaches and risk assessments to address and resolve these challenges. This whole family approach allows us to reduce demand for reactive services which has been proven to be less effective. The 'Supporting Families Programme' will also assist survivors of gender-based

violence by funding temporary emergency safe housing for victims and bringing together agencies already working in our communities such as probation, social development, education and the police.

Madam Speaker, one of the building blocks for social inclusion is comprehensive and effective mental health services and systems. Addressing mental health issues is one of our 2023 budget priorities and will remain a priority. The Ministry will continue to address mental wellness through the provision of clinical psychological services bolstered by our 'SAFE' hotline. S.A.F.E. (Stop Abuse for Everyone) is a 24/7 toll-free hotline designed to provide psychosocial support to survivors of different forms of abuse and to offer general psychological support. This programme, which is a collaborative initiative between the Hats and Heels committee and the Ministry of Social Development and Education is managed by members of the Mental Health and Psychosocial support team.

#### *Human Productivity*

Madam Speaker, education must be inclusive. Inclusive education is about ensuring that persons of all levels of ability and neurodiversity have access to high quality education that meets their needs. The strategic priority for the Ministry continues to be the transformation of education to produce a better future for our young people. Planned strategic partnerships with the Ministries of Education in Jamaica and Belize, in addition to the OECS Programme for Educational advancement and Relevant Learning ('PEARL'), will accelerate our teachers' delivery of quality education, our students' engagement in education and our administrators' leadership in education. Reforms led by teachers, in partnership with students, will constitute the hallmark of this transformation initiative. Madam Speaker, technology is a powerful tool that is transforming education changing delivery modes and improving learning outcomes. The Ministry of Education will ensure the young people of this country can benefit from technology through partnership with the Anguilla Initiative, which will fund part of



the ICT transformation project across all of our primary schools. This will mean placing Promethean boards and laptops in the hands of every student and teacher as a tool of engagement.

Technical & Vocational Education & Training (TVET) feature high amongst the Ministry's list of strategic priorities. In 2023, the Ministry will conduct a number of training seminars related to the implementation of the TVET Framework which includes i) a TVET Policy Review, ii) Installation of the Council Standing Committee iii) National Training Plan Development Workshops and iv) Standards Development Workshops.

Madam Speaker, next year we plan to progress the development and implementation of an Electronic Management Information System (EMIS) and E- Learning platform. The EMIS supports the dissemination of data and information to support decision-making, policy-analysis and formulation, planning, monitoring and management at all levels of the education system, as well as facilitates online learning. This system will help us to collect, analyze and make decisions that equip our teachers to better address differences in the classroom. Our goal through the EMIS is to ensure that every student is met where they are and empowered to go further. The Ministry of Education will also address long neglected issues within the education system such as the rebuilding of the Vivian Vanterpool Primary School classroom block and ICT development the latter being a partnership between the Government and ANI Villas.

The Ministry of Social Development will develop our young athletes through the advancement of our sporting programmes. In 2023, the Ministry in association with the British Olympic association will be developing the administrative support available to our sporting associations. These programmes give all young people, irrespective of their academic levels, the opportunity to participate in community-based events which reduces the potential for participation in antisocial activities.

The Ministry will continue its focus on the rehabilitation of young persons in conflict with the law through diversion programmes for vulnerable young people and enhanced services for children living in alternative settings such as foster care, the juvenile rehabilitation centre and the place of safety. Cultural awareness and identity are critical to national development especially for our youth. To this end, the Ministry through the Department of Youth & Culture is planning to establish a National Museum at the site of the recently refurbished Old Court House building.

#### *Social assistance for social inclusion*

Madam Speaker, public assistance remains a key instrument of social inclusion. The COVID-19 pandemic necessitated urgent response to deliver crucial support to households and our vulnerable populations. In 2020 through 2021 approximately EC\$ 17 million was delivered in unemployment benefits. For this year culminating in January of 2023, we will deliver an anticipated EC\$12.5 million in electricity credits to support households with increased energy costs. We have also provided approximately EC\$1 million in food vouchers to persons 70 years and older. Madam Speaker I am proud we were able to deliver this support quite rapidly. Nonetheless, we must focus on improving and fortifying our social protection systems in order to continue to deliver crucial social assistance. The new year will see the implementation of a Management Information System which will remove access barriers and enhance the delivery of social protection programmes including public assistance and medical assistance. Infusing technology into service delivery will enable the Ministry and its departments to offer seamless, accessible benefits to the people of Anguilla, particularly our most vulnerable.

### 3.6 MINISTRY OF INFRASTRUCTURE, COMMUNICATIONS, UTILITIES, HOUSING & TOURISM

The 2023 recurrent budget for The Ministry of Infrastructure is EC\$26.67 million. This represents an increase of 14.7 percent or EC\$3.43 million when compared to the 2022 recurrent expenditure budget of EC\$23.24 million. This increase is primarily due to an increase in the provision of a subvention for the Water Corporation of Anguilla (WCA) of EC\$4 million until the organization is completely functioning within Central Government's operations.

#### *Improving our physical infrastructure to support economic development and resilience*

Madam Speaker, my administration previously announced the intention to pursue a merger of ANGLEC and the WCA as a measure to improve the efficiency of operation of both entities. This merger did not come to fruition. However, the availability and access to safe and reliable water services remains a critical issue which is at the heart of sustainable development. Sustainable management of water resources is essential for unlocking economic resilience and productivity. Madam Speaker, food security and water security are intertwined. Water is essential for agriculture. 2023 will see the reintegration of the Water Corporation of Anguilla into central government operations as we move towards ensuring the efficiency and sustainability of public water services. We are investing heavily in improving these services and this budget will deliver EC\$5 million in capital investment to improve the water distribution network. This investment will be a phased approach ensuring resilience is being built into the replacement of the water network. We can no longer accept 80 per cent water leakage. It is not sustainable or affordable. We can no longer seek to increase prices that households are charged to make up for the high levels of water wastage through leakages. To address the poor state of the distribution network will take significant resources, a prior estimate puts this sum at EC\$54

million, but an *Anguilla Reimagined: Economically Resilient, Socially Inclusive and Fiscally Responsible*, requires investment today for a better future tomorrow.

The Ministry will seek to improve management of water resources and promote the use of alternative energy sources to offset the cost of food production. Access to energy is a key part of a sustainable economy and cost is a significant factor. The Ministry is in the process of implementing a short intervention programme, externally funded which will deliver the key policy documents that will support energy options, tariff rates, and allow for the establishment of a stable policy framework.

The completion of the Road Bay Jetty will ensure that that the island can more efficiently import and export goods, enhancing trade and investment opportunities. The construction of the Blowing Point Ferry Terminal is scheduled to be completed and opened to the public in January 2023. The commencement of operations at the new Blowing Point Ferry Terminal improves capacity at the port and will enhance travel for residents and tourists. Most of the schools under the Anguilla Programme have been completed and occupied, with the exception of the Albena Lake Hodge Comprehensive School (ALHCS) which is expected to be completed in June 2023. Attention will be given to the needs of the Government's aging infrastructure by providing the most efficient maintenance system to prolong the life of each building. Working in collaboration with the World Bank, a system of preventative maintenance is being developed for all public buildings, expected to be completed by mid-2023. These efforts will ensure Anguilla is economically resilient.

In 2023, the focus will be to apply lessons learnt by starting the transition to a more economically resilient road network through the installation of solar streetlights. There will be greater fiscal responsibility through embarking on a road-paving program, and reducing the use of the local limestone materials, thereby providing better value for money. The maintenance program will also see

improvements with the use of environmentally friendly materials, and the practice of preventative maintenance activities to extend the life of road assets.

The current redevelopment of the Clayton J. Lloyd Airport will allow for enhanced safety for aircraft and passengers encouraging more international flights with additional tourist arrivals which will increase revenue and employment opportunities. These works also provide greater access for those persons requiring emergency health evacuations. This is for our people, for our economy.

The aviation sector yielded unprecedented success in 2022 with increased airlift to and from the US Mainland, whilst addressing the issues of safety, compliance, security and overall wellbeing of our stakeholders. The island's economy is largely intricately linked to our ability to establish and maintain new routes and actively seek connectivity from various international and regional hubs. The US mainland route has enhanced our tourism product. Anguilla continues to remain "Destination Ready" and embrace the realities of a changing and dynamic tourism and travel markets. The increased delivery of our marketing message "Lose the Crowd, Find Yourself," has translated into increased airlift and has triggered more international interest in new operators seeking to provide regional and international flights to our ongoing investment in our airport infrastructure. This is being made a reality with the continued support and true partnership of the United Kingdom Government and people.

The aim for 2023 is to build on our previous successes in expanding airlift whilst enhancing safety and reducing risk, maintaining safer skies while focusing on increasing passenger arrivals into Anguilla.

This 2023 Budget makes available an additional EC\$0.10 million in funds to ensure our Anguilla Fire and Rescue Services are appropriately staffed to fulfil regulatory requirements of a category 6 airport<sup>2</sup>.

We will continue to support the department as it continues to deliver crucial rescue and firefighting

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<sup>2</sup> Aerodrome fire category

services. In 2023, the department will lead on programmes that support community in preparing for those emergencies that are foreseeable and predictable such as hurricanes, earthquakes, wildfires, and hazardous spills.

#### **4 RECURRENT REVENUE 2023**

Madam Speaker, let us now consider the estimates for recurrent revenue in the coming year. The total recurrent revenue estimate for 2023 is EC\$288.23 million. This represents an increase of EC\$50.56 million when compared to the 2022 budget estimate of EC\$237.66 million. The projected increase is mainly due to revenue policies aimed at improving the management of the domain name registry, along with the continued administration of the Good and Services Tax.

The proposed Tax Revenue estimate for 2023 is EC\$234.61 million, consisting mainly of Taxes on Goods and Services (EC\$139.96 million), Taxes of International Trade and Transactions (EC\$60.06 million), Taxes on Payroll and Workforce (EC\$18.51 million), Taxes on Property (EC\$10.75 million). Non-Tax revenue budget is EC\$53.62 million comprising of mainly Sales of Goods and Services and Property Income (EC\$52.47 million). The top four revenue earning streams make-up 91.73 per cent or EC\$264.40 million of the 2023 revenue budget.

#### **5 CAPITAL REVENUE AND GRANTS 2023**

Capital grants for 2023 are estimated at EC\$5.6 million, which is the balance of funds implement projects under the EDF 11 Regional Programme.

## 5.1 CAPITAL BUDGET

Madam Speaker, the capital expenditure envelope for this year is EC\$ 21.4 million. This includes the funding for the further roll out of the EDF Regional Programme. While the projects are diverse in what they will address, they are closely aligned to meet the goals of the new strategic priorities.

Madam Speaker, I spoke earlier to the commitment to provide counterpart funds to complete ongoing projects facilitated by financial commitments from development partners, foundations and generous private donors. In the coming year we have prioritised funding allocations for health services development to ensure the provision of MRI services and a fully functioning Isolation Unit at the Princess Alexandra Hospital, the completion of Package II of the ALHCS and additional classrooms at Vivien Vanterpool Primary School to secure a safer teaching and learning environment there.

Planning for the phased rehabilitation of the water distribution system is underway. The current situation is untenable. It is a significant undertaking but we have to make a start and fulfil the mandate to provide a dependable and safe supply of water to residents.

The implementation of the Anguilla Population and Housing Census is ongoing and I renew my call to all the residents to cooperate with the enumerators as they go about their work across Anguilla. I would also like to highlight the planning phase for two further surveys: the Labour Force Survey and the Household Income and Expenditure Survey. Madam Speaker, I am aware of the challenges faced by our people, it touches everyone. This data goes a long way to making informed and evidence-based decisions that address income inequality and offer socially inclusive measures to develop our people so that they reach their full potential in the labour market.

I also must highlight the planned interventions to improve food security and provide support to our farmers and fisher folk. I cannot stress the importance of this renewed focus. So often lip service is paid to advancing the agriculture and fisheries sector but it is time to back this with tangible

investments, extension services and options to pursue new technologies. I look forward to providing an update on this a year from now.

As always, I extend gratitude to the UK Government for the broad infrastructure base that they have provided in recent years and across the most crucial sectors of the economy. We eagerly anticipate the plans for airport development and achieving the goal of improved access. We are enjoying and making good use of these flagship developments and will ensure that they are kept in the condition and at the level of service that we expect and deserve.

## 6 CONCLUSION

Madam Speaker, as I conclude, this moment brings to my recollection standing in this most Honourable House on January 4<sup>th</sup> 2022 delivering a Budget Address that spoke to our collective determination and the prowess of us as a people. It was on this charge that the Anguilla Progressive Movement administration committed to **Advancing through Adversity, Restoring Prosperity**. Then and now we continue to put country above self, with God's help, persevering to bring this great land to the promise of its true potential. That promise Madam Speaker is an *Anguilla Reimagined: Economically Resilient, Socially Inclusive & Fiscally Responsible*.

The strides taken and the feats realized cannot be understated and fade only in comparison to beams of hope which now light the paths of all Anguillians and Anguillians at heart. This hope Madam Speaker brings new revelation to what it means to be proud, strong and free.

We have faced many hardships and survived. We have sacrificed much and recovered. The unprecedented events of the past two years namely the COVID-19 Pandemic and the cost-of-living



crisis are pressing reminders that in this global village we are interrelated, interconnected and mutually vulnerable.

Madam Speaker, my faith teaches that our steps are ordered and our paths defined. It is on this premise that I am persuaded that the Almighty knew and saw it fit to promote this administration to the seat of Government. It is with this deep conviction that I know we will realize an Anguilla Reimagined. Anguilla's rich history will continue to show that from the darkest of times we rise. Anguilla's story will show that through prudence and diligence we will be *Economically Resilient*.

We will lean on each other, healing the economic scars suffered in years past, collectively caring to the ills and challenges adversely affecting us all and more so the most vulnerable among us. In a chorus of competence and compassion we will echo triumphs of a modern society that is *socially inclusive*.

We have supported each other. We have mustered up the strength and courage to stand when our fate and future were under siege. We have walked hand in hand when we were required to advance the cause. This new season of hope requires that we summon the revolutionary spirit our forebears wore as their armor in 1967. Over the past years our economy has been ravished both by external forces compounded with mismanagement. We must never revisit the error of the past but instead guard the propensity of our people by being *Fiscally Responsible*.

Madam Speaker, no longer will we go hat in hand begging for handouts. We have charted our course and see the rewards of being steadfast and resolute. Anguillians at home and abroad are informed of the unprecedented capital investments and social safety nets that have been activated over the past year and in the 2023 Budget. The record will show that when things got tough, we stood strong and chose to do the work necessary to build a resilient, inclusive, responsible, reimagined Anguilla.

In the days, months and years to come, the chorus from Island Harbour to West End will be “Change Worked for Me”. The song from Shoal Bay to the Forest will be “Change Worked for Me”. The Contractor who would have seen his business grow will echo “Change Worked for Me.” The Teacher who would sit in a state-of-the-art classroom conducive to the demands of the time will echo “Change Worked for Me”. The hard working and committed Public Servant who would have seen their first incremental increase after carrying the weight of this economy through natural disasters, pandemics and the blind side financial mismanagement of the public purse will echo “Change Worked for Me.” The deserving student who would be pursuing their degree on scholarship from the Government of Anguilla will echo “Change Worked for Me.” The graduate returning home to take up meaningful employment in the land of their birth will echo “Change Worked for Me.” The farmer who would have grafted his skills and experience with modern hydroponics and methods seeing yields he would have only dreamed of will echo “Change Worked for Me”. The senior citizen whose life expectancy would have been extended through thorough and consistent healthcare will echo “Change Worked for Me”.

Madam speaker like the former United States of America President Barack Obama, I too can say “What gives me the most hope is the next generation. The young people whose attitudes and beliefs and openness to change have already made history in this land”. Very soon my colleagues across the aisle will find themselves, convinced by the complete revitalization of Anguilla’s economy and the empowerment of its people, echoing the refrain “Change Worked For Me”.

Our partnerships with the private sector have played an integral role in ensuring that 2022 was spent Advancing Through Adversity, Restoring Prosperity. These partnerships remain of critical importance as we press on to improved health outcomes for our citizens, improved food security, youth development, reduced income inequality, climate change resilience, reduced energy cost,

enhanced access and improved infrastructure. In 2023, the confidence of Change and the gratitude of growth will benefit every business and household across this island.

Madam Speaker, I remain grateful for the confidence and partnership of the United Kingdom. We continue to strengthen our relationship through accomplished goals and a shared vision to see Anguilla prosper.

I must thank the Governor of Anguilla, Her Excellency Dileeni Daniel-Selvaratnam, the Minister for Overseas Territories, The Rt Hon Lord Goldsmith of Richmond Park, and the Director and staff of the FCDO for maintaining a progressive working relationship with this administration. The continued technical and financial assistance earmarked for economic resilience projects continues to show the United Kingdom Government's commitment to a Reimagined Anguilla. Our enthusiasm was dampened yesterday with the news that Her Excellency the Governor has been appointed to serve in the Turks and Caicos Islands. I would like to thank Governor Dileeni Daniel-Selvaratnam for her demonstrated commitment to developing Anguilla and improving the lives of Anguillians. I would also like to thank the GOA UK Representative Ms. Dorothea Hodge and her staff for the stellar work being done on behalf of Anguilla.

Madam Speaker the chorus of our National song says "With heart and soul, we'll build a nation proud, strong and free". I have the distinguished pleasure of working with a committed, competent, caring and composed group of individuals who not only embody this drive but make daily contributions in this same vein to securing a future for generations to come. I express my heartfelt thanks to all who made this presentation possible, the Ministers, Parliamentary Secretary, Ministerial Assistants, the dedicated public servants from all of the Ministries and Departments, especially the Permanent Secretaries and the Principal Assistant Secretary from the Ministries of Finance, Economic

Development, and Sustainability, Innovation and Environment. Madam Speaker it would be remiss of me if I did not share a resounding thanks to Mrs. Shona Proctor the former Budget Director who in her capacity would have prepared those around her for to carry the mantle post her retirement. Continuity and longevity are assured when we share knowledge and empower those around us.

I am humbled and appreciative of everyone in attendance in this this Honourable House or watching and listening on the various media platforms. Your patience, support, interest and involvement in the work of your Government and the future of your country is an investment that will bring about shared dividends that will keep hope shining bright well past our individual lives.

Madam Speaker, as I pause and look back over the past two and half years in office I am reassured that we have done a good work and made the right decision in developing our appetite for risk. NO RISK, NO REWARD! From Survival to Recovery to Advancement now Growing Sustainably Together, this must be celebrated!

The international community is watching, investor confidence is restored, and the equity of procurement and transparency in Government business broadens the horizon as we sail on to progress. This Anguilla Progressive Movement Administration reaffirms our commitment to be the transformational, innovative, inspirational and honest leadership Anguilla deserves. The Vision of my administration is captured in the words of Former United States President Ronald Raegan. “There are no constraints on the human mind, no walls around the human spirit, no barriers to our progress except those we ourselves erect.” To this end, we will not dull the hope of our vision for an Anguilla Reimagined. This hope has illuminated the lives of so many. We will not waiver in our pursuit of a brighter day and a better tomorrow for all.

Madam Speaker, I want all who are listening or watching to know that change is possible, in fact, change is imminent. I want you to see beyond this crossroads of crises, understanding how we got here, that better is ahead. I want you to leave fully optimistic about our capacity to be the change we want to see.

Through vision and relentless effort, through perseverance and hard work, through the sacrifice of our people and the leadership of this administration, a different Anguilla is emerging – an Anguilla Reimagined: Economically Resilient, Socially Inclusive and Fiscally Responsible.

Madam Speaker, I beg to move.