



# DEBT PORTFOLIO REVIEW

**2020 - 2024**

**June 2025**

MINISTRY OF FINANCE  
[WWW.GOV.AI](http://WWW.GOV.AI)





# ANGUILLA



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## ACRONYMS

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ACC	Anguilla Community College
ASSB	Anguilla Social Security Board
ATB	Anguilla Tourist Board
ATM	Average Time to Maturity
ATR	Average Time to Re-fixing
BGs	Borrowing Guidelines
CariCRIS	Caribbean Information and Credit Rating Services
CCB	Caribbean Commercial Bank Anguilla Ltd
CDB	Caribbean Development Bank
COVID-19	Coronavirus disease 2019
DHS	Department of Health Services
DMU	Debt Management Unit
DPR	Debt Portfolio Review
DPT	Depositors' Protection Trust
DSA	Debt Sustainability Assessment
DWS	Department of Water Services
ECCB	Eastern Caribbean Central Bank
ECCU	Eastern Caribbean Currency Union
EIB	European Investment Bank
FAA	Financial Administration and Audit Act
FFSD	Framework for Fiscal Sustainability and Development
GoA	Government of Anguilla
GDP	Gross Domestic Product
GST	Goods and Services Tax
HAA	Health Authority of Anguilla
NBA	National Bank of Anguilla Ltd
NCBA	National Commercial Bank of Anguilla
NDAC	National Debt Advisory Committee

m	million
MoFH	Ministry of Finance and Health
MTDS	Medium Term Debt Strategy
OCR	Ordinary Capital Resources
PAS	Principal Assistant Secretary
PBL	Policy-Based Loan
PPPs	Public Private Partnerships
PS	Permanent Secretary
SFR	Special Fund Resources
SOEs	State-Owned Enterprises
UKG	United Kingdom Government
USD	United States dollars
WCA	Water Corporation of Anguilla

### **Currency and Indicative Exchange Rates**

Local Currency = Eastern Caribbean Dollar (EC\$)

Exchange Rate December 2024

1 United States Dollar (USD) = EC\$2.70

1 Euro (€) = EC\$2.81205

### **Variable interest Rate December 2024**

CDB OCR – 5.60%

### **Fiscal Year**

1 January to 31 December 2024



## FOREWORD

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Welcome to the sixteenth Debt Portfolio Review (DPR) for Anguilla, and the ninth to be published on the Government of Anguilla (GoA) website. By making this report accessible, we aim to uphold our commitment to transparency, accountability, and adherence to international best practices in debt reporting and monitoring for the residents of Anguilla, our stakeholders, and regional partners.

This DPR provides a detailed analysis of the public and publicly guaranteed (both external and domestic) debt portfolios over the period 2020-2024. It underscores the GoA's unwavering commitment to debt sustainability and transparency. The report offers an in-depth view of Anguilla's debt situation, covering Central Government activities as well as Government Guaranteed and Non-Guaranteed Debt of State-Owned Enterprises (SOEs). It chronicles the evolution of the total public debt stock over this historic five-year period, analysing key factors influencing its movement. Furthermore, the government's performance relative to the Framework for Fiscal Sustainability and Development (FFSD) ratios is highlighted throughout the reporting period.

In the last nine years, Anguilla faced significant challenges, including the Banking Resolution in 2016, Hurricane Irma in 2017, and the Coronavirus Disease 2019 (COVID-19) pandemic in 2020. These crises took a toll on our economy and fiscal performance. Yet, despite these setbacks, the government consistently met its debt obligations without fail. As our economy recovers, the GoA is steadfast in its commitment to prudent debt management, ensuring our public debt remains on a sustainable trajectory.

We extend our gratitude to the dedicated teams from the Ministry of Finance's Debt Management and Budget Units, the Economic Planning Unit of the Ministry of Economic Development, Investment, Commerce and Trade, and the Department of Information Technology and E-Government Services for their invaluable contribution to this report.

We are proud to present the DPR for 2020 – 2024. It's our aspiration that this report enlightens all readers on the trajectory of public debt in Anguilla. For further insights, the DPR is available on the Government of Anguilla's website: [<https://www.gov.ai>]

Mrs Cora Richardson-Hodge  
Hon Premier and Minister of Finance  
Government of Anguilla

Marisa Harding Hodge, Ms  
Permanent Secretary,  
Ministry of Finance

## EXECUTIVE SUMMARY

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The Anguilla Debt Portfolio Review, 2024 is compiled by the Debt Management Unit (DMU), Ministry of Finance and Health (MoFH), now Ministry of Finance and Home Affairs and Constitutional Affairs<sup>1</sup> with support from the Budget Unit in the Ministry of Finance and the Economic Planning Unit in the Ministry of Economic Development. The DPR presents the most up to date statistics for the period 2020 to 2024 at the time of publication, and discusses the evolution of the public debt portfolio. As at end December 2024, the total public debt stock stood at EC\$332.14m or 23.62 per cent of Gross Domestic Product (GDP), which comprised of public and publicly guaranteed and non-guaranteed external and domestic debt. The report aims to provide a detailed overview of the total public debt portfolio, along with an analysis of the movements in the debt stock over the specified review period.

Encapsulated in the review is an exploration of how: (1) public financial management has impacted debt sustainability through an assessment of the debt ratios as set out in the FFSD, and (2) how financial instability and the subsequent banking resolution have affected the public debt portfolio.

The DPR is divided into three sections as outlined below:

**SECTION 1:** provides an overview of the economy in terms of the economic and fiscal developments over the period 2020-2024. It also analyses how these developments impact both the level and composition of the debt portfolio.

**SECTION 2:** examines the evolution of total public sector debt; that is - its composition, costs and risks inherent in the current portfolio, debt sustainability indicators and the FFSD borrowing benchmarks/ratios.

**SECTION 3:** concludes with the key observations in the current debt portfolio and proposes policy recommendations

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<sup>1</sup> The February 2025 General Elections resulted in a change in administration and subsequently, a change in ministerial portfolios. The Ministry of Finance and Health has been separated. As of March 4<sup>th</sup> the change in ministerial portfolios has formed the Ministry of Finance and Home Affairs and Constitutional Affairs.

## SECTION 1.0 OVERVIEW OF ANGUILLA'S ECONOMY

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### 1.1 Introduction

Anguilla is the most northerly of the Leeward Islands in the Caribbean. Constitutionally, it is a British Overseas Territory which comprises the island of Anguilla and several uninhabited islands and cays. To instill fiscal discipline and support the Territory's efforts to achieve sustainable economic development, the United Kingdom Government (UKG) and the GoA signed the FFSD in 2013.

The territory is internally self-governing and seeks to cooperate with other Caribbean governments to advance regional goals, evidenced by its membership and association with regional organisations.

The economy of Anguilla is heavily dependent on the success of tourism services. While successive territorial governments have made great efforts to diversify the Territory's economy through development of infrastructure, investment in human capital and attracting international companies, the desired level of diversification has not yet been achieved. The lack of diversification means the economy is less able to absorb the effect of shocks to which the small island is vulnerable. Albeit, Anguilla continues to undergo targeted structural reforms to reinforce growth in productivity and debt sustainability.

### 1.2 Macroeconomic Developments

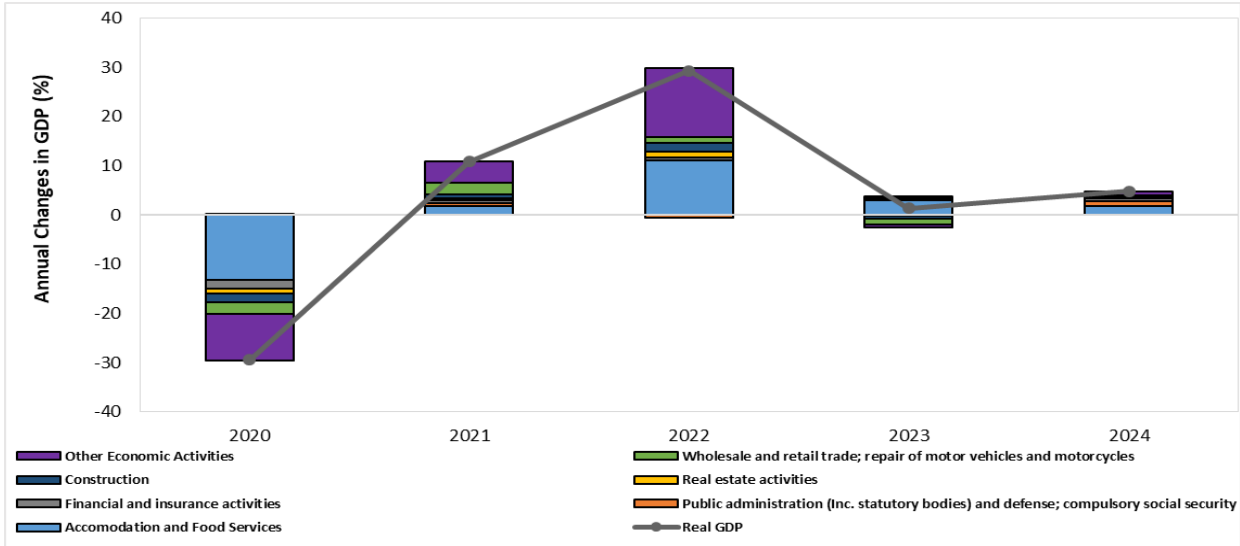
The year 2024 marked a pivotal period in the global economy, characterised by a delicate balance between stabilisation efforts and persistent challenges. After years of turbulence induced by the COVID-19 pandemic, geopolitical tensions, and volatile markets, the global economic landscape began to show signs of steadiness, albeit with growth rates that remained subdued compared to pre-pandemic levels.

Locally, Anguilla experienced notable economic developments driven by stronger government spending and investment. The island capitalised on the global surge in artificial intelligence (AI) through windfall revenues from the management of the top-level country domain, ".ai", and made significant strides in tourism-related investment. Government surpluses have enabled support for various public projects, including airport redevelopment, free public medical care for seniors, and other new initiatives.

Key indicators of the tourism industry, a cornerstone of Anguilla's economy, surpassed pre-covid and pre-Irma levels, signalling a recovery after two consecutive shocks that severely disrupted performance. For the first half of the year, the island recorded 116,143 visitor arrivals, with arrivals from the largest source market (United States of America) increasing by 39 percent compared to the same period in 2023. This upward trajectory in arrivals is expected to continue into 2025 supported by the potential for enhanced air access via the Clayton J. Lloyd International Airport (CJLIA) redevelopment, further strengthening the economic outlook.

Real GDP is projected to expand by 4.78 percent in 2024 after a weak expansion of 1.35 percent in 2023. Growth is predicted to remain positive in the medium-term but may begin slowing in 2025, converging back to weak historical averages if new projects do not come on stream after the completion of several large initiatives. The “Accommodation and Food Services” sector continues to be the main driver of Anguilla's economy, while other sectors are making key contributions. “Financial and Insurance Activities” favourably impacted real activity in 2024, accounting for 8.66 percent. “Construction” has remained relatively stable, accounting for 7.02 percent of economic activity in constant terms. A number of projects such as the CJLIA Customs Cargo Facility, Blowing Point Terminal Taxi Stand, and the Landsome Bowl Cultural Centre were completed in 2024, while projects such as the CJLIA redevelopment are ongoing.

**Figure 1: Real GDP Growth and Contribution of Selected Industries to Growth Performance, 2020-2024 (in per cent)**

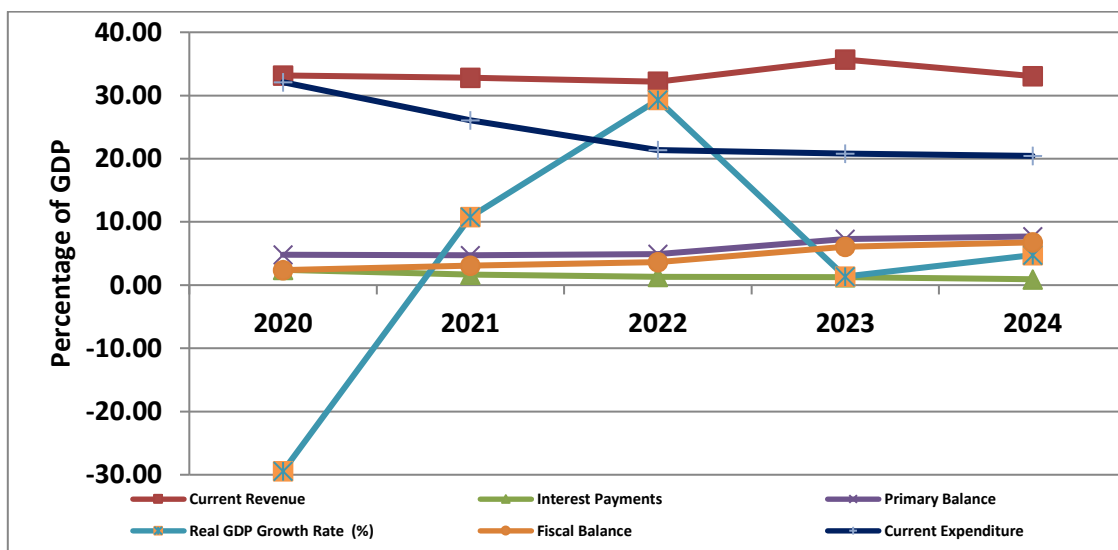


Source: Economic Planning Unit & ECCB

### 1.3 Fiscal Operations

Figure 2 shows the trend in the central government's fiscal position for the period under review.

**Figure 2: Central Government Fiscal Position 2020-2024 (as per cent of GDP)**



Source: Debt Management Unit & Budget Unit

The GoA concluded the 2024 fiscal year with an overall surplus of EC\$96.50m, (6.86 per cent of GDP). Recurrent revenue exceeded the budgeted amount of EC\$404.01m, with actual collections totaling EC\$464.95m (33.07 per cent of GDP). This marks an increase of EC\$51.22m, compared to the EC\$413.74m (35.68 per cent of GDP) collected in 2023.

Taxes on payroll and the workforce were budgeted at EC\$21.30m; however, at the close of the year, collections amounted to EC\$23.19m. Goods and Services Tax also performed slightly above expectations. The approved estimate was EC\$166.16 million, but actual collections exceeded this by EC\$0.84m, totaling EC\$167.00m. Additionally, Domain Name Registration revenue significantly outperformed projections. The budgeted estimate was EC\$64.05m, but actual collections reached EC\$104.25m.

Recurrent expenditure for 2024 totalled EC\$287.46m (20.44 per cent of GDP), exceeding the approved budget of EC\$278.94m by EC\$8.52m. However, a supplementary appropriation increased the budget to a revised total of EC\$313.56m. When compared to 2023 expenditure of EC\$241.23m (20.80 per cent of GDP), actual recurrent expenditure for 2024 represents an increase of EC\$46.22m. The

supplementary appropriation was essential to address critical needs, particularly the integration of the Health Authority of Anguilla (HAA) and the Water Corporation of Anguilla (WCA) into the government structure. These entities are now operating as the Department of Health Services (DHS) and the Department of Water Services (DWS), respectively, ensuring more streamlined and efficient service delivery to the public.

Personal Emoluments was estimated at EC\$109.20m and performed above estimate at EC\$127.91m. Similarly, Goods and Services was budgeted at EC\$69.72m, but actual expenditure surpassed this estimated amount, reaching EC\$75.66m. Meanwhile, Current Transfers was budgeted at EC\$71.85m, with actual expenditure amounting to EC\$56.20m. The over-expenditure in Personal Emoluments and Goods and Services was primarily due to supplementary appropriations and the reallocation of funds from Current Transfers. These adjustments were necessary to cover costs associated with the integration of HAA and the WCA into the government structure.

Interest Payments totaled EC\$13.11m (0.93 per cent of GDP) or 4.56 per cent of recurrent expenditure at the end of fiscal year 2024. Compared to 2023, interest payments of 14.45m (1.25 per cent of GDP) or 5.99 per cent of recurrent expenditure resulted in a decrease of EC\$1.34m at the end of the 2024 fiscal year. External interest payments accounted for EC\$7.31m (0.52 per cent of GDP) or 2.54 per cent of recurrent expenditure, whereas domestic interest payments accounted for the remaining EC\$5.81m (0.41 per cent of GDP) or 2.02 per cent of recurrent expenditure. Central Government amortization, exclusive of the WCA/DWS debt, totaled EC\$38.22m at the end of 2024.

#### 1.4 Credit Rating

The Caribbean Information and Credit Rating Services Limited (CariCRIS) credit rating is an objective assessment of an entity's creditworthiness relative to other debt-issuing entities. The CariCRIS regional scale rating compares an entity's creditworthiness to all debt-issuing entities in a defined Caribbean region. CariCRIS conducts an annual surveillance; and provides a credit rating that reflects its opinion of Anguilla's ability to meet its financial obligations. Between 2007 and 2013, Anguilla's rating slid from CariAA to CariBBB+ and remained at CariBBB+ for the past 10 years (2013 – 2023). The rating was recently upgraded to CariA- in September of 2024.

Outlined in its Credit Rating Report for the GoA, September 20, 2024, CariCRIS has upgraded by one notch the credit rating to Cari**A-** (Foreign and Local Currency) on the regional rating scale to the notional debt of USD 25.0 m of the GoA. These ratings include a 6-notch uplift for the high likelihood of support from the UK. The notched-up regional scale ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean is **good**.

Also stated in this report is that a stable outlook on the ratings has been maintained. The stable outlook is based on the strong fiscal and debt management support from the UK, in addition to the ongoing satisfactory recovery path following the impacts of the coronavirus (COVID-19) pandemic on the tourism industry and wider economic activity. Below is the breakdown of CariCRIS rating drivers as documented in the report:

The factors supporting the upgrade to the Cari**A-** rating were:

- GoA's status as a British Overseas Territory and the likelihood of support from the UK Government in the event of financial distress;
- The continued rebuilding of the economy and infrastructure following the passage of hurricane Irma and continued flow of capital investments particularly towards tourism.
- Fiscal performance remains carefully managed to control debt accumulation and improved debt servicing capacity.

On the other hand, factors constraining the rating are:

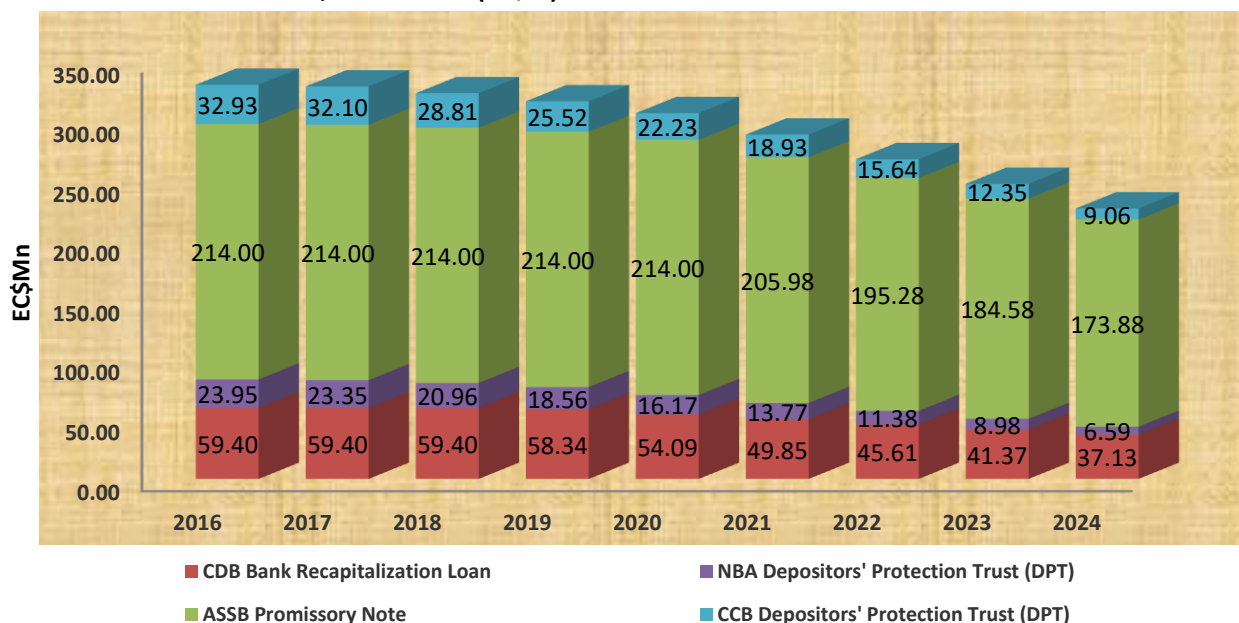
- Small size of the country along with significant capacity constraints;
- Continued breach of its debt management performance although there are considerable improvements; and
- Financial sector is characterised by high non-performing loans and low but improving capitalization levels.

## 1.5 The 2016 Banking Resolution Debt

At the end of 2024, debt associated with the banking resolution stood at EC\$226.64m (16.12 per cent of GDP and 68.24 per cent of outstanding public debt stock) a decline of EC\$20.63m or 8.34 per cent over the outstanding balance of EC\$247.27m (21.33 per cent of GDP and 66.64 per cent of outstanding public debt stock) at the end of 2023. This amounted to a principal repayment of EC\$103.64m or 31.38 per cent contraction from the total amount of the GoA's intervention in 2016 (see Figure 3). At the end of 2024, debt associated with the banking resolution accounted for 68.32 per cent and 68.24 per cent of central government debt and total public debt stocks, respectively.

The instruments associated with the banking resolution are the ASSB Promissory Note, the CDB Bank Recapitalization Loan, the CCB DPT and the NBA DPT. The ASSB Promissory Note accounted for 76.72 per cent of debt related to the banking resolution and 52.35 per cent of the total debt portfolio. The shares of the other instruments in descending order are as follows: the CDB Bank Recapitalization Loan with a share of 16.38 per cent of debt related to the banking resolution and 11.18 per cent of the total debt portfolio; the CCB DPT with a share of 4.00 per cent of debt related to the banking resolution and 2.73 per cent of the total debt portfolio; and the NBA DPT with a share of 2.91 per cent of debt related to the banking resolution and 1.98 per cent of the total debt portfolio.

**Figure 3: Bank Resolution Debt, 2016 - 2024 (EC\$m)**



Source: Debt Management Unit



## SECTION 2.0 PUBLIC DEBT STRUCTURE AND RATIOS

### 2.1 Total Public Debt

Anguilla's total public debt comprises central government debt, government guaranteed and non-guaranteed debt of statutory bodies from domestic and external sources (see Table 1).

**Table 1: Total Public Debt 2020-2024 (EC\$m)**

	2020	2021	2022	2023	2024
<b>Central Government Debt</b>	<b>452.80</b>	<b>427.92</b>	<b>393.55</b>	<b>357.30</b>	<b>331.74</b>
Domestic	266.58	238.68	222.29	205.90	201.34
External	186.22	189.24	171.26	151.39	130.40
<b>Government Guaranteed Debt</b>	<b>4.71</b>	<b>3.04</b>	<b>1.80</b>	<b>0.56</b>	<b>0.40</b>
Domestic	0.42	-	-	-	-
External	4.29	3.04	1.80	0.56	0.40
<b>Non-Guaranteed Debt</b>	<b>19.41</b>	<b>16.76</b>	<b>14.52</b>	<b>13.17</b>	<b>-</b>
Domestic	19.41	16.76	14.52	13.17	-
External	-	-	-	-	-
<b>Total Public Debt</b>	<b>476.93</b>	<b>447.73</b>	<b>409.85</b>	<b>371.03</b>	<b>332.14</b>
Domestic	286.41	255.44	236.81	219.08	201.34
External	190.51	192.29	173.06	151.95	130.79
<b>Percentage Share of Total Public Debt</b>					
Domestic	60.05%	57.05%	57.78%	59.05%	60.62%
External	39.95%	42.95%	42.22%	40.95%	39.38%
Central Government	94.94%	95.58%	96.02%	96.30%	99.88%
Government Guaranteed	0.99%	0.68%	0.44%	0.15%	0.12%
Non-Guaranteed	4.07%	3.74%	3.54%	3.55%	0.00%

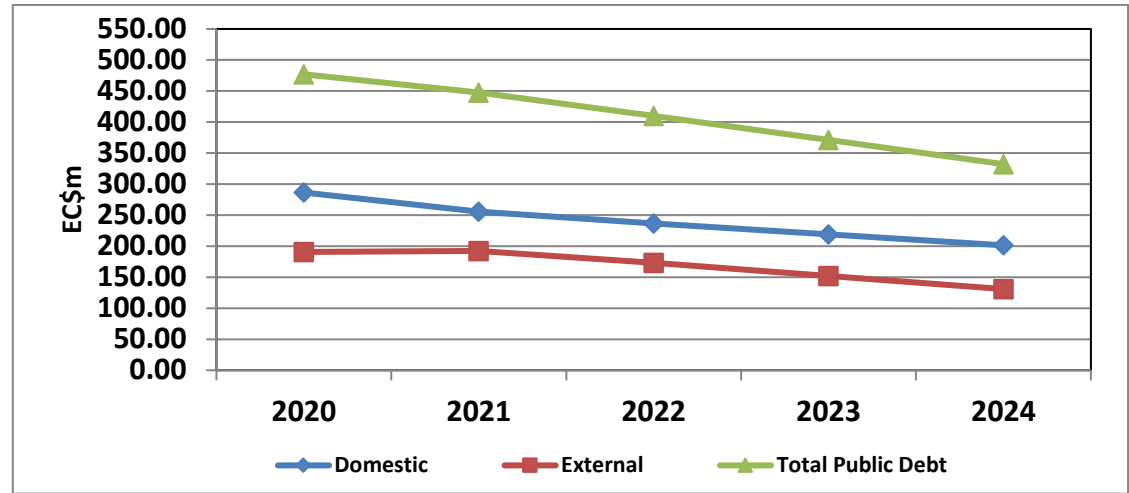
Source: Debt Management Unit

Table 1 shows the evolution of public debt for the period 2020 to 2024. At the end of 2024, the total disbursed outstanding public sector debt stock stood at EC\$332.14m (23.62 per cent of GDP) as depicted in Table 1 above. For the review period, total public debt declined by 30.36 per cent moving from EC\$476.93m (67.58 per cent of GDP) in 2020 to EC\$332.14m (23.62 per cent of GDP) in 2024. At year-end 2024 the debt stock decreased by 10.48 per cent (EC\$38.89m) moving from EC\$371.03m (32.00 per cent of GDP) in 2023 to EC\$332.14m (23.62 per cent of GDP). This decrease is due to scheduled amortization exceeding disbursements on existing debt.

Throughout the period under review, 2020-2024, domestic debt dominated Anguilla's total debt portfolio with a five-year average of 58.91 per cent and external debt the remaining 41.09 per cent. At the end of 2024, domestic debt accounted for 60.62 per cent (EC\$201.34m) of the total debt

portfolio, while external debt accounted for the remaining 39.38 per cent (EC\$130.79m). (See Table 1 above and Figure 4 below).

Figure 4: Total Public Debt by Category (EC\$m)



Source: Debt Management Unit

As shown in Table 1 above and Figure 5 below, at the end of 2024, central government debt stood at EC\$331.74m (99.88 per cent of the total debt stock). Over the five years, central government debt declined by 26.74 per cent moving from EC\$452.80m in 2020 to EC\$331.74m at end 2024.

For the same period, the government guaranteed debt<sup>2</sup> stock stood at EC\$0.40m (0.12 per cent of the total debt stock). At the end of 2024 government guaranteed debt stock declined by 29.30 per cent when compared to the debt stock of EC\$0.56m at the end of fiscal year 2023.

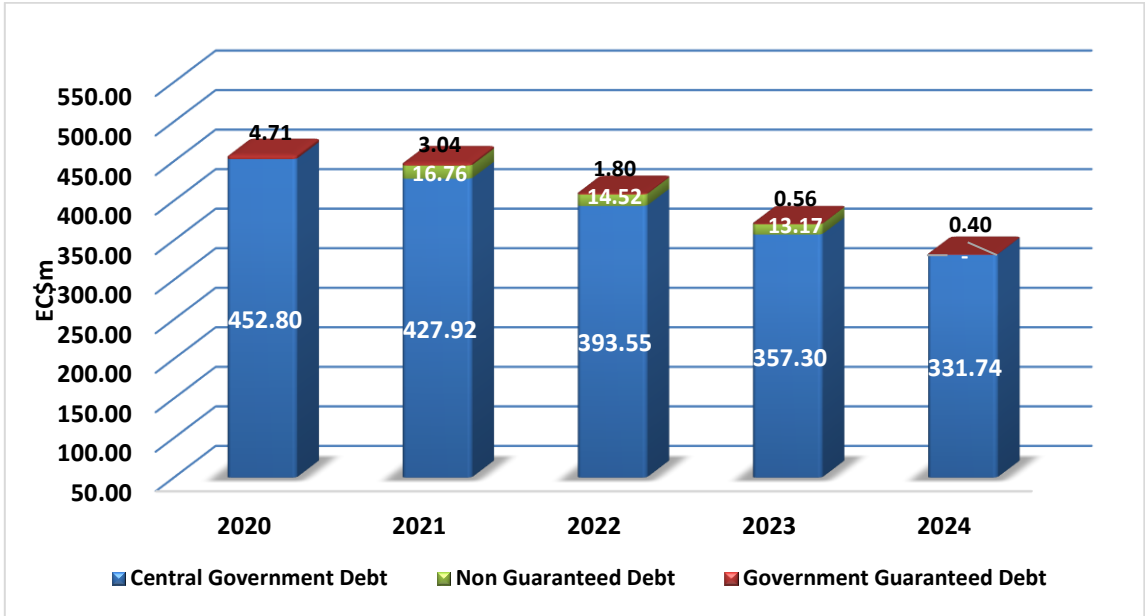
In regard to the non-guaranteed SOEs debt<sup>3</sup> stock is that the outstanding debt of EC\$11.83m was assumed by the government following the onboarding of the WCA as the DWS in the Ministry of Infrastructure, Communication, Utilities and Housing and Tourism (MICUHT). In April of 2024.

<sup>2</sup> Up to 2016, guarantees were extended to two statutory bodies, the Anguilla Development Board and the Anguilla Tourist Board. In 2016, the Anguilla Air and Sea Ports Authority contracted debt that was also guaranteed.

<sup>3</sup> Non-guaranteed debt at the end of 2024 was assumed by the GoA following the on boarding of the WCA as the DWS (MICUHT).

In summary, at the end of 2024, central government and government guaranteed SOEs debt stocks declined by 9.21 per cent (EC\$36.25m), 68.89 per cent (EC\$1.24m), and 9.30 per cent (EC\$1.35m) respectively, over the 2022 debt stock levels.

**Figure 5: Central Government, Government Guaranteed and Non-Guaranteed Debt, 2020-2024 (EC\$m)**

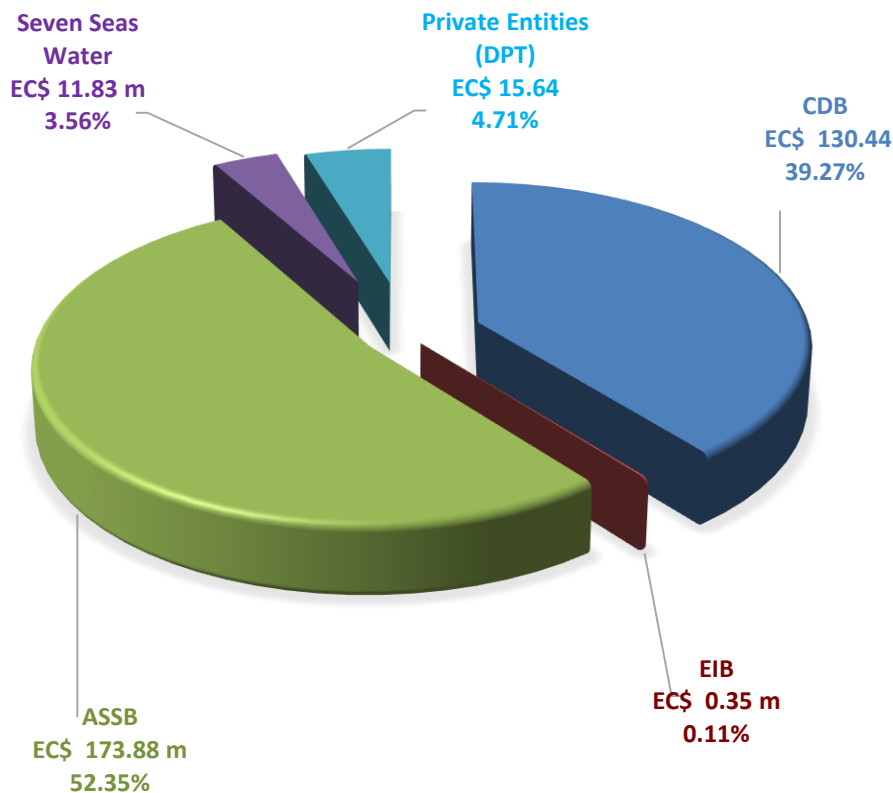


Source: Debt Management Unit

### 2.2 Public Debt Composition

Figure 6 shows that at the end of 2024, the Anguilla Social Security Board (ASSB) was the largest creditor holding 52.35 per cent (EC\$173.88m) of total debt. The shares of debt owed to the other creditors, in descending order, were as follows; - the Caribbean Development Bank (CDB) at 39.27 per cent (EC\$130.44m); Private Entities (Depositors’ Protection Trust (DPT)) at 4.71 per cent (EC\$15.64m); Seven Seas Water at 3.56 per cent (EC\$11.83m); and the European Investment Bank (EIB) at 0.11 per cent (EC\$0.35m). There was no outstanding debt owed to Eastern Caribbean Central Bank (ECCB) and National Commercial Bank of Anguilla (NCBA) (short-term credit facilities) at the end of fiscal year, 2024. See appendix 2 for trend in debt by creditor category for the period 2020 to 2024.

Figure 6: Public Debt by Creditor Category, 2024 (EC\$m)



Source: Debt Management Unit

2.2.1 External Debt<sup>4</sup>

For the year in review, the external debt portfolio consisted entirely of loans. Over the period 2020 to 2024 external debt declined by approximately 31.35 per cent; moving from EC\$190.51m in 2020 to EC\$130.79m at the end of 2024. This decrease in external debt over the period of review (2020-2024) is due to scheduled amortization payments exceeding disbursements. At the end of 2024, external debt decreased by 13.92 per cent (EC\$21.15m) over the 2023 debt stock level of EC\$151.95m.

<sup>4</sup> External debt is classified by residency of creditors

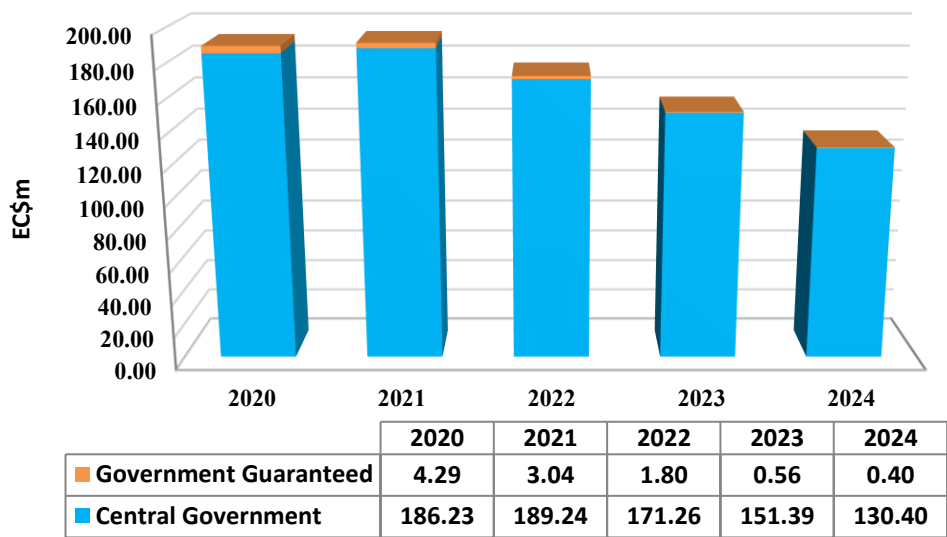
External Debt by Creditor Category

Anguilla’s external debt over the period reviewed was owed to two multilateral creditors, the European Investment Bank (EIB) and CDB. The latter was the dominant holder with a five-year average annual share of 96.42 per cent. At the end of 2024, CDB accounted for a share of 99.73 per cent (EC\$130.44m) of the external debt portfolio and EIB the remaining 0.27 per cent share (EC\$0.35m).

External Debt by Borrower Category

As shown in Figure 7 below at the end of 2024 central government external debt stock stood at EC\$130.40m (99.70 per cent) of the external debt portfolio. Government guaranteed SOEs external debt stock stood at EC\$0.40m (0.30 per cent) of the external debt portfolio. There was no external debt associated with that of the non-guaranteed SOEs. At the end of 2024 central government and government guaranteed external debt stock declined by EC\$20.99m (13.87 per cent) and EC\$0.16m (29.30 per cent) over the 2023 external debt stock levels of EC\$151.39m and EC\$0.56m respectively. Over the period of review, central government and government guaranteed external debt stocks declined on average by 8.34 per cent and 42.05 per cent, respectively.

Figure 7: External Debt by Borrower Category (EC\$m)



Source: Debt Management Unit

2.2.2 Domestic Debt

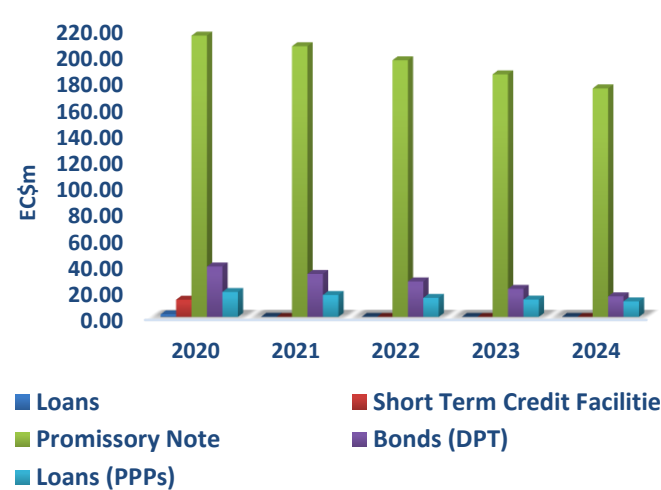
At end 2024, domestic debt stood at EC\$201.34m and comprised debt owed by Central Government. It is worth noting that the domestic debt owed by the SOEs (specifically WCA) at the end of 2023 was assumed by Central Government after the onboarding of the WCA as DWS in the MICUHT. The domestic debt stock was on a downward trajectory over the five years of review, largely due to GoA's less reliance on the two short-term credit facilities (the NCBA overdraft and the ECCB operating account). At the end of 2024, the domestic debt stock decreased by EC\$85.06m or 29.70 per cent and EC\$17.74m or 8.10 per cent compared to the 2020 and 2023 domestic debt stock levels respectively. This decrease is due to scheduled repayments exceeding disbursements and payments made on the ASSB promissory note commencing in 2021, after the expiration of the grace period. At the end of 2024, both short-term credit facilities had nil balances. This has been the trend for the past four years, as the Government did not utilise the short-term credit facilities due to robust revenue performance.

Domestic Debt by Instrument Type

Over the review period, the domestic debt portfolio consisted of a Promissory Note, Bond (DPT), loans (Public Private Partnerships (PPPs), loans (Standard), and short-term credit facilities.

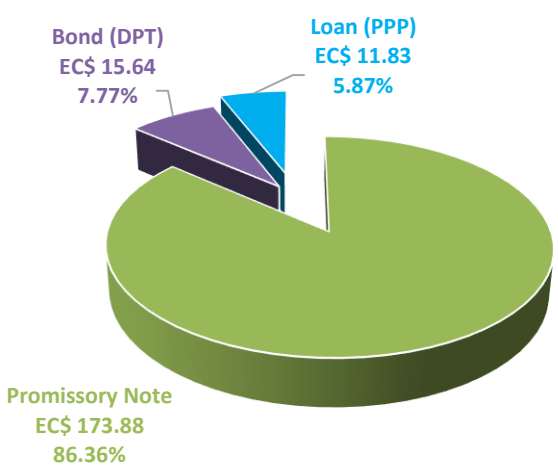
Figure 8a & 8b: Domestic Debt by Instrument Type (EC\$m)

Figure 8a: Domestic Debt by Instrument Type, 2020 - 2024 (EC\$m)



Source: Debt Management Unit

Figure 8b: Domestic Debt by Instrument Type, End 2024(EC\$m)



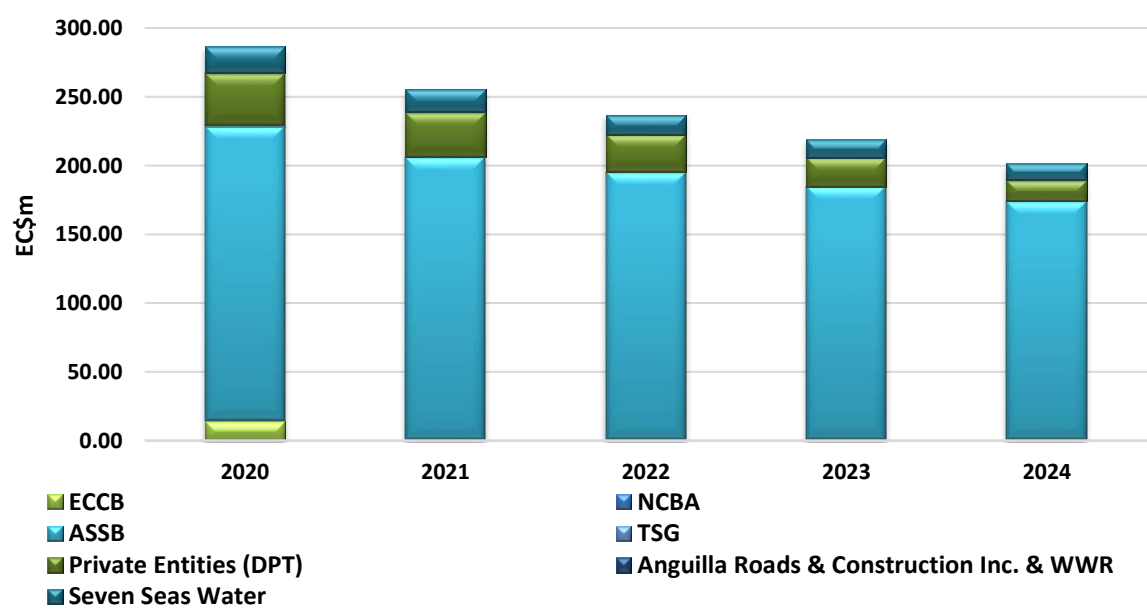
Source: Debt Management Unit

At the end of 2024, the Promissory Note accounted for EC\$173.88m, or 86.36 percent, of the domestic debt portfolio. In addition, the Bond (DPT) accounted for EC\$15.64m or 7.77 percent, and loans, specifically, Public Private Partnerships (PPPs), accounted for EC\$11.83m, or 5.87 percent. There was no outstanding debt associated with the short-term credit facilities. (See Figures 8a and 8b above.)

**Domestic Debt by Creditor Category**

As depicted in Figure 9, the ASSB has been the dominant holder in the domestic debt portfolio. At the end of 2024, debt owed to the ASSB stood at EC\$173.88m (86.36 per cent) of total domestic debt. Other domestic debt holders included Private Entities (DPT) with an amount of EC\$15.64m (7.77 per cent) and Seven Seas Water with an amount of EC \$11.83m (5.87 per cent).

**Figure 9: Domestic Debt by Creditor Category (EC\$m)**



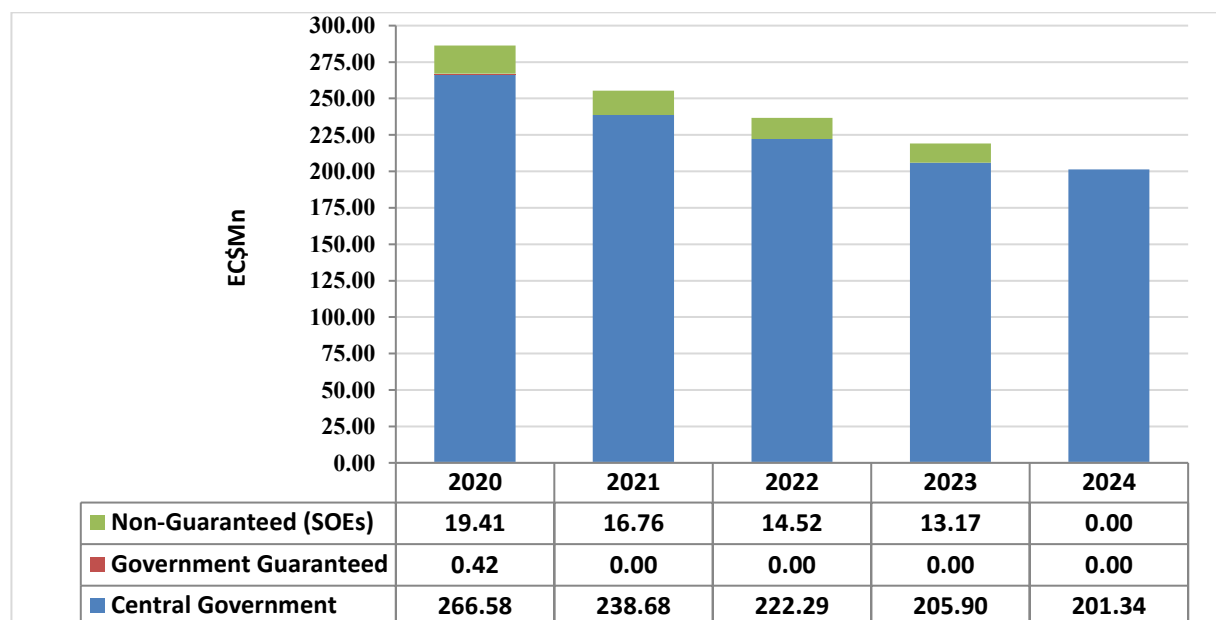
Source: Debt Management Unit

**Domestic Debt by Borrower Category**

As shown in Figure 10 below at the end of 2024 central government domestic debt stock stood at EC\$201.34m (100 per cent) of the domestic debt portfolio. There was no government guaranteed SOEs debt in the domestic debt portfolio and the non-guaranteed debt of the SOEs was assumed by Central Government following the onboarding of the DWS.

At the end of 2024, domestic debt declined by EC\$17.73m (8.09 per cent) over the domestic debt stock of EC\$219.07m at the end of 2023. Central government's domestic debt stock level declined by EC\$4.56m (2.21 per cent) over the 2023 domestic debt stock level of EC\$205.90m. Over the review period, central government domestic debt stocks declined on average by 6.73 per cent.

**Figure 9: Domestic Debt by Borrower Category (EC\$m)**



Source: Debt Management Unit

## 2.3 Debt by Economic Sector<sup>5</sup>

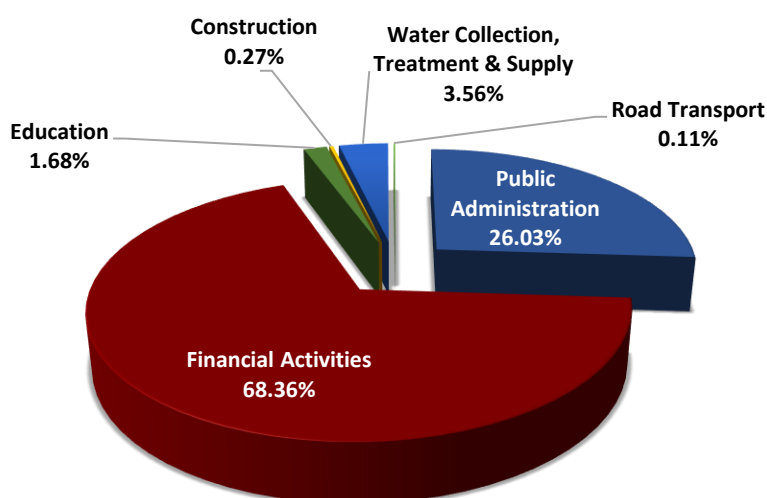
Figure 11 below captures Anguilla's total public debt by economic sector. At the end of 2024, Financial Intermediation Activities accounted for the largest proportion of public debt with a share of 68.36 per cent (EC\$227.04m). Within this sector, activities were primarily related to the 2016 banking resolution. Public Administration and Water Collection followed with shares of 26.03 per cent (EC\$86.46m), and 3.56 per cent (EC\$11.83m), respectively. The remainder of the portfolio, 2.05 per cent (EC\$6.82m), was shared among three other economic sectors; namely, - Education, Construction, and Road

<sup>5</sup> Economic Sector revised and updated using the International Standard Industrial Classification of All Economic Activities (ISIC), Rev.4



Transport. Appendix 3 shows the trend of the public debt by economic sectors during the period of review.

**Figure 10: Public Debt by Economic Sector, End 2024 (EC\$m)**



Source: Debt Management Unit

## 2.4 New Borrowing, Disbursements and Debt Service Payments

### 2.4.1 New Borrowing and Disbursements

**Table 2: New Borrowing and Disbursements 2020-2024 (EC\$m)**

New Financing (EC\$m)	2020	2021	2022	2023	2024
<b>Total</b>	<b>3.29</b>	<b>21.09</b>	<b>1.20</b>	<b>-</b>	<b>0.87</b>
<b>External</b>	<b>3.29</b>	<b>21.09</b>	<b>1.20</b>	<b>-</b>	<b>0.87</b>
Multilateral	3.29	21.09	1.20	-	0.87
<b>Domestic</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Loans	-	-	-	-	-

Source: Debt Management Unit

For the review period, 2020 – 2024, all new borrowings and disbursements were from external sources and in most parts associated with the Community College Project Loan contracted from CDB in 2014. In addition to the disbursements on the existing Community College project Loan a new loan of EC\$20.25m was contracted from CDB in 2021. In 2024, no new debt was contracted. However, there were disbursements on the CDB Community College Project Loan totalling EC\$0.87m with an undisbursed balance of EC\$48,147.48. There were no new borrowings or disbursements relative to

the outstanding debt stocks of Government Guaranteed and Non-Guaranteed SOEs (See Table 2 above).

#### 2.4.2 Debt Service Payments

Anguilla's total public sector debt service showed an increasing trend over the period of review. The annual debt service increased on average by 3.81 per cent over the period of review moving from EC\$50.92m in 2020 to EC\$52.86m in 2024 (see Table 3).

**Table 3: Total Public Sector Debt Service 2020-2024 (EC\$m)**

<i>Total Debt Service Payments (EC\$m)</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
<b>Total Debt Service</b>	<b>50.92</b>	<b>50.97</b>	<b>52.95</b>	<b>53.34</b>	<b>52.86</b>
Principal Repayments	33.49	37.14	39.03	38.85	39.73
Interest Payments	17.43	13.82	13.92	14.49	13.13
<b>External Debt Service</b>	<b>27.65</b>	<b>25.70</b>	<b>26.86</b>	<b>29.37</b>	<b>29.33</b>
Principal Repayments	18.65	19.27	20.40	21.12	22.00
Interest Payments	9.00	6.43	6.46	8.25	7.33
<b>Domestic Debt Service</b>	<b>23.27</b>	<b>25.26</b>	<b>26.09</b>	<b>23.97</b>	<b>23.53</b>
Principal Repayments	14.84	17.88	18.63	17.73	17.73
Interest Payments	8.43	7.39	7.46	6.24	5.80
<b><i>Of which Central Government Debt Service Payments (EC\$m)</i></b>					
<b>Total Debt Service</b>	<b>48.66</b>	<b>46.48</b>	<b>49.36</b>	<b>50.70</b>	<b>52.68</b>
Principal Repayments	31.63	32.82	35.54	36.27	39.57
Interest Payments	17.03	13.66	13.82	14.43	13.11
<b>External Debt Service</b>	<b>26.11</b>	<b>24.32</b>	<b>25.52</b>	<b>28.08</b>	<b>29.14</b>
Principal Repayments	17.40	18.02	19.15	19.88	21.84
Interest Payments	8.71	6.29	6.36	8.19	7.31
<b>Domestic Debt Service</b>	<b>22.55</b>	<b>22.16</b>	<b>23.85</b>	<b>22.62</b>	<b>23.53</b>
Principal Repayments	14.22	14.80	16.39	16.39	17.73
Interest Payments	8.33	7.36	7.46	6.24	5.80

Source: Debt Management Unit

The average annual increase in debt service from 2020 to 2023 was due to interest payments and increased principal repayments to holders of both existing and new external debt instruments and the inclusion of the non-guaranteed SOE's debt at the end of fiscal year 2020. However, 2024 saw a slight decrease of EC\$0.48m or 0.90 per cent over that of 2023.

As shown in Table 3, total principal repayments moved from EC\$33.49m in 2020 to EC\$39.73m in 2024. For the same period, total interest payments moved from EC\$17.43m in 2020 to EC\$13.13m in 2024 with a noticeable decline in 2021 of EC\$13.82m due to the reduced interest rates offered by creditors due to the impact of the COVID-19 pandemic on the economy. In 2021, interest payments declined by

20.30 per cent (EC\$3.52m) and principal payments increased by 5.54 per cent (EC\$1.95m) over the 2020 debt service payments.

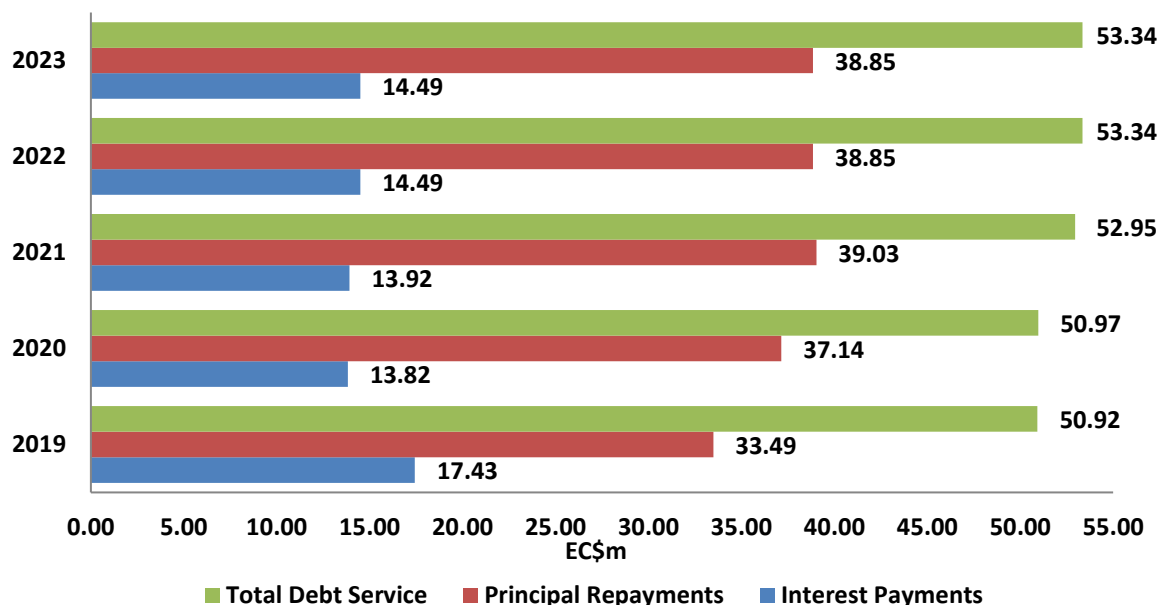
In 2022, there was a slight increase in interest payments of 0.72 per cent (EC\$0.10m) and an increase of 5.09 per cent (EC\$1.89m) in principal payments over the 2021 debt service payments. Also, in 2023, there was a slight increase in interest payments of 4.09 per cent (EC\$0.57m) over the interest payments for 2022. A decrease in principal repayments of 0.46 per cent (EC\$0.18m) was also noticeable due to the maturity of an instrument in the latter part of 2023. Accounting for this slight rise in interest payments between 2021 and 2023 is the increase in CDB's variable interest rate, which is re-fixed every three months, moving from 3.30 per cent at the beginning of fiscal year 2022 moving to 4.10 per cent and 4.90 per cent at the end of 2022 and 2023, respectively.

The increase in principal payments is attributable to the expiration of the grace period on the ASSB Promissory Note in the second quarter of 2021, the CDB Hurricane Recovery Support Loan in the fourth quarter of 2021, and the CDB First Programmatic Stability and Resilience Building Policy-Based Loan in the fourth quarter of 2023. Fiscal year 2024 saw a decrease in interest payments of 9.39 per cent (EC\$1.36m) due to the reduction in the debt stock. On the other hand, there was an increase in principal payments of 2.27 per cent (EC\$0.88m).

At the end of fiscal year 2024, central government accounted for 99.66 per cent (EC\$52.68m) of the total debt service. Central government principal repayments and interest payments accounted for 99.60 per cent (EC\$39.57m) and 99.84 per cent (EC\$13.11m) of total principal repayments and interest payments respectively.

There were no debt related arrears at the end of fiscal year 2024. Figure 12 below illustrates the trend in debt servicing for the period under review.

**Figure 11: Debt Service 2020 - 2024 (EC\$m)**



Source: Debt Management Unit

## 2.5 Risk/Cost Analysis

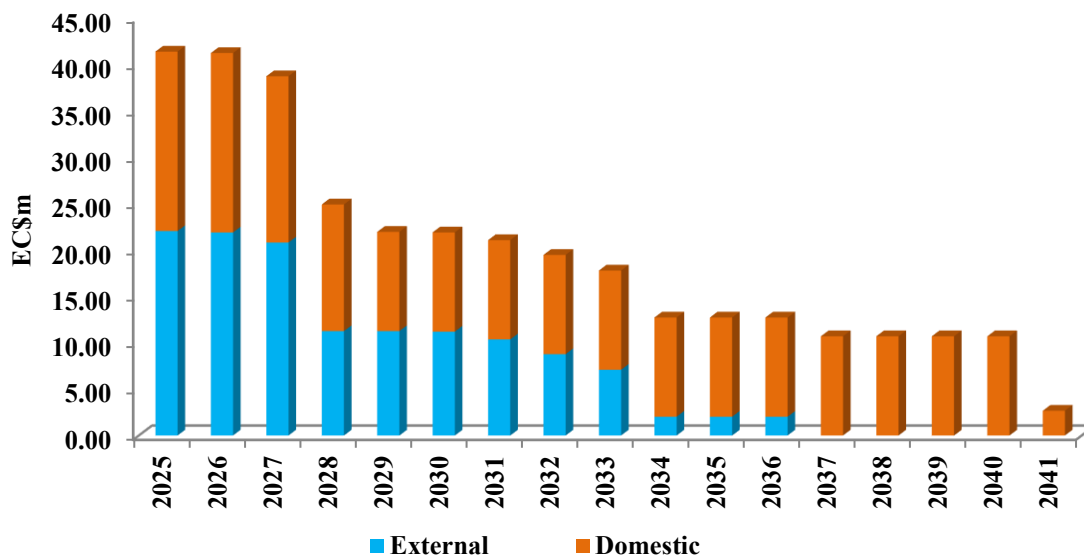
Risk in relation to debt costs, refers to the potential for the actual cost of debt to deviate from its expected cost due to variations of different economic variables such as interest rates and exchange rates. Exposure of Anguilla's debt portfolio to risk is assessed using the following risk indicators: refinancing risk, interest rate risk and exchange rate risk.

### 2.5.1 Refinancing Risk

Refinancing risk (rollover risk) refers to the risk a borrower faces when the actual cost of refinancing or rolling over existing debts may exceed the projected cost of financing the existing debt. Two measures used to assess Anguilla's exposure to refinancing risk are the maturity/redemption profile of debt and the Average Time to Maturity (ATM).

The maturity profile refers to the amount of debt that is falling due in each period. This indicator shows the specific points of a country's vulnerability which is manifested by high debt service payments (principal repayments) in the debt repayment schedule. Figure 13 depicts the maturity structure of Anguilla's debt given the stock of debt as at the end of 2024.

**Figure 12: Maturity Profile of Public Debt at end 2024**



Source: Debt Management Unit

The proportion of debt with a remaining maturity of 1 year or less (short-term) is 12.46 per cent (EC\$41.40m) of total debt. The amount due in external payments in 2024 is EC\$22.05m and is due mainly to CDB. Domestic payments amount to EC\$19.34m, comprising EC\$10.70m for the ASSB Promissory Note, EC\$5.69m for the DPT, and EC\$2.96m for the PPPs.

Debt falling due within 2 to 5 years (medium term) accounts for 38.19 per cent (EC\$126.85m) of maturing debt. External payments account for EC\$65.23m (51.42 per cent) with payments to CDB totalling EC\$65.01m. Domestic payments averaging EC\$15.41m are due largely to payments related to the DPT and the ASSB Promissory Note.

The proportion of debt with a remaining maturity exceeding 5 years (long term) accounts for 49.34 per cent (EC\$163.89m) of outstanding debt. Principal outlays of EC\$120.38m domestically and EC\$43.51m externally are primarily due to ASSB (Promissory Note) and CDB respectively.

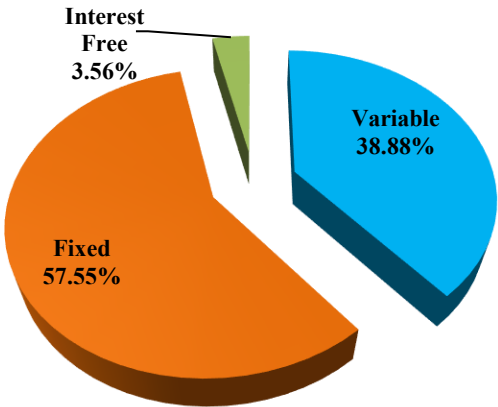
The analysis shows that Anguilla's public debt susceptibility to refinancing risk is moderate. This is substantiated by the refinancing risk indicator, the average time to maturity (ATM), which measures the sum of redemptions weighted by the time to maturity. It shows how long it takes on average to rollover the debt portfolio. The ATM of Anguilla's public debt stock is 5.91 years. The domestic ATM is 7.25 years while the external ATM is 3.86 years. Notably, the debt portfolio is predominantly made

up of longer-term instruments, as presently the government does not issue short-term securities, which are the contributing factors to the favourable length of the ATM.

**2.5.2 Interest Rate Cost and Risk<sup>6</sup>**

At the end of the period under review, 38.88 per cent of the debt stock equivalent to EC\$129.15m accounted for variable interest rate, while 57.55 per cent equivalent to EC\$191.16m represented fixed rate and the remaining 3.56 per cent equivalent to EC\$11.83m represents interest free debt. (See Figure 14). All domestic debt had fixed interest rates, with rates ranging between 2.0 and 6.75 per cent. External debt had a mixture of both

**Figure 13: Interest Rate Composition**



Source: Debt Management Unit

fixed and variable interest rates. The fixed interest rates related to the loan with the EIB, which carried a rate of 0.75 per cent per annum, and the Special Funds Resources (SFR) portion of CDB debt, with a rate of 4.0 per cent. The variable interest rate debt was associated with the Ordinary Capital Resources (OCR)<sup>7</sup> share of CDB loans.

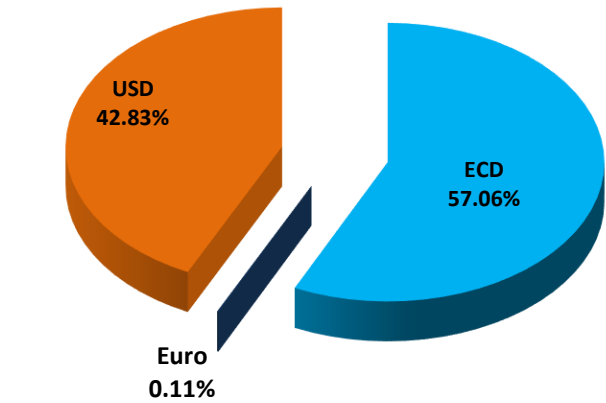
At the end of 2024, the cost of the debt portfolio remained the same when compared to 2023. The average interest rate stood at 3.54 per cent. The domestic and external average interest rates stood at 2.65 per cent and 4.82 per cent respectively. The domestic interest rate increased by 0.02 percentage points over the 2023 average interest rate of 2.63 per cent. The external average interest rate increased by 0.05 percentage points in comparison to that of 2023 average interest rate of 4.77 per cent. (See Appendix 1).

Interest rate risk refers to risk associated with movements of the interest rate on domestic regional and international markets. Changes in interest rates affect debt service payments, as costs increase when interest rates rise and debt has to be refinanced. The average time to refixing (ATR) indicator

<sup>6</sup> The potential risk to the debt portfolio if there is a change in market interest rates  
<sup>7</sup> OCR is the less concessional share of CDB loan portfolio. The rate is re-fixed every three months and stood at 4.90 per cent at 31<sup>st</sup> December 2023.

measures interest rate risk. At the end of 2024, Anguilla’s public debt had an average time to interest rate re-fixing (ATR)<sup>8</sup> of 5.26 years, which suggests that an equitable proportion of the public debt will be subject to interest rate changes within this time period, thus posing moderate risk to the portfolio.

2.5.3 Exchange Rate Risk



Source: Debt Management Unit

**Figure 15** shows the currency composition of the public debt profile at the end of 2024. The EC dollar denominated debt continued to hold the higher share of Anguilla’s debt stock at 57.06 per cent (EC\$189.52m). The US dollar denominated debt is the second largest currency in the debt portfolio, accounting for 42.83 per cent (EC\$142.27m) and finally, the Euro currency debt accounted for 0.11 per cent (EC\$0.35m).

Exchange rate risk refers to risk associated with movements in the exchange rate; the volatility to debt servicing cost owing to exchange rate movements. Given that all of Anguilla’s domestic debt is denominated in local currency, the exchange rate risk is only applicable to the external portion of public debt.

However, the impact of foreign exchange fluctuations to the external debt portfolio is minimal based on two main factors. Firstly, the 42.83 percentage share of US dollar denominated debt acts as a buffer to the currency risk owing to the official exchange rate parity between the EC dollar and US dollar. Secondly, the exchange rate exposure with the Euro is low, as it constitutes less than 1.0 per cent of the total debt portfolio.

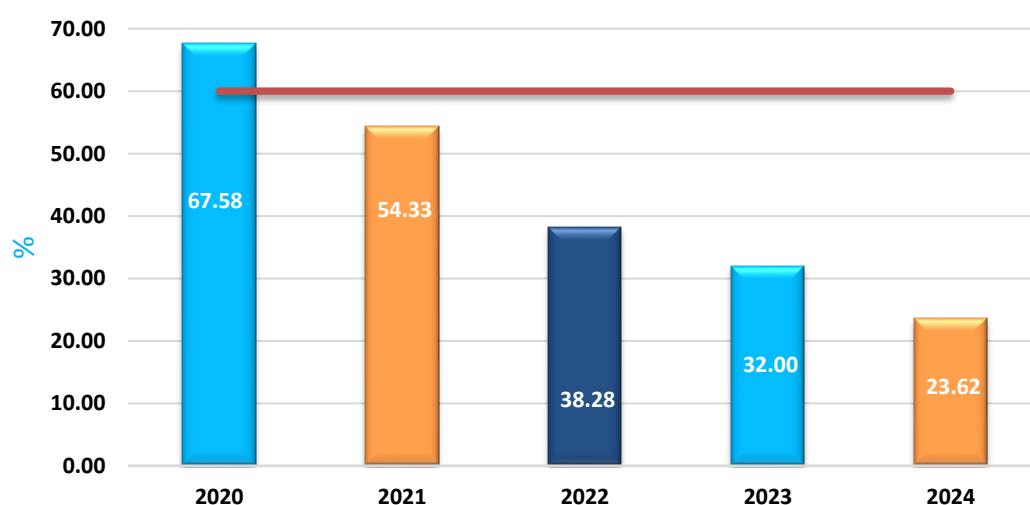
<sup>8</sup>The average time until the interest rate is reset on the outstanding debt.

## 2.6 Debt Sustainability Indicators

Debt ratios are measures of potential debt-related risks in the portfolio which when combined with other macroeconomic variables, in particular expected growth and interest rates can provide some insight as to the: (1) major risks facing the economy; (2) conditions under which the debt level can stabilise; and (3) possible need for policy adjustment.

In 2003, the Monetary Council of the ECCB agreed on the establishment of fiscal benchmarks to guide the fiscal operations of member countries. The objectives of these benchmarks are to play an important role in strengthening public finances, support fiscal consolidation and ensure debt sustainability in the Eastern Caribbean. Two key fiscal benchmarks are for member states to achieve a debt to GDP ceiling of 60 per cent<sup>9</sup>, as well as to attain a primary balance that would meet the debt to GDP criterion by 2020. Later, in February 2015, the ECCB Monetary Council extended the target date to 2030. Subsequently, in January 2021, the target date was extended to 2035 due to the impact of the COVID-19 pandemic on the economies of the ECCU member countries.

Figure 14: Debt-to-GDP, 2020 – 2024



Source: Debt Management Unit

<sup>9</sup> The debt to GDP ratio (ranging between 60-75 per cent of debt to GDP) was viewed as an international debt sustainability benchmark, adopted by the European Union under the Maastricht Treaty, West African Economic and Monetary Union (WAEMU) and Central African Economic and Monetary Community (CEMAC)



The movement of the public sector debt to GDP indicator has been on a downward trajectory over the period of review as highlighted in Figure 16 above and Table 4 below. In the year 2020 the debt to GDP ratio was recorded at its highest, 67.58 per cent, 7.58 percentage points above the target. This was due to the impact of the COVID-19 pandemic on the economy; and thereafter on a downward trajectory as the economy continued to rebound from the three major shocks exposed to over the last eight years. Public sector debt to GDP declined by 8.38 percentage points moving from 32.00 per cent in 2023 to 23.62 per cent in 2024. This decrease is due primarily to improvements in Anguilla's economy as evidenced by the growth in GDP. This current position signifies that the country's debt level is more sustainable and the economy is more than capable to pay off its debt. At the end of 2024, domestic debt to GDP and external debt to GDP showed a decrease of 4.57 and 3.80 percentage points respectively when compared to 2023.

The public sector debt service to revenue ratio has been on a downward trajectory for the period under review. At the end of the 2024 fiscal year it stood at 11.37 per cent an improvement of 1.34 percentage points over that of 2023, which stood at 12.71 per cent. The improvement in the debt service ratio is mainly, as a result of, revenue performance outpacing debt service payments.

At the end of 2024, there was an improvement in the interest service ratio of 0.63 percentage points over the 2023 ratio of 3.45 per cent of revenue. This decrease is due primarily to the reduction in the debt stock during the fiscal year 2024.

At its highest in 2020 at 411.41 per cent, the external debt service-to-exports ratio improved significantly by 272.90 percentage points moving to 137.54 per cent in 2021. At the end of 2022, the ratio continued to show signs of improvement by 42.23 percentage points and stood at 95.21 per cent. Fiscal year 2023 saw a significant deterioration in the ratio by 62.70 percentage points moving to 157.91 per cent with a slight improvement of 2.4 percentage points at the end of 2024. The halt in tourism activities and closure of Anguilla's borders due to the global pandemic – COVID-19 contributed to this substantial decline in 2020; whereas the improvement in tourism related activities and the rebounding of the various sectors affected by the pandemic contributed to the improvement in the ratio at the end of 2021 and 2022 respectively.

At the end of fiscal year 2024, the share of short-term debt to long term debt stood at 0/100; the share of foreign currency debt to domestic debt stood at 43/57; and the share of fixed rate debt to floating debt stood at 58/39.

Table 4 shows some core debt sustainability indicators over the period 2020-2024.

**Table 4: Debt Sustainability Indicators (in per cent)**

Sustainability Indicators	2020	2021	2022	2023	2024
<b>Public Sector Debt to GDP</b>	<b>68.35</b>	<b>55.09</b>	<b>33.48</b>	<b>25.67</b>	<b>20.44</b>
<i>External Debt to GDP</i>	<i>27.30</i>	<i>23.66</i>	<i>14.13</i>	<i>10.51</i>	<i>8.05</i>
<i>Domestic Debt to GDP</i>	<i>41.05</i>	<i>31.43</i>	<i>19.34</i>	<i>15.16</i>	<i>12.39</i>
<b>Public Sector Debt Service to Revenue</b>	<b>21.76</b>	<b>18.84</b>	<b>15.37</b>	<b>12.71</b>	<b>11.37</b>
<i>External Debt Service Ratio</i>	<i>11.82</i>	<i>9.50</i>	<i>7.80</i>	<i>7.00</i>	<i>6.31</i>
<i>Domestic Debt Service Ratio</i>	<i>9.95</i>	<i>9.34</i>	<i>7.57</i>	<i>5.71</i>	<i>5.06</i>
<b>Interest Service Ratio</b>	<b>7.45</b>	<b>5.11</b>	<b>4.04</b>	<b>3.45</b>	<b>2.82</b>
<i>External Interest Service Ratio</i>	<i>3.85</i>	<i>2.38</i>	<i>1.87</i>	<i>1.97</i>	<i>1.58</i>
<i>Domestic Interest Service Ratio</i>	<i>3.60</i>	<i>2.73</i>	<i>2.16</i>	<i>1.49</i>	<i>1.25</i>
<b>External Debt Service to Exports</b>	<b>411.41</b>	<b>137.44</b>	<b>95.21</b>	<b>157.91</b>	<b>155.51</b>
<b>Share of Short Term Debt to Long Term Debt</b>	<b>3/97</b>	<b>0/100</b>	<b>0/100</b>	<b>0/100</b>	<b>0/100</b>
<b>Share of Foreign Currency to Domestic Currency</b>	<b>42/58</b>	<b>43/57</b>	<b>42/58</b>	<b>41/59</b>	<b>43/57</b>
<b>Share of Fixed Rate Debt to Floating debt</b>	<b>59/41</b>	<b>54/42</b>	<b>55/42</b>	<b>56/40</b>	<b>58/39</b>

Source: Debt Management Unit

## 2.7 FFSD Ratios

In addition to the ECCB Monetary Council fiscal benchmarks, the GoA must comply with the Fiscal Responsibility Act 2013, which incorporates the FFSD agreement with the UKG. The FFSD requires that the GoA manages its debt operations within the corridor of three parameters, which are that:

1. the net debt ratio should not exceed 80.0 per cent of recurrent revenue;
2. the debt service ratio should not exceed 10.0 per cent<sup>10</sup> of recurrent revenue; and
3. liquid assets should be sufficient to cover 25 per cent (90 days) of recurrent expenditure.

<sup>10</sup> Under the 2003 Borrowing Guidelines (BGs) the debt service target was 8% (up to 2012); the target was increased to 10% under the 2013 FFSD. The FFSD also requires that the risk-weighted debt service cost of government guarantees be included in the calculation of the debt service ratio which was not the case under the BGs.

On a breach in any one of the ratios, explicit approval, to borrow is required from the UKG on a case-by-case basis. Since 2008, the government has been in breach of the benchmarks in the FFSD and was required to be in compliance by the end of 2017. In 2016 with the UKG's approval for the GoA to borrow in support of a banking resolution, an implicit arrangement was made to extend the date to comply with the limits to 2025. Subsequently, following the impacts of Hurricane Irma in 2017, the time to comply with the fiscal ratios was extended from 2025 to 2030.

Table 5 shows the GoA's performance against the UKG debt benchmarks over the period 2020-2024.

**Table 5: FFSD Ratios - 2020-2024**

Debt Indicators (%)	Targets	2020	2021	2022	2023	2024
Net Debt/Recurrent Revenue	≤80%	202.08	164.40	100.95	45.45	14.65
Variance		122.08	84.40	20.95	-34.55	-65.35
Debt Service/Recurrent Revenue	≤10%	21.87	18.37	15.05	12.46	11.34
Variance		11.87	8.37	5.05	2.46	1.34
Liquid Assets/Recurrent Expenditure	≥25%	0.23	0.26	26.47	74.54	91.75
Variance		-24.77	-24.74	1.47	49.54	66.75
Liquid Assets/Recurrent Expenditure	90 days	0.82	0.92	95.28	268.34	330.28
Variance		-89.18	-89.08	5.28	178.34	240.28

Source: Debt Management Unit

As depicted in Table 5 above the GoA has been in breach of the debt service indicator throughout the period under review. The liquid assets to recurrent expenditure ratio achieved compliance at the end of 2022 and remained in compliance at the end of 2024. The net debt to recurrent revenue ratio has been in breach for the past 3 years under review (2020-2022) and achieved compliance at the end of 2023 and has remained in compliance at the end of 2024. At the end of 2024, the Government remained in breach of the debt service to recurrent revenue ratio; however, all the ratios showed major improvements at the end of 2024 and the following changes were noted in comparison to fiscal year 2023:-

- i. The net debt to recurrent revenue ratio improved significantly by 30.80 percentage points moving from 45.45 per cent in 2023 to 14.65 per cent in 2024. This improvement is due to

the continued strong performance of revenue, the buildup of reserves and the reduction in the debt stock level during fiscal year 2024.

- ii. The debt service to recurrent revenue ratio improved by 1.12 percentage points moving to 11.34 per cent when compared to 12.46 per cent in 2023.
- iii. The liquid assets ratio at the end of 2024 saw vast improvements and remained in compliance with the target. The ratio moved from 74.54 per cent (approximately 268 days) in 2023 to 91.75 percent (approximately 330 days) at end of 2024.

## SECTION 3.0 CONCLUSION

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From 2020 to 2024, Anguilla's public debt consistently declined due to limited debt contracted and the scheduled amortization outpacing disbursements. While in 2020, the debt to GDP ratio peaked at 67.58 per cent; 7.58 percentage points above the 60.00 per cent ECCU prudential debt level benchmark, due to economic repercussions of the COVID-19 pandemic, the ratio decreased significantly thereafter. At the end of 2022, the debt to GDP ratio was recorded at 38.28 per cent due to the rebound of the various sectors of the economy that were dampened by the COVID-19 pandemic. At the end of 2024, because of the continued improvements in the fiscal outturns, the ratio improved significantly by 8.38 percentage points, moving to 23.62 per cent. Despite this progress, the GoA continues to be in breach of one of the FFSD ratios/borrowing benchmarks, which have notwithstanding shown significant signs of improvement due to the improved fiscal performance.

A pivotal shift in Anguilla's debt structure occurred in 2016, rooted in the contraction of debt for the 2016 banking resolution. This has led to domestic debt with fixed interest rates dominating the portfolio, while also offering more concessional terms. This contracted debt also lengthened the maturity profile and reduced the debt cost significantly. The assessment shows that while Anguilla's public and publicly guaranteed and non-guaranteed debt declined significantly, the government vigilantly manages the embedded debt risks and monitors the debt levels closely.

While the cost of the portfolio declined and risk indicators have improved, the debt service to revenue ratio continues to be of major concern due to the expiration of the grace period on multiple loan instruments. The continued breach of the FFSD ratios/borrowing benchmarks requires the GoA to seek UKG approval for all new borrowing, thus, limiting the GoA's discretion in financing sources and posing a major challenge in the alternative options in the development and implementation of the Medium Term Debt Strategy (MTDS). It is a requirement that the MTDS be updated on an annual basis but the update did not take place for the 2024 fiscal year. The DMU continues to monitor the debt performance over time and commits to updating the MTDS on an annual basis to accommodate a changing macro-economic and fiscal climate.

## APPENDICES

### Appendix 1: Selected Fiscal & Economic Indicators 2020-2024

Selected Economic Indicators	2020	2021	2022	2023	2024
Total Revenue and Grants	244.25	273.23	345.40	415.71	476.85
Current Revenue	233.97	270.51	344.56	413.74	464.95
Total Expenditure	233.98	218.97	234.41	277.47	381.73
Current Expenditure	226.57	215.02	228.84	241.23	287.46
Interest Payments	17.07	13.68	13.82	14.45	13.11
Domestic	8.36	7.37	7.46	6.24	5.81
External	8.71	6.32	6.37	8.21	7.31
Capital Revenue	10.28	2.72	0.84	1.97	11.90
Capital Expenditure	8.26	3.95	7.10	30.21	94.27
Primary Balance before grants	27.34	67.95	124.81	152.69	108.23
Overall Balance (before grants)	10.27	54.26	110.99	138.24	95.12
Overall Balance (after Financing)	35.18	75.34	112.19	138.24	95.99
Current Balance	7.40	55.49	115.72	172.51	177.50
Overall Balance (after Amortization)	3.56	42.52	76.65	101.97	57.77
Liquid Assets	0.52	0.55	60.57	179.81	263.73
Financing	24.91	21.08	1.20	-	0.87
Amortization	31.63	32.82	35.54	36.27	38.22
<b>Memo Items</b>					
Nominal GDP at Market Prices (EC\$M)	705.70	824.10	1,070.62	1,159.53	1,406.03
Real GDP	643.84	713.41	922.41	934.87	979.53
Merchandise Exports (EC\$M)	6.72	18.70	28.21	18.60	18.86
Merchandise Imports (EC\$M)	399.43	551.88	673.32	664.10	665.35
Average Interest Rate (%)	3.52	2.90	3.11	3.54	3.54
External	4.34	3.38	3.36	4.77	4.82
Domestic	2.93	2.58	2.92	2.63	2.65
<b>As % of GDP</b>					
Total Expenditure	33.28	26.57	22.04	23.41	27.15
Non Interest Primary Expenditure	29.40	18.33	10.38	10.24	19.45
Current Revenue	33.15	32.82	32.18	35.68	33.07
Current Expenditure	32.11	26.09	21.37	20.80	20.44
Interest Payments	2.42	1.66	1.29	1.25	0.93
Primary Balance	3.87	8.25	11.66	13.17	7.70
Fiscal Balance	1.46	6.58	10.37	11.92	6.77
Real GDP Growth Rate (%)	(29.45)	10.80	29.30	1.35	4.78
<b>Public Debt</b>					
Public Debt (% of GDP)	<b>67.58</b>	<b>54.33</b>	<b>38.28</b>	<b>32.00</b>	<b>23.62</b>
Domestic Debt (% of GDP)	40.59	31.00	22.12	18.89	14.32
External Debt (% of GDP)	27.00	23.33	16.16	13.10	9.30
Public Debt	<b>476.93</b>	<b>447.73</b>	<b>409.86</b>	<b>371.03</b>	<b>332.14</b>
Domestic Debt	286.41	255.44	236.81	219.08	201.34
External Debt	190.51	192.29	173.06	151.95	130.79

## Appendix 2: Creditor Category of Public Debt (EC\$m)

Creditor Category	2020	2021	2022	2023	2024
Anguilla Roads & Construction Inc. & WWR	0.42	-	-	-	
ASSB	214.42	206.06	195.28	184.58	173.88
CDB	189.85	191.73	172.58	151.52	130.44
Commercial Banks	0.00	-	-	-	-
ECCB	14.19	-	-	-	-
EIB	0.67	0.56	0.47	0.43	0.35
Private Entities (DPT)	38.39	32.71	27.02	21.33	15.64
Seven Seas Water	17.20	15.86	14.52	13.17	11.83
TSG	1.79	0.81	-	-	-
<b>Total</b>	<b>476.93</b>	<b>447.73</b>	<b>409.86</b>	<b>371.03</b>	<b>332.14</b>

## Appendix 3: Public Debt by Economic Sector (EC\$m)

Economic Sector	2020	2021	2022	2023	2024
Construction	2.32	1.90	1.57	1.23	0.90
Education	5.38	5.67	6.24	5.50	5.57
Financial Activities	310.78	291.58	269.70	247.83	227.04
Public Administration	137.95	131.26	117.37	102.86	86.46
Road Transport	0.67	0.56	0.47	0.43	0.35
Sea Transport	0.42				
Water Collection, Treatment & Supply	19.41	16.76	14.52	13.17	11.83
<b>Total</b>	<b>476.93</b>	<b>447.73</b>	<b>409.86</b>	<b>371.03</b>	<b>332.14</b>

## Appendix 4: Disbursements by Selected Creditors (EC\$m)

Creditors	2020	2021	2022	2023	2024
Caribbean Development Bank	3.29	21.09	1.20	-	0.87
<b>Total</b>	<b>3.29</b>	<b>21.09</b>	<b>1.20</b>	<b>-</b>	<b>0.87</b>

## Appendix 5: Principal Repayments by Selected Creditors (EC\$m)

Creditors	2020	2021	2022	2023	2024
Anguilla Roads & Construction Inc. & WWR	0.59	0.42	-	-	-
Anguilla Social Security Board	5.87	8.36	10.79	10.70	10.70
Caribbean Development Bank	18.59	19.21	20.35	21.06	21.94
Eastern Caribbean Central Bank	2.98	1.09	-	-	-
European Investment Bank	0.06	0.06	0.06	0.06	0.06
National Commercial Bank of Anguilla	0.07	0.00	-	-	-
Private Entities (DPT)	5.69	5.69	5.69	5.69	5.69
Seven Seas Water	1.34	2.32	2.16	1.34	1.34
TSG		0.98	0.81	-	-
<b>Total</b>	<b>35.21</b>	<b>38.13</b>	<b>39.84</b>	<b>38.86</b>	<b>39.73</b>



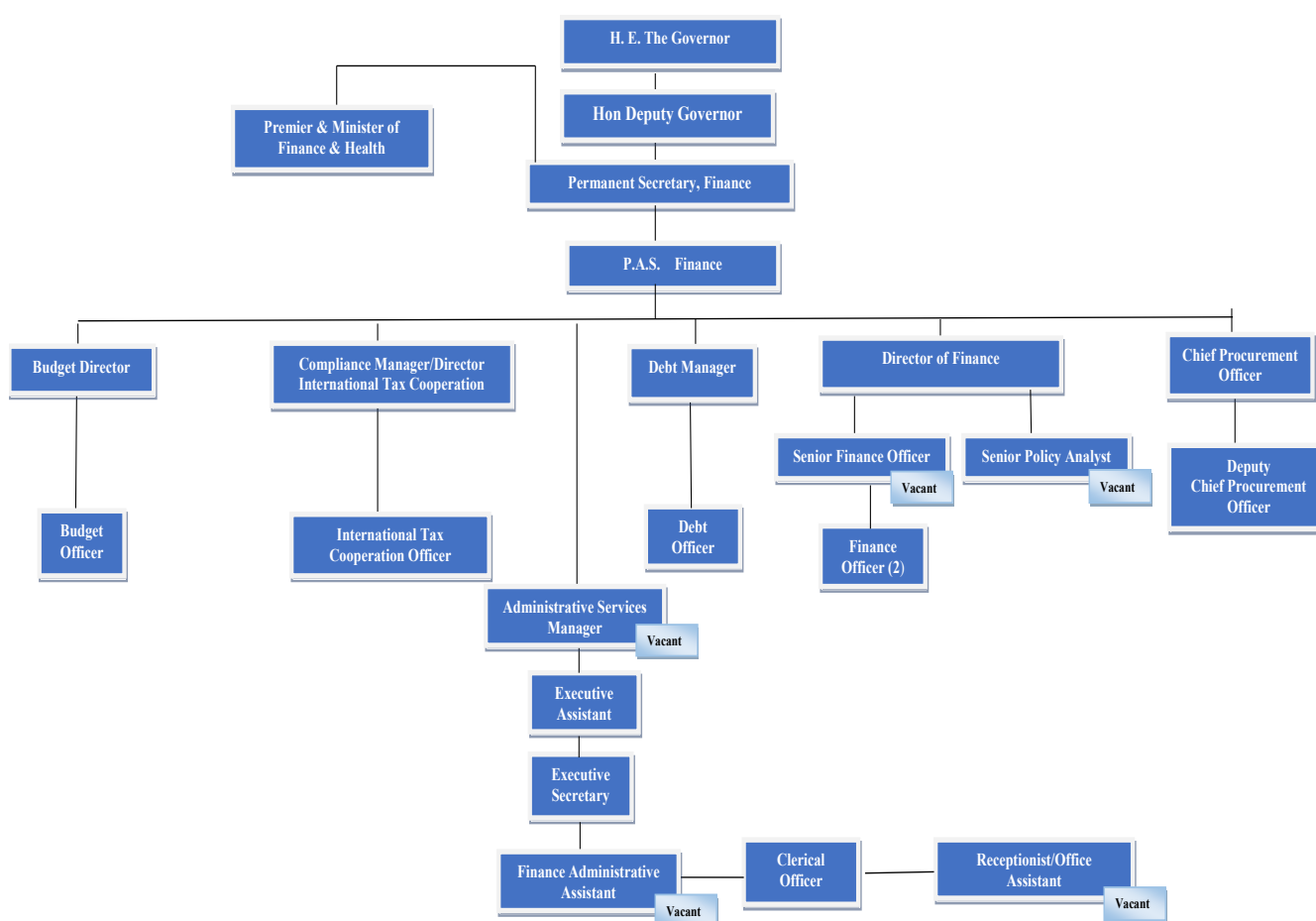
## Appendix 6: Statement of Existing Debt Stock - Central Government, Government Guaranteed & Non-Guaranteed SOEs Debt (EC\$m) as at 31 December 2024

Instrument Reference/Purpose	Borrower	Creditor	Currency	Original Loan Amount	Maturity Date	Disbursements		Interest Rate Structure		Outstanding Balance (Original Currency) as at 31/12/24	Outstanding Balance (XCD) as at 31/12/24
						Amount Disbursed	Amount Undisbursed	Fixed or Variable	Interest Rate		
<b>CENTRAL GOVERNMENT DEBT</b>											
<b>FOREIGN DEBT</b>											
80338 - Road Development Phase I	GoA	EIB	EURO	534,000.00	1 July 2031	534,000.00	-	Fixed	0.75%	126,023.98	354,385.73
06/SFR-OR-ANL - 11306-002 - Natural Disaster Management - Rehabilitation - Hurricane Lenny	GoA	CDB	USD	2,128,711.79	01/10/2027	2,128,711.79	-	Fixed	4.00%	302,046.94	815,526.66
7/SFR-ANL - 11302 -Hurricane Lenny Immediate Response	GoA	CDB	USD	477,252.07	1/1/2026	477,252.07	-	Fixed	4.00%	29,828.34	80,536.30
4/OR-ANL - Policy-Based Loan	GoA	CDB	USD	55,000,000.00	01/07/2027	55,000,000.00	-	Variable	CDBOCR	12,604,166.69	34,031,250.09
05/OR-ANL - Community College Development Project	GoA	CDB	USD	3,215,000.00	01/04/2031	3,197,167.60	17,832.40	Variable	CDBOCR	2,061,330.10	5,565,591.24
07/OR-ANL 11307 - Anguilla Bank Resolution - Bridge Bank Capitalisation	GoA	CDB	USD	22,000,000.00	01/07/2033	22,000,000.00	-	Variable	CDBOCR	13,750,000.07	37,125,000.16
10/OR-ANL 11309 - First Programmatic Stability & Resilience Building - Policy-Based Loan	GoA	CDB	USD	9,300,000.00	01/10/2033	9,300,000.00	-	Variable	CDBOCR	8,137,500.00	21,971,250.00
09/OR-ANL 11310 - Hurricane Recovery Support Loan	GoA	CDB	USD	5,600,000.00	01/07/2031	5,600,000.00	-	Variable	CDBOCR	3,780,000.00	10,206,000.00
11/OR-ANL - 11311 - Second Fiscal Programmatic Stability & Resilience Building - Policy-Based Loan	GoA	CDB	USD	7,500,000.00	01/10/2036	7,500,000.00	-	Variable	CDBOCR	7,500,000.00	20,250,000.00
<b>TOTAL FOREIGN DEBT</b>											<b>130,399,540.18</b>
<b>DOMESTIC DEBT</b>											
Cash Advance - Eastern Caribbean Central Bank	GoA	ECCB	ECD	15,000,000.00	-	-	-	Fixed	6.50%	-	-
Overdraft Facility - National Commercial Bank of Anguilla	GoA	CCB	ECD	20,000,000.00	30/09/2023	20,000,000.00	-	Fixed	5.75%	-	-
Anguilla Social Security Board - Bank Resolution Promissory Note	GoA	ASSB	ECD	214,000,000.00	30/03/2041	214,000,000.00	-	Fixed	3.00%	184,575,000.00	173,875,000.00
Depositors Protection Trust - CCB Bank Resolution	GoA	DPT	ECD	32,927,506.46	30/03/2028	32,927,506.46	-	Fixed	2.00%	12,347,814.71	9,055,064.03
Depositors Protection Trust - NBA Bank Resolution	GoA	DPT	ECD	23,951,106.26	31/03/2028	23,951,106.26	-	Fixed	2.00%	8,981,664.76	6,586,554.12
Seven Seas Water - PPP Contract: Water Supply	WCA	Seven Seas	USD	-	4/10/2028	-	-	-	-	4,400,000.00	11,828,080.00
<b>TOTAL DOMESTIC DEBT</b>											<b>201,344,698.15</b>
<b>TOTAL CENTRAL GOVERNMENT DEBT</b>											<b>331,744,238.33</b>
<b>GUARANTEED &amp; NON-GUARANTEED SOEs DEBT</b>											
<b>FOREIGN DEBT</b>											
5/SFR-OR-AG - 11252-002 - 4th Consolidated Line of Credit	ADB	CDB	USD	784,205.40	1/10/2025	784,205.40	-	Fixed	4.00%	39,210.24	105,867.65
7/SFR-OR-ANL - 11453-002 - 5th Consolidated Line of Credit	ADB	CDB	USD	300,000.00	1/10/2029	300,000.00	-	Fixed	4.00%	107,142.88	289,285.78
<b>TOTAL FOREIGN DEBT</b>											<b>395,153.43</b>
<b>DOMESTIC DEBT</b>											
<b>TOTAL DOMESTIC DEBT</b>											<b>-</b>
<b>TOTAL GOVERNMENT GUARANTEED &amp; NON-GUARANTEED DEBT</b>											<b>395,153.43</b>
<b>TOTAL PUBLIC DEBT</b>											<b>332,139,391.76</b>
<b>Foreign Debt</b>											<b>130,794,693.61</b>
<b>Domestic Debt</b>											<b>201,344,698.15</b>

### Institutional Framework

Debt management functions are shared across various departments and an inter-ministerial committee, the National Debt Advisory Committee (NDAC)<sup>11</sup>. The main debt management activities reside in the Ministry of Finance and Health. Key personnel included the Permanent Secretaries responsible for Finance and Economic Development, staff of Treasury Department, Budget and the Debt Management Unit (DMU)<sup>12</sup>. The organisational structure of the Ministry of Finance and Health (Finance division), as at end December 2022, is shown in Figure 17 below.

**Figure 15: Organisation Chart: Ministry of Finance and Health (Finance Division)**



<sup>11</sup> The committee comprises PS Finance, PS Economic Development, PAS Finance, Debt Officer, Accountant General and Budget Officer among others. The committee has not met regularly and some of its functions are sometimes subsumed by the Fiscal and Economic Recovery Team.

<sup>12</sup> DMU staff complement at the end of 2024 stood at two.

The Permanent Secretary of Finance is largely responsible for front office functions. These functions are shared with the Permanent Secretary for Economic Development who is responsible for mobilizing funds for capital projects. Middle office functions are undertaken by the Debt Manager. Back office functions are performed by the Debt Officer. There is a National Debt Advisory Committee (NDAC) whose functions are, inter alia, to review debt and financing options for government through analysis of current debt stock against U.K benchmarks.

### **Legal Framework**

The legal framework which guides borrowing in Anguilla includes the Fiscal Responsibility Act, the Financial Administration and Audit Act (FAA), the Treasury Bill Act, the Development Bonds Act and the Loans (Caribbean Development Bank) Act.

The Fiscal Responsibility Act, 2013 embodies government's commitment to responsible fiscal management, improved fiscal transparency and incorporates the Framework for Fiscal Sustainability and Development (FFSD)<sup>13</sup> agreement signed on 5 April 2013 between the GoA and UKG. It establishes guidelines and principles for prudent fiscal management, as well as procedures for the management of public debt to ensure that the level of debt is sustainable and consistent with macroeconomic and fiscal sustainability and financial stability in the short, medium and long term.

The FAA, 2010 authorises the Minister of Finance to borrow, provided that borrowing is approved through a resolution of the House of Assembly.

The Treasury Bill Act, 2009 governs the issuance of treasury bills. It authorises the Minister of Finance to borrow money by issuing treasury bills subject to the requirement that the principal sum of treasury bills outstanding at any one time shall not exceed 10.0 per cent of the estimated revenue of the Government of Anguilla (GoA) during the financial year.

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<sup>13</sup> The Framework for Fiscal sustainability and Development (FFSD) replaced the 2003 Borrowing Guidelines.

The Development Bond Act, 2009 gives authority to the Minister of Finance to borrow using development bonds. The Act specifies the purposes for which the Minister may use the funds borrowed, namely for:

- (a) The repayment of money granted to the Government by statutory corporations;
- (b) The financing of projects approved in the estimates prepared in accordance with the appropriation act;
- (c) The repayment of public debt;
- (d) The meeting of expenses incurred in raising and administering loans.

The Loans (Caribbean Development Bank) Act, 2000 gives authority to the Minister of Finance to borrow from CDB. It stipulates that borrowing can only be undertaken after approval of a Secretary of State and a Resolution of the House of Assembly.



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