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PRESS RELEASE

EU provides Montserrat with EC\$ 55.2 million

European Union Ambassador to Barbados and the Eastern Caribbean Mikael Barfod has announced the disbursement of the first tranche of EC\$18.2 million (5.13 million euros) of an overall EC\$55.2 million (15.66 million Euros) aid package to Montserrat, to help the country boost economic growth and development.

The EU support will primarily assist with the implementation of the Sustainable Development Plan of Montserrat as part of the country's economic recovery. In addition it will assist with the country's sustainable growth with a specific focus on public finance management, public sector reform and prudent economic management.

Expected results include the improvement of property tax administration through the provision of online services; strengthening of public finance management through the reduction of tax arrears; increased access to housing through construction of new homes; improved public infrastructure through reform of the energy regulatory framework and new Port and Airport Authorities merger legislation; and promotion of private sector activity through a stronger alignment of the education sector to labour market needs.

Whilst on his maiden visit to Montserrat Ambassador Barfod met with Premier Reuben Meade as well as Governor Adrian Davis. He discussed aspects of the Public Finance Management reforms, the macroeconomic stability outlook and implementation of the Sustainable Development Plan with officials from the Ministry of Finance and visited the Lookout Housing Project and the Little Bay Port, both co-financed by the European Union.

The method chosen for this assistance is Budget Support which entails the transfer of financial resources by donors to the national treasury of a recipient country upon demonstration of results in implementation of supported strategy. Compared to traditional modes of aid delivery such as project related, budget support promises greater country ownership, reduced transaction costs, better donor coordination, scaling up of poverty reduction and potentially greater development effectiveness.

The EU has a long-standing history of cooperation with Montserrat. It has been providing support to Montserrat under various conventions since 1976. Through this partnership, grant resources have been provided in the areas of **economic infrastructure for water, roads, seaport, airport, housing and tourism** under various conventions and agreements. Total development cooperation under the 4th to the 8th EDF has been valued at EUR 32 million.

Under the ongoing 9th and 10th European Development Fund Montserrat is to receive another EC\$114 million (32 million euro) of financial assistance in the form of budget support.

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