**UK increases budget and capital support for Montserrat**

The governments of Montserrat and the United Kingdom have agreed to an increase in support for Montserrat during this financial year.

A new agreement between the governments of Montserrat and the United Kingdom comprises a protection against exchange rate fluctuations for the UK’s contribution to Montserrat’s annual recurrent budget, and new capital investments for essential equipment.

**Recurrent budget support**

The recent fluctuations in exchange rate and continued pressure on the cost of living has meant a reduction in real terms to the cash value of the UK’s support for Montserrat’s recurrent budget. In recognition of this, the UK Government has agreed to an uplift of up to £4.72 million to ensure that Montserrat is protected for the rest of this financial year from currency exchange impacts; to enable continued delivery of public services for the people of Montserrat.

This will enable the delivery of essential services which otherwise would have been at risk.

However, there is still a need to prioritise spending in what are challenging economic times.

Governor Sarah Tucker expressed her thanks to the FCDO and UK government for offering this much needed additional support to Montserrat during these exceptional times.

Referring to the budget support, Honourable Premier, Joseph Farrell said:

On behalf of the government and people of Montserrat I wish to express my sincere thanks to the FCDO and the United Kingdom Government for providing the additional funds towards our 2022/23 financial aid package, these monies will allow the government to continue providing essential services to the people on island.

**Capital support**

The UK government has agreed to provide an additional £3 million of funding for essential equipment. Specifically, this money will provide a foam fire engine for the airport, a new two megawatt generator to provide greater resilience to the Montserrat Utilities Limited’s (MUL) energy provision across Montserrat, and additional health service support including a CT scanner, 3D mammography unit, oxygen generator, emergency room and incubator equipment, and a medical incinerator. Procurement work will be completed by the end of this financial year.

Her Excellency the Governor, Sarah Tucker, said:

This new additional support will enable a more resilient power source, whilst we continue to develop greener energy alternatives, ensure our fire officers have the equipment they need to keep us safe, and, very importantly, bring forward the ability to offer CT scans and mammography here in Montserrat, enabling faster diagnosis and therefore faster more effective care.

Deputy Director of the Overseas Territories Directorate, Adam Pile, said:

This additional funding demonstrates the UK Government’s continued commitment to Montserrat, I am delighted that additional support has been provided for capital equipment and that we are able to protect Montserrat from the exchange rate volatility this year. Credit is due to the Financial Secretary and her team for all of their continued hard work and support.

The FCDO Financial Aid Mission team is due to arrive on Island on 30th November to discuss the budget for the new financial year.