ANGUILLA

REVISED STATUTES OF ANGUILLA

CHAPTER F38

FISCAL RESPONSIBILITY ACT

Showing the Law as at 15 December 2014

This Edition was prepared under the authority of the Revised Statutes and Regulations Act, R.S.A. c. R55 by the Attorney General as Law Revision Commissioner.

This Edition revises—

Act 9/2013, in force 31 October 2013

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FISCAL RESPONSIBILITY ACT

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FISCAL RESPONSIBILITY ACT

Interpretation

1. (1) In this Act—

"Budget" means the financial plan for the delivery of the Government's programmes and policies for a fiscal year and is also referred to as the estimates of revenue and expenditure;

"Fiscal Framework" means the Framework for Fiscal Sustainability and Development providing the directives and guidelines for prudent fiscal management, contained in an agreement between the Government of Anguilla and the United Kingdom dated 05 April, 2013, the terms of which are set out in Schedule 1;

"Minister" means the Minster responsible for Finance; and

"Permanent Secretary" means the Permanent Secretary responsible for Public Finance.

Compliance with the Fiscal Framework

2. (1) The Government shall comply with the principles outlined in the Fiscal Framework to ensure effective medium-term planning, obtain value for money, effectively manage risk and deliver improved accountability.

(2) Where an interpretation dispute arises between the provisions of the Fiscal Framework and those of the remainder of this Act, the former shall have precedence over the latter.

Commitment of the Government to fiscal responsibility and debt sustainability

3. (1) The Government shall develop and promote sound fiscal policy in accordance with the principles of responsible fiscal management as outlined in this Act to ensure optimal allocation of resources and longer term sustainability of public finances.

(2) The Government is committed to ensuring that the level of debt is sustainable and consistent with macroeconomic and financial stability in the short, medium and long term and shall comply with the borrowing limits defined in Annex A of the Fiscal Framework and shall operate within the Medium Term Fiscal Plan set out in section 4.

Medium Term Fiscal Plan

4. (1) The Minister shall, within 6 months from 31 October 2013 table the Medium Term Fiscal Plan in the House of Assembly.

(2) The Medium Term Fiscal Plan shall be prepared in accordance with the Fiscal Framework and shall include but not be limited to the following—

(a) a National Macro-Economic Framework which—

(i) sets out a statement of the current fiscal position,

(ii) sets out a statement of past fiscal performance and an analysis of variance from previous plans and projections,

(iii) with reference to the information in Schedule 2, sets out the macro-economic projections to be pursued for the current financial year and for the next 2 financial years, the underlying assumptions for those projections, an evaluation and an analysis of those macro-economic projections,

(iv) identifies indicators that the Minister considers will enable an accurate overall assessment to be made of the state of the economy and the state of the finances of Government including indicators for—

revenues, current and capital expenditures, borrowing and debt servicing, contingent liabilities, and such other assets and liabilities that may be considered appropriate by the minister;

(b) a Fiscal Strategy Plan which sets out—

(i) a summary of the Government's medium term economic and fiscal objectives and how the Government intends to achieve them for the current financial year and the next 2 financial years,

(ii) the policies of the Government for the medium term relating to taxation, recurrent expenditure (non-debt and debt), capital expenditure, borrowings and other liabilities, lending and investment,

(iii) the strategic economic, social and developmental priorities for the Government for the next 3 years and an explanation of the fiscal measures established to accomplish these developmental priorities,

(iv) a statement describing the nature and fiscal significance of contingent and actual liabilities and the strategy of the government for managing contingent and actual liabilities, and

(v) a capital investment plan for the current financial year and the next 2 financial years including an analysis of new and continuing major projects.

(c) an Expenditure and Revenue Framework which sets out—

(i) an analysis of operating expenditure needs for the current financial year and the next 2 financial years,

(ii) estimates of aggregate revenues for the current financial year and the next 2 financial years,

(iii) the aggregate expenditure projection for the Government for the current financial year and the next 2 financial years,

(iv) anticipated revenue and expenditure measures for the current financial year and the next 2 financial years,

(v) a statement of expenditure and revenue arrears; and

(vi) a statement of existing public sector borrowing including—

(A) borrowing by statutory bodies, whether guaranteed by the Government or not, and

(B) the amount, currency, date and origin of issue, maturity and interest rate structure of each loan.

(3) The Minister shall cause the Medium Term Fiscal Plan to be updated annually and shall table the updated plan in House of Assembly within 3 months after the update.

Annual Budget

5. (1) The Medium Term Fiscal Plan shall be the basis for the preparation of the estimates of revenue and expenditure required to be prepared and laid before the House of Assembly.

(2) The sectorial and compositional distribution of the estimates of the expenditure referred to in subsection (1) shall be consistent with the medium term developmental priorities set out in the Medium Term Fiscal Plan.

(3) The Minister shall cause to be prepared and shall submit to the House of Assembly the Annual Budget together with the following documents—

(a) the budget policy statement setting out the overarching policy goals that will guide the Government's priorities for the next financial year;

(b) a report setting out actual and budgeted revenue and expenditure and a detailed analysis of the performance of the budget for the 12 months preceding the presentation of the Budget;

(c) a copy of the underlying revenue and expenditure profile for the next 2 years;

(d) a Fiscal Risk Paper which evaluates the fiscal and other related risks to the Annual Budget and specifies measures to be taken to offset the occurrence of such risks; and

(e) the Medium Term Fiscal Plan.

(4) The Annual Budget shall include—

(a) a cash flow plan prepared in advance of the financial year setting out projected monthly cash flows which shall be revised periodically to reflect actual cash flow; and

(b) individual cash flow statements for each Ministry or Government Department.

Power to restrict further commitments

6. (1) If, during a financial year, the Permanent Secretary determines that the targeted revenues may be insufficient to fund the heads of expenditure in the Appropriation Act, the Permanent Secretary shall take appropriate measures to restrict further commitments and financial operation according to the criteria set in the Fiscal Risk Paper.

(2) Notwithstanding subsection (1), the Permanent Secretary cannot take any measures without the consent of the Minister.

(3) Where the targeted revenues are re-established, either in part or in full, the appropriations for which further commitments were restricted shall be restored proportionately.

Strategic Development Plan

7. The Minister shall, within 6 months after a General Election, cause to be prepared and published a Strategic Development Plan for the term of office of the Government, which relates to the financial, economic and social affairs of the Government.

Project management

8. Projects, including those involving public private partnerships, embarked upon by the Government shall be consistent with the Strategic Development Plan and shall include a business case and appraisal.

Escape clause

9. (1) Subject to subsection 2, if extraordinary events threaten the macroeconomic stability of the country, the fiscal responsibility provisions in this Act may be temporarily suspended.

(2) Any temporary suspension of the fiscal responsibility provisions of this Act shall only occur with the written consent of the Secretary of State.

Citation

10. This Act maybe cited as the Fiscal Responsibility Act, Revised Statutes of Anguilla, Chapter F38.

SCHEDULE 1

(Section 1)

GOVERNMENT OF ANGUILLA:
FRAMEWORK FOR FISCAL SUSTAINABILITY AND DEVELOPMENT

1. The Government of Anguilla is committed to delivering a prosperous and stable future for the people of Anguilla firmly based on the implementation of sound and sustainable economic and financial principles which support economic development.

2. This framework for fiscal sustainability and development ("the Framework") sets out the key principles by which the Government of Anguilla will deliver this commitment.

3. The Government of Anguilla will continue to be open and transparent in its management of the public finances consistent with the highest standards of governance and democracy. The principles of the Framework will therefore be encapsulated in a new public expenditure and financial management law in Anguilla which will also specify the detailed requirements necessary to deliver the principles in practice. Subject to the agreement of the House of Assembly, this new law will enter into force by 30 June 2013. The operation of the legislation will be reviewed 5 years after its implementation.

4. The Government of Anguilla and the United Kingdom Government reaffirm their commitment to work in partnership and to respect the rights and responsibilities specified in the Framework and the new public expenditure and financial management law.

POLICY PRINCIPLES

5. In keeping with best practice in public expenditure and financial management the Government of Anguilla is committed to the following principles geared at delivering the long term development objectives of the people of Anguilla and pursued through an integrated system of development and fiscal planning:

    a. Commitment to **sustainable development** where resources are harnessed and developed while not jeopardizing the opportunities available to future generations;
    b. Effective **medium and long term development and fiscal planning**, to ensure that the full impact of development and fiscal decisions are understood;
    c. Putting **value for money** considerations at the heart of the decision making process;

d. Effective **management of risk;** and
e. Delivering improved **accountability** in all public sector operations.

IMPROVING MEDIUM TERM PLANNING

Medium term fiscal plan

6. The Government of Anguilla will assess the impact of all proposals and decisions on expenditure, revenues, and borrowing in the context of a medium term fiscal plan (MTFP) covering a period of at least three fiscal years.

7. The MTFP will include, as a minimum, the information defined in paragraph 15 of Annex A.

Transparency

8. The MTFP will be updated and published annually. The budget that is presented for the forthcoming fiscal year will be consistent with the MTFP.

Measurement

9. The collection of accurate internal and external economic, business and social data is fundamental to effective medium term fiscal planning.

10. The Government of Anguilla will assess any gaps in information that is required and take steps to improve inputs to the MTFP, including by:

    a. improving the quality of statistical data gathered to measure accurately economic variables including economic growth, inflation, and employment; and
    b. ensuring that the Government of Anguilla receives information about in-year developments in expenditure, performance against objectives and developing risks (whether or not quantifiable) from government departments and other bodies in receipt of public funds.

11. In the context of sustainable national economic development the Government of Anguilla will develop and implement a Long-Term Sustainable National Development Strategy that will encapsulate the aspiration of its people, and the goals of the nation.

DELIVERING VALUE FOR MONEY

12. The Government of Anguilla recognises that achieving value for money is central to the appropriate use of public funds. Central government and other public sector bodies will therefore ensure that effective processes are in place to provide confidence and ensure suitability, effectiveness, prudence, quality, good value and avoidance of error and other waste. The Government of Anguilla will remain focussed on developing expertise and improving processes to ensure that value for money is consistently delivered.

Projects

13. There are five key stages that will be undertaken by the Government of Anguilla in the planning, development and execution of a project:

    a. appraisal and business case;
    b. tendering and procurement;
    c. contract management;
    d. delivery; and
    e. evaluation.

14. The Government of Anguilla will ensure that the requirements of the Public Procurement and Contract Administration Act and Regulations are adhered to in the implementation of all projects.

Appraisal and business case

15. The Government of Anguilla will ensure that all projects, whether funded from recurrent surpluses, conventional borrowing or novel financing transactions, are suitably appraised before the procurement stage to ensure value for money and that a robust cost-benefit analysis has been carried out.

16. For projects with a lifetime value above EC$20m or for those where the use of PPPs or any other form of novel financing is being considered, the Government of Anguilla will commission independent accounting, legal, financial, economic, environmental, and other technical advice as appropriate to ensure robust investment appraisals are produced. The cost of such advice would not be included in the calculation of life time value.

17. For all projects, the business case which results from the appraisal process should: demonstrate the economic need for the project; include a costed risk

and impact assessment appropriate to the scale of the project; and specify the benefits the project is designed to deliver to ensure that an informed decision can be made on whether or not to proceed to the procurement stage.

18. All proposed capital projects with an expected lifetime value of EC$20 million or more will be incorporated in the published MTFP, and appraisals will be published for public consultation prior to procurement.

Procurement

19. Procurement processes will be open, transparent and competitive. The Government of Anguilla will adhere to agreed statutory tender processes. For projects with a lifetime value above EC$20m and where any other form of novel financing is used, the Government of Anguilla will commission independent accounting, legal, financial, economic, environmental, and other technical advice to ensure value for money.

Contract management

20. The Government of Anguilla will retain sufficient expert advice, whether internal or external, to ensure that it is an "intelligent customer" of services or other arrangements agreed with private sector suppliers.

Delivery

21. The Government of Anguilla will put together sufficiently competent teams to manage all projects and ensure receipt of high quality services and products as agreed at the procurement stage.

Evaluation

22. For projects with an expected lifetime value of more than EC$20 million, the Government of Anguilla will undertake an evaluation of project performance within 6 months of project completion. This evaluation will be made publicly available within 9 months of project completion. This will ensure that the lessons learned will strengthen the decision-making process and overall project performance.

Processes

23. The Government of Anguilla will establish and maintain robust processes to:

a. measure the performance of government departments and other bodies in receipt of public funds;
b. allocate expense budgets, profile expenses and monitor actual results against profile budget in a timely manner;
c. determine revenue targets, profile receipts and monitor actual results against budget on a timely basis;
d. track and quantify developing risks to determine the value of actual and contingent liabilities to assess calls on current expenditure budgets and, in exceptional cases, the reserve;
e. report total public sector debt, profile debt repayments and determine debt service costs;
f. forecast cash needs on a monthly basis; and
g. undertake timely internal and external audits and act on the findings.

PUBLIC PRIVATE PARTNERSHIPS AND NOVEL FINANCING ARRANGEMENTS

24. The option to enter into Public Private Partnerships (PPPs) and any other form of novel financing within the limits set out in the Framework will not be exercised by either the Government of Anguilla or its Statutory Authorities, Government Companies or other organisations within the public sector until:

    a. the Government of Anguilla has been in compliance with the Framework for two consecutive fiscal years; and
    b. the Government of Anguilla and the United Kingdom Government agree that the capacity to contract and manage such arrangements is in place.

25. Prior to the Government and Anguilla meeting these conditions, the Government of Anguilla may seek written permission from the Secretary of State on a case by case basis to make use of PPPs or other novel financing arrangements.

26. All mention of PPP and other novel financing transactions in this framework will be subject to these conditions.

27. The processes for ensuring that projects deliver value for money will also be applied for projects involving PPPs or any other form of novel financing, and will follow any additional processes required for projects with a lifetime value above EC$20m where these are different to the standard process.

28. In addition, for projects where the use of PPPs or any other form of novel financing is being considered, the Government of Anguilla will commission independent accounting, legal, financial, economic, environmental, and other technical advice as appropriate to ensure robust investment appraisals are produced.

29. PPPs or any other form of novel financing will only be considered where:

    a. there is a sound appraisal underpinning the proposed project before financing means have been determined;
    b. a financial appraisal demonstrates improved value for money against a conventionally financed alternative;
    c. the long term affordability case has been assessed by the Government of Anguilla in the context of the MTFP; and
    d. the correct accounting treatment in the public accounts has been utilised and agreed upon by an independent qualified accountant.

30. PPPs or any other form of novel financing will not be considered by the Government of Anguilla for:

    a. projects with a lifetime value of less than EC$65m and therefore too small to justify the transaction costs; or
    b. projects where the fast pace of change in the sector makes it difficult to define effectively the outputs it requires in a long term contract (such as Information Communication Technology projects).

MANAGING RISKS

Contingent and actual liabilities

31. The Government of Anguilla is committed to managing risks and ensuring that contingent and actual liabilities which accrue are consistent with sustainable public finances.

32. The Government of Anguilla will make contingent and actual liabilities, including (but not limited to) pensions and healthcare schemes, subject to actuarial assessments at least every three years. Actuarial assessments will be published within three months of receipt. The Government will publish its proposals to address the results of the assessments no later than the budget following the receipt of the actuarial assessment.

33. The Government of Anguilla will set out in the MTFP their strategy for managing contingent and actual liabilities and report on progress in delivering the strategy.

Debt

34. Unless in exceptional circumstances different arrangements are agreed in writing between the Government of Anguilla and the Secretary of State, the Government of Anguilla will only borrow to fund capital expenditure where:
    a. The proposed project is forecast to yield sufficient revenues to fund the additional debt service costs; or
    b. the Government of Anguilla can demonstrate that it has sufficient surplus revenues to fund the additional debt service costs which arise from borrowing to finance such capital expenditure.

35. The Government of Anguilla will establish a capital development fund to build a source of finance for capital expenditure which would not meet the criteria in paragraph 34a. The House of Assembly must give its approval before the capital development fund is accessed.

36. Where capital expenditure will yield sufficient revenues to fund debt service costs and the Government of Anguilla proposes to use debt finance to fund the expenditure, preference will be given to borrowing from concessional lenders which should ensure that the lender's expertise is brought to projects.

37. To ensure that the level of debt is affordable and consistent with the delivery of macroeconomic and fiscal sustainability and financial stability in the short, medium and long term, the Government of Anguilla will:

    a. comply with the borrowing limits defined in Annex A by no later than the dates specified in Annex D;
    b. comply with the transitional ratios established in Annex D by the timeframes specified;
    c. remain in compliance with the borrowing limits subsequent to the dates specified in Annex D or such earlier date by which compliance is achieved; and
    d. put in place arrangements to repay loan principal.

38. The repayment of principal will be achieved either through:

    a. agreeing a fully amortized structure with the lending institution; or

b. establishing a dedicated sinking fund with a binding contribution schedule capable of offsetting the outstanding principal repayment on maturity of the debt.

ACCOUNTABILITY

39. The Government of Anguilla is committed to delivering improved accountability mechanisms through the transparency delivered by the Framework and subsequently a new public financial management law and by ensuring that public accounts are:

    a. prepared on a timely basis in line with International Public Sector Accounting Standards (IPSAS); and
    b. subject to an annual external audit the results of which will be subject to the Public Accounts Committee's scrutiny and publication.

PARTNERSHIP WITH THE UK

40. In support of the commitments to deliver fiscal responsibility made by the Government of Anguilla, the United Kingdom Government will:

    a. undertake an annual assessment of the economy of Anguilla, including the state of the public finances;
    b. provide technical assistance by monitoring compliance with the Framework;
    c. provide support in identifying sources of expertise at the request of the Government of Anguilla;
    d. consider requests for technical support made by the Government of Anguilla where any such requests are accompanied by a business case and specific terms of reference.

Exchange of information

41. The Government of Anguilla will submit the information specified in Annex C to the person(s) from time to time specified by the United Kingdom Government.

42. The Government of Anguilla will supply the United Kingdom Government with such other information it may request, including further information on:

a. any aspect of the MTFP, including specific capital investment projects and proposed borrowing; and
b. the draft budget.

43. All information will be submitted by the Government of Anguilla within the timescales specified in Annex C unless, in exceptional circumstances, different timescales are agreed in advance in writing by the Government of Anguilla and the United Kingdom Government.

Consideration of representations

44. The Government of Anguilla will consider fully any representations made by the Secretary of State on the information provided.

45. The Government of Anguilla will not proceed with any project on which the Secretary of State has made representations until fifteen working days after a full written response has been received by the Secretary of State to those representations.

Approvals Process

46. Where the Government of Anguilla is not in compliance with the Framework, the Government of Anguilla will present, for the approval of the Secretary of State, a plan that is consistent with the MTFP to remedy the breach. The maximum period which may be permitted to rectify a breach is three fiscal years from the point at which the breach occurred or, in exceptional circumstances, such other period that may be agreed in writing between the Government of Anguilla and the Secretary of State.

47. In the event of any non-compliance by the Government of Anguilla in respect of the Framework and until the breach has been rectified the Government of Anguilla will obtain, on an annual basis, written approval from the Secretary of State before:
    a. the MTFP is finalised;
    b. any public borrowing or any refinancing of public borrowing is undertaken;
    c. commencing any project with a lifetime value of more than EC$20 million;
    d. using public assets as collateral as part of any arrangement with a party external to Government of Anguilla;
    e. the hypothecation of any revenue stream; or
    f. the divestment of public assets.

48. For the avoidance of doubt, any failure to comply with the borrowing limits or forecast failure to comply within the lifetime of the MTFP will be deemed a failure to comply with the Framework.

49. In exceptional cases, the Government of Anguilla may request the Secretary of State's approval to make in-year changes to the approach set out in the MTFP. In such cases, the Government of Anguilla will supply the Secretary of State with:

    a. a written request to make the changes, to be received no later than two months before such changes are considered to be required by the Government of Anguilla unless a shorter period is agreed in writing by the Government of Anguilla and the United Kingdom Government;
    b. a compelling evidence based business case to support the request for approval; and
    c. a revised MTFP, which sets out the measures the Government of Anguilla intends to take to return to the course set previously. If approval is granted, the Government of Anguilla will publish the revised MTFP.

Signed: ..... Date: 5/4/13.
Chief Minister, Anguilla

Signed: ..... Date: 17/IV/13.
Minister for Overseas Territories, Foreign and Commonwealth Office

AKC 5/4/13 - initialled on behalf of Minister for OTs.

ANNEX A: DEFINITIONS

1. **Expenditure**, unless otherwise specified, refers to all public expenditure (inclusive of subventions, interest and debt repayments, capital and recurrent expenditure).

2. **Public accounts** include all the accounts of the Government of Anguilla and of all Statutory Authorities/Government Companies.

3. **Public borrowing** includes:

   - conventional borrowing including overdrafts from commercial and concessional institutions;
   - the capitalised value of all novel financing transactions (including PFI/PPP arrangements) that will place future financial obligations (in terms of increased expenditure or reduced revenue) on the Government of Anguilla;
   - the risk weighted debts and PPP/PFI arrangements of statutory authorities, government corporations and companies;
   - borrowing that is contracted by the Government of Anguilla, but then on-lent; and
   - any other debt guaranteed by the Government of Anguilla.

4. Public borrowing taken out to clear informal debt (including arrears) will be treated as new debt.

5. The risk weighting attached to debts and PPP/PFI arrangements of Statutory Authorities, Government Companies or other organisations within the public sector will be agreed with the Secretary of State according to the following criteria:

Risk-weighting	Description
100%	Outstanding contractual commitments to PFI or PPP arrangements of any form, agencies with a consistent demand for subventions
80%	A high likelihood of subventions being required
50%	Moderate likelihood of subventions being required
20%	No subventions required in the last three years

6. A list of Statutory Authorities, Government Companies or other organisations within the public sector with assigned risk-weights is attached at Annex B.

7. The Government of Anguilla and the Secretary of State will agree risk-weights for new Statutory Authorities, Government Companies or other organisations within the public sector before any such body can take on debt.

8. **Borrowing limits** mean the following:

Net Debt	80% maximum of recurrent revenue
Debt Service	10% maximum of recurrent revenue
Liquid Assets	A minimum of 25% of recurrent expenditure (90 days)

9. **Net Debt** is defined as the total outstanding value of public borrowing minus liquid assets.

10. **Debt service** is defined as annual payments resulting from public borrowing commitments and finance leases or any other form of borrowing. This includes the debt-interest plus scheduled principal repayments, or payments made into a dedicated sinking fund established to offset the outstanding principal repayment on the maturity of the relevant debt.

11. **Liquid Assets** are defined as the lowest total balance of unallocated liquid funds at the disposal of the Government of Anguilla during the fiscal year. These funds should not be pledged against budgeted expenses or liabilities of any form. This will not include any 'cash in bank' or 'cash in hand', as these balances are for operating cash flow.

12. **Capital development fund** is defined as a fund established by the Government of Anguilla for the purpose of funding capital expenditure which would not yield sufficient revenues to fund debt service costs.

13. **Past fiscal performance**, unless otherwise specified, should be assessed on the basis of audited financial statements for the previous financial year, where available.

14. **Lifetime value** is defined as the discounted net present value of financing obligations calculated using a discount rate of 3.5%.

15. **Medium Term Fiscal Plan** means a document which, at a minimum, sets out:

- A statement of the Government of Anguilla's economic and fiscal objectives;
- A summary of the broad outcomes, the specific outcomes, and the links between them, that the Government of Anguilla intends to achieve in the next financial year and for at least the following two financial years;
- A summary of recent economic statistics, trends and forecasts;
- A statement of the prior two years fiscal performance, and analysis of variance from previous budgets and plans;
- A statement of existing public sector borrowing, including Statutory Authorities and Government Companies (whether guaranteed by government or not). For each loan this should include quantum, currency, date and origin of issue, maturity, and repayment and interest rate structures;
- A statement of expenditure and revenue arrears, the creditor/debtor and age of each debt;
- A statement detailing the actual and contingent liabilities of the Government of Anguilla and an explanation of how each will be managed/financed, progress to date and intended financing for the current and next three financial years;
- A capital investment plan for the next financial year and for each of the following two financial years. This should include details of new and continuing projects which are anticipated to have a lifetime value of over EC$20m for the next financial year and for each of the following two financial years;
- Anticipated revenue and expense measures and actions for the next financial year and for each of the following two financial years;
- A forecast statement of the current position and forecasts for the next three financial years for each of the following:
    - Forecast summary Statement of Cash Flows;
    - expenditure (by budget head and department)
    - revenue performance (by budget head and department);
    - reserve levels for each month;
    - borrowing;
    - performance against borrowing limits;
    - surplus or deficit, being the difference between total recurrent revenue and total recurrent expenditure;
    - net worth;
    - net cash flows for each of its operating, investing and financing activities;
    - the anticipated impact of any proposals to refinance existing debt;

- the value of contingent and actual liabilities, including pensions and healthcare schemes, and the steps taken to mitigate these liabilities.

ANNEX B: PARASTATAL RISK-WEIGHTS

Statutory Agency/Government Company	*Risk Weight*
Anguilla Tourist Board	*100%*
Anguilla Community College	*100%*
Anguilla Health Authority	*100%*
Ports Authority	*80%*
Anguilla Water Authority	*80%*
Anguilla Development Board	*20%*
Social Security Board	*20%*
Financial Services Commission	*20%*

These risk-weights can be updated to reflect recent financial performance at the request of either the Government of Anguilla or the Secretary of State.

ANNEX C: MONITORING

The Government of Anguilla will provide the following information to the United Kingdom Government:

Triennially: Actuarial reviews of contingent and actual liabilities, including healthcare and pensions provisions.

Annually: (i) Annual audit reports for the Government of Anguilla and Statutory Authorities/Government Companies.

(ii) Debt and PPP/PFI breakdown for Government of Anguilla and Statutory Authorities/Government Companies.

(iii) Annual updates on GDP figures, employment, and the performance of key sectors to the extent that this is not separately identified in budget documentation or the MTFP.

(iv) The Government of Anguilla's MTFP, accompanied by a written request for any approvals that may be necessary over the course of the next fiscal year owing to the Government of Anguilla failing to comply with the Framework. Both should be submitted to the United Kingdom Government no later than five weeks before the MTFP is due to be published.

(v) The Government of Anguilla budget in draft no less than five weeks before it is due to be presented, and when finalised.

Monthly: (i) Liquid Assets fund balances and variance analysis.

(ii) Current and capital revenue; capital and recurrent expenditure outturns and forecast reports with accompanying variance analysis

On request: (i) Details of the stock and composition of debt, currency, date and origin of issue, maturity, and repayment and interest rate structures.

(ii) Updates on capital project progress.

(iii) Details of proposed capital investments, PFI, PPP and alternative forms of private finance, an independent accounting

opinion on the IPSAS accounting treatment and the capitalised value of the arrangement, and implications for public expenditure prepared and signed off by appropriate independent professionals.

(iv) Completed investment appraisals.

(v) Such other information as may reasonably be requested.

ANNEX D: TRANSITIONAL PROVISIONS

50. The unprecedented global financial crisis has forced the Government of Anguilla to operate beyond the borrowing limits defined in Annex A.

51. The Government of Anguilla will publish its first Medium Term Fiscal Plan prior to the development of the 2013 budget.

52. The Government of Anguilla will return to compliance with the borrowing limits by the following dates:
    - **Net debt**: by no later than the end of 2017;
    - **Debt service**: by no later than the end of 2017; and
    - **Liquid assets**: by no later than the end of 2017.

53. In order to reach compliance, the Government of Anguilla will ensure compliance with milestones towards full compliance such that:
    - Net debt ratio:
        - Is at a maximum of 90% by the end of 2015
    - Debt service ratio:
        - Is at a maximum of 12% by the end of 2015
    - Liquid assets ratio:
        - Is at a minimum of 18% (65 days) by the end of 2015

SCHEDULE 2

(Section 4(2)(a)(iii))

INFORMATION RELATING TO ECONOMIC PROJECTIONS

1. Gross domestic product.
2. Consumer prices.
3. Unemployment and employment.
4. Current account position of the balance of payments.
5. A statement of all significant assumptions underlying the above.