

The Overseas Territories

Security, Success
and Sustainability



Foreign &
Commonwealth
Office



Foreign &
Commonwealth
Office

The Overseas Territories

Security, Success and Sustainability

Presented to Parliament by the
Secretary of State for Foreign and
Commonwealth Affairs by Command
of Her Majesty

June 2012

© Crown copyright 2012

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at
Overseas Territories Directorate,
Foreign and Commonwealth Office
King Charles Street
London
SW1A 2AH

e-mail: otdenquiries@fco.gov.uk

This publication is available for download at www.official-documents.gov.uk

This document is also available from our website at www.fco.gov.uk

ISBN: 9780101837422

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

2474732 06/12

Printed on paper containing 75% recycled fibre content minimum.

Contents

Forewords

By the Prime Minister and Foreign Secretary 5

Executive Summary..... 8

Map of the Overseas Territories 10

Introduction

Small Communities, Big Societies..... 11

Chapter 1

Defence, Security and Safety of the Territories and their People 21

Chapter 2

Successful and Resilient Economies..... 31

Chapter 3

Cherishing the Environment..... 39

Chapter 4

Making Government Work Better..... 49

Chapter 5

Vibrant and Flourishing Communities 65

Chapter 6

Productive Links with the Wider World 79

Conclusion 86

Annex

Overseas Territories – Background Information..... 88

Foreword by the Prime Minister

The United Kingdom's 14 Overseas Territories are an integral part of Britain's life and history. Today they include one of the world's richest communities (Bermuda) and the most remote community (Tristan da Cunha). They include thousands of small islands, vast areas of ocean, but also, in Antarctica, land six times the size of the United Kingdom.

Most of the people of the Territories are British and where they choose to remain British we will respect and welcome that choice. The relationship entails a balance of benefits and responsibilities which everyone must respect.

This Government is ambitious for our Territories as we are ambitious for the United Kingdom. We want to see our communities flourish in partnership, with strong and sustainable local economies. We see an important opportunity to set world standards in our stewardship of the extraordinary natural environments we have inherited.

>> This Government
is ambitious for our
Territories as we are
ambitious for the
United Kingdom. <<

This White Paper sets out our commitment to work with the Territories to address the challenges we face together. This is a commitment from across the UK Government.

The White Paper also celebrates the diversity, successes and opportunities in the Territories.

2012 is the Centenary of Scott's heroic journey to the South Pole. It is the 30th Anniversary of the Falklands conflict when so many gave their lives to protect the islanders' right to choose their own future.



It is also Her Majesty The Queen's Diamond Jubilee. The Territories are a valued part of the Realm and recently joined in this celebration.

It is an ideal time to publish this White Paper and I hope it will raise awareness in the United Kingdom of these British communities, lands and seas around the world.

A handwritten signature in blue ink, which reads "David Cameron".

David Cameron
Prime Minister

Foreword by the Secretary of State for Foreign and Commonwealth Affairs

No historian can fail to be intrigued by the stories which tell how the United Kingdom's 14 Overseas Territories have been entwined in our national history and how they come to remain linked to Britain in the 21st Century. Each Territory is different. Each history is different. But today most of the people in the Territories are British and our continuing connections bring benefits to the UK and to the Territories.

The Coalition Government has a vision for the Territories: of flourishing communities, proudly retaining aspects of their British identity and creating new opportunities for young and future generations; of natural environments protected and managed to the highest international standards.

We and Territory Governments share significant challenges: building more diverse and resilient economies; cutting public sector deficits; regulating finance businesses effectively; and protecting biodiversity and natural resources. In many respects the Territories are more vulnerable than the UK. We have a broad responsibility to support them and to ensure their security and good governance.

The strategy set out in this White Paper is designed to meet these challenges and deliver the vision. It is a strategy of re-engagement. It builds on the 1999 White Paper (Partnership for Progress and Prosperity).

It is also a strategy of re-evaluation. We have not in the past devoted enough attention to the vast and pristine environments in the lands and seas of our Territories. We are stewards of these assets for future generations.



The scale of these challenges is beyond the means of one or two departments of Government. So I am bringing the whole of the UK Government, central and local, into this work. British public servants have much to offer, but also much to learn from working with the Territories.

And it doesn't stop with Government. The strategy aims to support coalitions and partnerships across and between the private sector, professional bodies and civil society in the UK and in the Territories. I particularly welcome the growing partnerships between the Territories and local authorities and with the NGO community on environmental and other issues.

The White Paper is broad ranging, but does not pretend to be comprehensive. It focuses on the security of the Territories, their economic development and their natural environment. It looks at how we can foster high standards of governance and build strong communities. It promotes the development of wider partnerships for the Territories.

The Government has taken care to consult widely in preparing this White Paper. Our dialogue with Territory Governments and the international public consultation we ran from September 2011 to January 2012 have helped us to identify priorities.

We have set these priorities out clearly in the Paper. This is an ambitious and broad agenda. The test of the commitment of all concerned will be delivery against this agenda. We plan to upgrade engagement between UK Ministers and Territory Governments into a Joint Ministerial Council tasked with monitoring and driving forward work to realise our vision.

We will report regularly on progress and welcome scrutiny from the public and parliaments.



William Hague
Foreign Secretary

>> We and Territory Governments share significant challenges: building more diverse and resilient economies; cutting public sector deficits; regulating finance businesses effectively; and protecting biodiversity and natural resources <<

Executive Summary

Valued Partnerships within the Realm

- > The UK's Overseas Territories are highly diverse and each has its own relationship with the UK. The constitutional relationships continue to evolve. But the underlying constitutional structure between the UK and the Territories, which form an undivided realm, is common to all. The choice to remain a British Overseas Territory engages responsibilities and benefits for the Territories and for the UK.
- > The Government, in consultation with the Territories and other stakeholders, has developed a strategy of re-engagement to help meet the challenges and the opportunities of the 21st century: strengthening links between the Territories and the UK; strengthening governance; and enhancing support to the Territories.
- > As part of this strategy, all UK Government Departments are committed to engaging with and supporting the Territories.

Defence, Security and Safety

- > The UK is committed to defend the Territories and protect their peoples from external threats, ensuring their right of self-determination.
- > The UK helps the Territories protect themselves from international terrorism, organised crime and natural disasters.
- > The Territories provide the UK and our allies with strategically located bases which support a wide range of security operations.

Successful and Resilient Economies

- > The economic success of many Territories is a tribute to the endurance and ingenuity of their people. The UK is determined to support successful economic development, including through strengthened economic planning, management of public finances and the promotion of free trade.
- > The UK remains committed to providing assistance to Territories in need and to supporting developments which will reduce aid dependency.
- > The UK will encourage British businesses to pursue trade and investment opportunities in the Territories.

Cherishing the Environment

- > The Territories are internationally recognised for their exceptionally rich and varied natural environments. They contain an estimated 90% of the biodiversity found within the UK and the Territories combined.
- > The UK and Territory Governments are committed to working together to preserve the Territories' rich environmental heritage and to addressing the challenges of climate change. Together we have launched a programme to promote environmental mainstreaming in the formation of Territory Government policies.
- > The UK aims to be a world leader in the environmental management of its uninhabited Territories which cover many millions of square kilometres. We are developing a strategic approach to large-scale marine management including through the establishment of the world's largest Marine Protected Areas.
- > The UK welcomes the participation of civic society and the scientific community in this work.

Making Government Work Better

- > The Government has responsibilities towards the people of the Territories and of the UK to ensure the good governance of the Territories. The Government acknowledges the sensitivity of this area of work but believes that those living in the Territories have a right to expect the same high standards of governance as in the UK, including in the areas of human rights, rule of law and integrity in public life.
- > The Government expects high quality public financial management and financial services regulation as important contributors to building resilient economies and providing for the wellbeing of Territory communities.
- > The UK is determined to tackle corruption in all its forms.
- > The UK is committed to working closely with the Territories on these issues. To this end the UK is launching a long-term programme of support for the public services in the Territories.

Vibrant and Flourishing Communities

- > Each Territory has a unique community and it is for the Territory to shape the future of its own community. But most Territories face challenges as a result of their small scale or isolation.
- > UK Government Departments are supporting the Territories in a wide range of community issues such as education, health, labour, culture and sport.

Links with the Wider World

- > The UK is committed to supporting Territories which aim to strengthen their societies and economies by forming links with international and regional organisations or other countries. In some cases they can pursue these links themselves; in some cases the UK will represent the Territories.
- > The Territories' links with the EU, Commonwealth and United Nations will continue to be important. The UK is committed to strengthening these links. The UK also welcomes initiatives to develop links with regional organisations and other countries. Individual countries, such as Canada and New Zealand, already play an important role in some Territories.

The Way Forward

- > The White Paper sets out priorities for action at the end of each chapter. Taking forward this work will require a partnership between the UK Government and Territory Governments. The UK Government will work to strengthen political engagement between Ministers in the UK and the Territories, particularly through the proposed Joint Ministerial Council. Together we will address this agenda and report on progress, inviting public and parliamentary scrutiny.

[illegible]

Introduction: Small Communities, Big Societies

The Coalition Government came into office in 2010 determined to re-invigorate the United Kingdom's relationship with its 14 Overseas Territories. Our vision for the Territories is for them to be vibrant and flourishing communities, proudly retaining aspects of their British identity and generating wider opportunities for their people; and for the uninhabited Territories to be world leaders in environmental conservation and management. This White Paper sets out how we are working with the Territories to further this vision.

The UK Government's relationship with its Territories is a modern one based on partnership, shared values and the right of the people of each Territory to choose to remain British. Where the people of a Territory choose to remain British, we will maintain and deepen our special relationship. The UK and the Territories recognise that our relationship brings mutual benefits and responsibilities. It is time to strengthen our engagement to reflect the enduring nature of this relationship.

A picture of diversity

The UK is proud of its special links with the 14 Overseas Territories – Anguilla; Bermuda; British Antarctic Territory; British Indian Ocean Territory; Cayman Islands; Sovereign Base Areas of Akrotiri and Dhekelia in Cyprus; Falkland Islands; Gibraltar; Montserrat; Pitcairn, Henderson, Ducie and Oeno Islands (commonly known as the Pitcairn Islands); St Helena, Ascension and Tristan da Cunha; South Georgia & the South Sandwich Islands; Turks and Caicos Islands; and Virgin Islands (commonly known as the British Virgin Islands).

Our shared history

In the three decades after the Second World War most British colonies and dominions became new independent states and members of the Commonwealth. A number of small territories retained links of various kinds to the UK, including some territories directly dependent on the UK for budgetary aid, linked to the UK because of the wishes of the inhabitants or, in some cases, maintained as military bases or for their longer term strategic value. In 1997 Hong Kong passed to China. The 1999 White Paper *Partnership for Progress and Prosperity* set out a new relationship between the UK and its Overseas Territories based on the principles of self-determination, mutual responsibilities, and autonomy, and a pledge of UK help when needed. British citizenship was extended to most of the people of the Territories. The Coalition Government's strategy endorses and builds on this work.

Our relationship is rooted in four centuries of shared history. Bermuda, off the eastern coast of North America, became one of the first British territories in the Americas when it was settled by the survivors from a shipwreck in 1609. Bermuda's first capital, St George's, was founded in 1612. Bermuda is now the most populous Territory with a population of 66,000 and enjoys one of the highest per capita incomes in the world.

The five Caribbean territories – Anguilla, British Virgin Islands, Cayman Islands, Montserrat and Turks and Caicos Islands – became British territories during the 17th and 18th centuries when sugar plantations were established on many islands.

There are two populated Territories in the South Atlantic – the Territory of St Helena, Ascension and Tristan da Cunha; and the Falkland Islands. Both have for centuries played a role in our national history. Tristan da Cunha is the most remote permanently inhabited island in the world and is economically self-sufficient. St Helena is preparing to re-launch its economy with the construction of an international airport. Ascension is host to a range of UK/US military and communication assets. It has no permanent population, but depends largely on St Helena for its workforce. The Falkland Islands have been continuously inhabited and administered under British sovereignty since 1833. It has a thriving economy based on fishing, agriculture and tourism. More recently offshore oil exploration has begun to support diversification.

Gibraltar is the only Overseas Territory in the EU. It was ceded to Britain under the *Treaty of Utrecht* in 1713. Its economy is based largely on tourism, financial services, online gaming and shipping.

The Sovereign Base Areas in Cyprus are not formally part of the EU. They cover around 256 square kilometres and offer the UK a military

base in a region of strategic importance. Much of this land is privately owned by around 10,000 Cypriot nationals.

Pitcairn in the South Pacific has the smallest population – around 50 permanent inhabitants, although there is a significant diaspora, mainly in New Zealand and Australia.

The British Antarctic Territory, British Indian Ocean Territory and South Georgia & the South Sandwich Islands have no permanent population. These are extensive Territories many times the size of the UK including some of the world's best preserved environments and the world's largest Marine Protected Areas. The British Antarctic Territory is also highly prized as a global laboratory. Scientists from the British Antarctic Survey discovered the ozone hole here in 1985. This triggered international concerns about the effects of atmospheric pollution.



HMS Iron Duke off the coast of Montserrat
Credit: Crown Copyright (Ministry of Defence)

The International Context

There is much to celebrate in the survival and success of these communities and the preservation of the natural environment through the vicissitudes of history. The 21st Century has brought and will continue to bring significant challenges: from economic and financial crises to climate change and extreme weather events. Our Territories can be more vulnerable to these pressures than the UK itself. Our strategy of re-engagement is designed to help us all meet the challenges and seize the opportunities of the 21st Century.

UK Benefits and Responsibilities

The relationship between the UK and the Overseas Territories is founded on mutual benefits and responsibilities.

The Territories offer the UK:

- > A global presence: the global spread of our Territories gives us access and insights in diverse regions of the world;
- > A set of strategic assets: some of the Territories host military bases or cover regions of significant current operational and long term strategic value;
- > Economic and financial opportunities: there are multiple economic opportunities for a broad spectrum of UK companies as well as financial sector specialists. The international financial centres in the Territories can play a positive and complementary role to the UK-based financial services industry with particular strengths in providing services to fast growing economies in Asia and the Americas;
- > Natural and environmental resources: these are of global significance, including fisheries, minerals and hydrocarbons, and biodiversity far exceeding that in the UK's home territory and waters. The diverse natural environments of the Territories provide UK and international scientists and specialists with unique opportunities for research, including into the evolution of the earth's climate and plant and animal life;

- > Talent and diversity: the people of the Territories bring talents to the UK, as students at our universities and workers in our businesses. British nationals from the Overseas Territories also serve in the UK Armed Forces.

The UK Government's fundamental responsibility and objective is to ensure the security and good governance of the Territories and their peoples. This responsibility flows from international law including the Charter of the United Nations. It also flows from our shared history and political commitment to the wellbeing of all British nationals. This requires us, among other things, to promote the political, economic, social and educational advancement of the people of the Territories, to ensure their just treatment and their protection against abuses, and to develop self-government and free political institutions in the Territories. The reasonable assistance needs of the Territories are a first call on the UK's international development budget. A consequence of these responsibilities is that the UK Government carries significant contingent liabilities in respect of the Territories. The Government has a duty to manage these liabilities effectively and therefore maintains certain residual powers to ensure it is able to discharge this duty.



Grytviken Church, South Georgia
Credit: Oscar Castillo

In the case of the uninhabited Territories the UK Government has a responsibility to ensure that they are administered, and that their environmental and natural resources are protected and managed, to the highest standards.

Overseas Territory Benefits and Responsibilities

The Territories benefit from the relationship with the UK through:

- > Defence and Security: the UK is committed to defend the Territories and contributes to their protection from crime and support in the event of natural disaster;
- > Economic Assistance: the UK provides substantial budgetary assistance to Territories in need;
- > Technical Support: the UK Government provides a broad range of technical assistance and support;
- > International Support: the UK is responsible for the external relations of the Territories and uses its diplomatic resources and influence to promote their interests;
- > Reputational Benefits: the reputations of Territory Governments and businesses are strengthened by their association with the UK.

Being an Overseas Territory entails responsibilities. We expect Territory Governments to meet the same high standards as the UK Government in maintaining the rule of law, respect for human rights and integrity in public life, delivering efficient public services, and building strong and successful communities. Territories in receipt of budgetary support are expected to do everything they can to reduce over time their reliance on subsidies from the UK taxpayer.

Our Constitutional Relationship

The UK, the Overseas Territories and the Crown Dependencies form one undivided Realm, which is distinct from the other States of which Her Majesty The Queen is monarch. Each Territory has its own Constitution and its own Government and has its own local laws. As a matter of constitutional law the UK Parliament has unlimited power to legislate for the Territories. Territory Constitutions set out the powers and responsibilities of the institutions of government, which for most Territories include a Governor or Commissioner, an elected legislature and Ministers. Governors or Commissioners are appointed by Her Majesty The Queen on the advice of Her Ministers in the UK, and in general have responsibility for external affairs, defence, internal security (including the police) and the appointment, discipline and removal of public officers. Elected governments have a wide range of responsibilities.

We have reviewed the constitutional status of the Territories. Each Territory has its own unique constitution. The previous government launched in 1999 a process of modernising the constitutions of the inhabited Territories. We are continuing this work with a view to equipping each Territory with a modern constitution. We expect these constitutions to continue to evolve and to require adjustment in the light of circumstances. But we believe that the fundamental structure of our constitutional relationships is the right one: powers are devolved to the elected governments of the Territories to the maximum extent possible consistent with the UK retaining those powers necessary to discharge its sovereign responsibilities. We believe that at this point in the history of our relationships with the Territories, when a decade of constitutional revision is coming to a close, the time is not right to embark on a further round of constitutional change. Rather our strategy is to ensure the constitutional arrangements work effectively to promote the best interests of the Territories and of the UK. The Government

recognises that it is important to continue to reflect on the constitutional relationship. We will ensure that a dialogue on these issues is sustained with all those Territories which wish to engage.

The Government maintains the UK's long-standing position on independence for the Territories. Any decision to sever the constitutional link between the UK and a Territory should be on the basis of the clear and constitutionally expressed wish of the people of the Territory. Where independence is an option and it is the clear and constitutionally expressed wish of the people to pursue independence, the UK Government will meet its obligations to help the Territory to achieve it.

The Territories are involved in significant royal events. Their elected leaders attended the Royal Wedding in 2011. The Territories were also fully involved in the Diamond Jubilee in 2012. Many of the elected leaders or their representatives attended the celebrations in the UK during the main Diamond Jubilee weekend. The Territories also marked the occasion by holding special events and lighting beacons, including in the world's most remote community of Tristan da Cunha. We want to celebrate the Territories and ensure that they are appropriately recognised in the UK. The flags of the Territories will be flown at the Trooping the Colour ceremony and other ceremonial occasions, to bring representation of the Territories in line with Commonwealth Nations.

What are the Crown Dependencies?

The Crown Dependencies are the Bailiwick of Jersey, the Bailiwick of Guernsey and the Isle of Man. The Bailiwick of Guernsey includes the separate jurisdictions of Alderney and Sark and the islands of Herm, Jethou and Lihou. The island of Brecqhou is part of Sark.

Jersey, Guernsey and Isle of Man are not part of the UK but are internally self-governing dependencies of the Crown. This means they have their own directly elected legislative assemblies, administrative, fiscal and legal systems and their own courts of law. The Crown Dependencies are not represented in the UK Parliament. The Crown Dependencies have never been colonies of the UK. Neither are they members of the EU.

www.justice.gov.uk



Phone box, Gibraltar
Credit: iStockphoto

Our Strategy towards the Overseas Territories

In June 2010 the Foreign Secretary ordered a review of all policies towards the Overseas Territories. The UK Government quickly reasserted, through the Strategic Defence and Security Review later that year, that the defence of the Territories and their people was one of our most important defence responsibilities. The Department for International Development announced funding for an airport in St Helena. We committed ourselves to the objective of restoring the principles of good governance and sound public financial management to the Turks and Caicos Islands.

Henry Bellingham, Minister for the Overseas Territories, held a number of discussions with leaders of the Territories, including at the November 2010 Overseas Territories Consultative Council. Following this, the Prime Minister confirmed, through the National Security Council, the general principles of the Government's new strategy towards the Overseas Territories, which the Foreign Secretary announced to Parliament on 14 September 2011 HMG's strategy for the Overseas Territories www.publications.parliament.uk

The strategy recognises the political, social, economic and geographical diversity of the Territories and the need to develop policies that are tailored to support the needs and specific circumstances of each Territory. The strategy is designed to provide a framework in which these policies can be developed and implemented consistently and effectively.

The strategy focuses on three practical policy goals:

- (i) to strengthen the engagement and interaction between the UK and the Territories;
- (ii) to work with Territories to strengthen good governance arrangements, public financial management and economic planning where this is necessary; and
- (iii) to improve the quality and range of support available to the Territories.

Stronger Engagement between the UK and the Territories

We want to see greater engagement between the UK and the Territories. We want to foster links between individuals, companies and Non-Governmental Organisations with their counterparts in the Territories. We want to strengthen interaction between the Territories and UK Government Departments and local government. Each UK Department has now assumed responsibility for supporting the Territories, as needed, in its own areas of competence and expertise. Departments have published papers setting out how they can provide support for and work with the Territories. Links to these papers are provided throughout this White Paper.

We also want to build stronger political links. Since 1999 the elected leaders of the Territories and UK Ministers have met in an annual consultative council. We will strengthen this into a Joint Ministerial Council and give it a clear mandate to lead work to review and implement the strategy and the commitments in this White Paper. The UK Government will provide a small secretariat to support the work of the Council including reporting to it on progress and developing action plans for implementation of specific proposals. We will also report progress regularly to the UK Parliament. We would welcome greater engagement between the UK Parliament and the elected bodies of the Territories. We propose that the Council consider options for taking this forward.

Strengthening Good Governance, Public Financial Management and Economic Planning

The UK and the Territories will continue their partnership to meet the high standards set out in this White Paper. The UK will provide support to the Territories, where necessary, to develop good governance, robust public financial management and sound economic planning. In particular we will support greater exchange of expertise between public servants in the Territories and the UK. We will do this by supporting Territory officials with opportunities to train and work with colleagues in the UK, and UK experts to work in the Territories. We particularly want to encourage long-term partnerships between the Territories and public bodies in the UK.

Improving the Quality and Range of Support to the Territories

"In this White Paper the Coalition Government has set out a compelling vision of flourishing and vibrant Overseas Territories, freer from financial dependence on Whitehall, proudly retaining aspects of their British identity and generating wider opportunities for their people. For our part, the Government remains committed to meeting the reasonable assistance needs of Territories where financial self-sufficiency is not possible, as a first call on the aid budget. We are prepared to invest British taxpayers' money – as we are doing, for example, with the St. Helena airport project – where we can see the real prospect of self-sufficiency being achieved in due course and the reduction or elimination of dependency on UK Aid. For their part, we expect Territories to help develop their financial management capacity so that they can meet their budgetary obligations. My department is playing an active role in making this vision a reality."

Rt Hon Andrew Mitchell, Secretary of State,
Department for International Development

DFID is delivering a step-change in the quality of the support they are providing to those Territories in receipt of UK budgetary aid. In Montserrat the UK has provided £350 million of assistance since the volcanic crisis of 1995-7 which destroyed the island's capital and shattered the economy.

UK assistance is targeted on developing the north of the island, supporting the Government of Montserrat to ensure the provision of public services and the development of an enabling environment for economic growth. DFID and the Government of Montserrat signed a Memorandum of Understanding on 1 May 2012 which sets out Government of Montserrat commitments to reforms that will improve business and tourism.

The UK will provide up to £246.6 million to build an airport in St Helena to help end the Territory's isolation and open up economic and social opportunities for the people of the island.

For those Territories that need support, DFID will continue to provide assistance with the aim of helping those Territories achieve sustainable, inclusive growth and financial independence from the UK. DFID works in partnership with those Territories that need support to provide assistance with the aim of helping them achieve sustainable, inclusive growth and reducing their financial dependence on the UK wherever this is possible.

DFID provides budget aid to some Territories to fund essential public services that cannot be funded from local resources and provides technical assistance to support improvements in the quality of public services, good governance and opportunities to pursue economic growth and financial independence.

More information about the work of DFID with the Overseas Territories can be found at www.dfid.gov.uk

The UK Government recognises that external organisations are often best placed to provide assistance and support. Our focus is therefore on strengthening the engagement of the Territories with international organisations such as the EU, the Commonwealth, the UN and regional organisations. There is significant potential for these organisations to provide more support to the Territories. The EU has a substantial assistance programme that is little understood and appreciated in the Territories. We want to improve access to this support and the impact it makes. The Commonwealth has a range of programmes to support small states, dealing with many of the issues facing the Territories.

Public Consultation

We undertook a public consultation on the Overseas Territories strategy at the end of 2011, through a web-based platform. We posed six general questions, based on the three policy goals of the strategy, to help focus the responses. An independent organisation analysed the responses and produced a report which we published in March 2012. This report can be found at <http://www.fco.gov.uk>

The White Paper

This White Paper highlights the scale, spread and importance of our Territories in an age of diminishing resources, climate change and pressure on the environment. The following chapters, which show how the UK and Territory Governments work in mature partnership, set out priority issues and areas for action.



Overseas Territories Consultative Council, November 2011
Credit: Tony Bates

1: Defence, Security and Safety of the Territories and their People

Overview

The UK sees its responsibility for the defence, security and safety of the Overseas Territories as a core task of Government. We work with Territory Governments to counter external threats, international terrorism and organised crime and to ensure the safety and security of air and sea links. This work engages a number of UK Departments including the Ministry of Defence, the Department for International Development, the Department for Transport and the Home Office and its agencies.

Defence

"Our resolve to defend our Overseas Territories remains undiminished. Providing security for the Nation and its Overseas Territories, safe-guarding its citizens and their way of life remains the first duty of Government and Defence."

Gerald Howarth MP
Minister for International Security Strategy
Ministry of Defence



Crew of RFA Wave Ruler helping to clear flood debris, Tortola, British Virgin Islands
Credit: Government of British Virgin Islands

The protection of the Overseas Territories and their people is one of the UK Government's most important responsibilities. It is included as a National Security Task in the Government's 2010 National Security Strategy, and reaffirmed in the conclusions of the Strategic Defence and Security Review later that year. We will continue to maintain an independent ability to defend the Territories – including their territorial waters and airspace – from any external security threats they may face.

We will continue to ensure that our sovereignty over the Territories is defended against all challenges so that, for those who live in the Territories as British citizens, their right of self-determination is protected. In the South Atlantic British forces will maintain a defensive military posture to defend the Falklands and other British islands. There will be no weakening of the Government's resolve.

We will also ensure that the Territories are able to trade, to exploit their natural resources and to develop their economies free from undue external interference. The role of Britain's Armed Forces in the Territories varies enormously. For example, the Royal Navy Ice Patrol Ship HMS Protector operates around the British Antarctic Territory every summer, delivering UK obligations under the Antarctic Treaty System and supporting the British Antarctic Survey (BAS)'s ground-breaking scientific endeavours. In the Indian Ocean, our small detachment of military personnel secures the British Indian Ocean Territory, while helping to protect its pristine environment, working with our fishery protection officers to deter poachers and others who damage this unique part of the world. And in the Caribbean our Royal Navy presence ensures we are on hand to provide immediate humanitarian relief from natural disasters or assist in the interdiction of illicit narcotics.



16 September 2009 – Typhoon aircraft arrive at Mount Pleasant Airfield in the Falkland Islands, in preparation for taking over from the Tornado F3, which had been at the airfield for 17 years
Credit: Cpl David Parnham

Conversely, the Territories contribute to the security interests of the UK and our close allies. A number of the Territories provide invaluable training environments for all three Services. UK Armed Forces based in the Sovereign Base Areas in Cyprus have provided extensive support for UK operations in Afghanistan, Iraq and most recently in Libya. Gibraltar is one of the UK's Permanent Joint Operating Bases and is used for forward mounting of operations in the Mediterranean, North Africa (most recently in Libya) and the Gulf. There are permanently stationed forces in the shape of the Royal Navy's Gibraltar Squadron and the Royal Gibraltar Regiment. The Royal Navy is tasked with maritime force protection operations and with upholding the sovereignty of British Gibraltar Territorial Waters. The British Indian Ocean Territory (BIOT) hosts a US base at Diego Garcia which facilitates Allied operations across the Middle East and South Asia. Wideawake Airfield on Ascension played a crucial part in the Falkland Islands conflict in 1982 and continues to offer vital support as part of the airbridge to the Islands. Our Overseas Territories give Britain a global strategic reach in support of our international objectives.

Royal Gibraltar Regiment

The Royal Gibraltar Regiment, which has regular and reserve elements, is the resident UK Armed Forces infantry battalion based in Gibraltar. The Regiment is funded by the MOD, recruited locally and is trained in the UK. As well as providing security and protection it contributes to wider defence objectives through exercise and training deployments in the UK, Morocco and West Africa, where the Regiment trains soldiers to prepare them for deployment to Darfur with UNAMID. The Regiment also provides soldiers for operational deployments where they are attached to other British Army units. Members of the Regiment have served in Northern Ireland, Sierra Leone, Iraq, and Afghanistan.

"We will have to work harder, and in different ways, to advance and protect British interests as the world around us evolves. British Overseas Territories play an essential role in furthering those interests."

Gerald Howarth MP
Minister for International Security Strategy
Ministry of Defence

More information about the work of the MOD with the Overseas Territories can be found at www.mod.uk

Bermuda, the Falkland Islands and Montserrat have their own defence forces.

The Bermuda Regiment

The Bermuda Regiment is a battalion-sized reserve unit with two key roles: supporting the Bermuda Police Service and undertaking post-disaster relief work at home and in the Caribbean region. Their profile has risen after deployments to assist in the Cayman Islands (Hurricane Ivan in September 2004), Grenada (2005) and the Turks and Caicos Islands (Hurricane Ike in September 2008), and more recently in Bermuda itself for Hurricane Igor (September 2010). The Regiment enjoys a long association with the Royal Anglian Regiment. Although the Government of Bermuda is financially responsible for the Regiment, it falls under the ultimate command of the Governor, who is its Commander-in-Chief. The UK retains ultimate responsibility for the security of the island.

The Falkland Islands has a local defence force (Falkland Islands Defence Force) made up principally of volunteers, whose role is to contribute to wider defence efforts on the Islands alongside UK forces. It also fulfills the role of a mountain rescue agency for the Islands.

In Montserrat there is a Royal Montserrat Defence Force (RMDF) which consists of approximately 20 volunteers and currently performs mainly ceremonial duties. The RMDF has a historical association with the Irish Guards.



Her Royal Highness The Duchess of Gloucester presents the Bermuda Regiment with new colours, 13 November 2010
Credit: Crown Copyright (Ministry of Defence)

Tackling Serious Crime

The UK Government and Overseas Territory Governments work in partnership to tackle threats arising from international terrorism and serious and organised crime. The results of the public consultation suggest that crime is one of the main concerns of the people of the Territories. The UK and Territory Governments will work together and with international partners to reduce and prevent crime and ensure people feel safe in their homes and communities.

The main threat to the Caribbean Territories and Bermuda is from organised crime, drugs, firearms and in some cases people trafficking and associated money laundering. The Territories lie on recognised drug trafficking routes from South America to the UK, continental Europe and the US. The traffickers use ever-changing techniques to conceal their goods and constantly shift patterns of shipment. Violent gangs, primarily engaged in street-level drug trafficking, operating in some Territories, have been responsible for the significant increase in firearm-related murders and assaults in these Territories. Some Territories have introduced drug and violent crime control strategies.

Territories in the South Atlantic generally have low levels of crime, but smaller law enforcement capability presents special challenges when unexpected incidents occur.

The UK Government believes that police and local communities need to work together to step up the fight against criminal behaviour. It is important that the police and other law enforcement agencies work together across the criminal justice system. There also needs to be an improved system to secure borders and reduce illegal immigration. These arrangements must command public confidence and serve the Territories' security and economic interests.

The UK Government welcomes the moves in some Territories to set up National Security Councils or equivalents to co-ordinate the work of Governors, Governments and the relevant agencies with regard to these challenges. We are committed to supporting their work.

The FCO co-ordinates and encourages policy and operational engagement between law enforcement authorities in the Territories and in the UK, including the Ministry of Defence, Home Office, Serious Organised Crime Agency (SOCA,

which from 2013 will become the National Crime Agency), UK Border Agency and the Police.

The FCO employs Law Enforcement Advisers for the Overseas Territories to provide advice and help Territories engage with counterparts in the UK and elsewhere.

SOCA provides advice and specialist support to the Caribbean Overseas Territories to tackle organised crime in the region, and works with local and international law enforcement partners to reduce the harm to the citizens of the Territories from drug trafficking and other organised crime.

The Home Office will continue to authorise the deployment of UK police officers to Territories where required. It will also continue to provide legislative advice to Territories; and help them update their criminal justice legislation.

"The Home Office is committed to assisting the Overseas Territories to overcome a range of challenges in the field of home affairs. SOCA and UK police forces continue to provide specialist support to local law enforcement and assistance in criminal investigations. This work is helping the Territories to tackle organised criminals operating along the cocaine route from South America. We have a shared interest in tackling this threat, not only to reduce the impact of gang related crime on the citizens of the Territories, but to protect local communities in the UK by restricting the supply of drugs in accordance with the ambition of Local to Global, the Government's organised crime strategy published in 2011."

James Brokenshire, Minister for Crime and Security, Home Office

More information about the Home Office's work with the Overseas Territories can be found at www.homeoffice.gov.uk

The UK provides significant operational support. This includes UK police deployments; technical support for intelligence gathering; and secondments of UK experts into the Territories' authorities.

Seizure of Drugs from the Vessel "LOUISE"

In April 2011 the Royal Virgin Islands Police Force (RVIPF) assisted in a joint operation with the Serious Organised Crime Agency (SOCA) and other Caribbean jurisdictions concerning a suspicious vessel, the "LOUISE". This yacht was considered to be transporting illegal drugs when travelling to Europe on a container ship. The RVIPF were able to establish that the vessel was in the British Virgin Islands and was awaiting transportation to the United Kingdom via the United States Virgin Islands. As a result of further enquiries completed by the RVIPF in conjunction with SOCA, it was considered highly likely that the boat concealed illegal drugs.

The joint operation continued into late May 2011 when the boat reached Southampton and, as a direct result of the information supplied by SOCA and the RVIPF, a decision was taken to search the boat. Following a systematic six-day search, the UK Border Agency team at Southampton docks recovered 1.2 tonnes of cocaine worth approximately £300 million on the open market.

The UK supports and encourages international law enforcement co-operation with the Territories. This is especially important in the Caribbean region where the US and EU have significant programmes and co-ordination is important to ensure that crime is reduced and not just displaced from one island to another.

The UK Border Agency (www.ukba.homeoffice.gov.uk) assists the Territories by handling and processing visa applications through visa application centres around the world. UK Entry Clearance officers make decisions and issue visas on behalf of some Territories and refer applications to others. UKBA will continue to provide this service. UKBA also provides practical support to the Territories including assistance with visa policy and training in forgery detection. In most Territories visa legislation and regimes are

closely aligned to the UK. Territories keep UKBA informed of planned changes to their visa regimes or legislation.

Natural and Man-Made Disasters

The UK's small and isolated Territories are vulnerable to natural disasters. The main threats to the Territories are hurricanes, volcanoes, earthquakes and tsunamis. There is also a risk of man-made disasters in particular air and sea accidents and environmental disasters such as oil spills. The emergency services in a small Territory can be overwhelmed by a major incident. The UK Government recognises its responsibility to support a Territory facing a disaster.



Sign indicating the nearest hurricane shelter, Grand Cayman, Cayman Islands
Credit: Tony Bates

In most Territories the Governor is responsible for co-ordinating the immediate disaster response. The FCO co-ordinates the UK and international

response to a disaster, working closely with the Department for International Development (DFID) and the Ministry of Defence. Royal Navy patrols in the Caribbean and South Atlantic are likely to be in the frontline in providing emergency support. In the MOD's Atlantic Patrol Task (North) (APT(N)), a Royal Fleet Auxiliary ship maintains a maritime presence in the Caribbean region all year, which can be enhanced with a naval party (including boarding party and embarked naval helicopter). This is normally supplemented by a Royal Navy frigate or destroyer during the hurricane season between May and November. DFID has the capacity and expertise to provide longer term disaster relief and co-ordinate international relief effort and supplies.

"I am very proud of the essential role the Armed Forces play in disaster relief, but particularly in the Overseas Territories where hurricanes and other natural disasters have the potential to cause widespread devastation."

Nick Harvey, Minister for the Armed Forces,
Ministry of Defence



The Bermuda Regiment clears damage caused by Hurricane Igor
Credit: Bermuda Regiment

The UK and Overseas Territory Governments work together to reduce the risk of disasters and to build disaster management capacity. Territory Governments are responsible for ensuring the necessary public bodies are set up, tasked and adequately resourced to plan, prepare and respond effectively to potential disaster scenarios.

Roles and responsibilities need to be set out in local legislation and regulations. There need to be robust and effective national and departmental plans for dealing with disasters. These plans must support risk reduction and disaster preparation. The FCO organises an annual pre-hurricane season seminar for the Caribbean Territories and Bermuda. The UK will continue to provide advice to Governors and Territory Governments through periodic reviews of disaster management capabilities and plans, ad hoc advice, targeted training and live and table-top exercises. The FCO requires all Governors to undergo specialist training in Disaster Management before taking office.

The UK encourages co-operation between the Overseas Territories including the sharing of lessons learned and best practice. The Caribbean Territories and Bermuda agreed in early 2012 to provide assistance to each other including through the temporary secondment of law enforcement officials during times of crisis or in exceptional circumstances. We also support and encourage those Territories with their own defence forces to build on their capabilities and take a more regional role in disaster preparedness and response.

The UK supports the Territories to engage with regional and international disaster response agencies, for example the Caribbean Disaster Emergency Management Agency (CDEMA), the UN and the Red Cross. The Overseas Territories Directorate in FCO has a team of four officials (the Assist team) which can deploy to a Territory to assist the Governor and the Territory Government in preparing for and responding to particular disasters in the Caribbean region and Bermuda.



Clearing up after Hurricane Earl, Tortola,
British Virgin Islands, August 2010
Credit: Boyd McCleary

Aviation Safety and Security

"A safe and prosperous aviation industry is vital to growth and economic development. This is why we remain committed to assisting our Overseas Territories to establish and maintain safety regulatory regimes which conform with international standards and ensure the safety of passengers and all involved in their aviation industries."

Theresa Villiers MP, Minister of State,
Department for Transport

The Territories need to apply international air safety standards in order to maintain the international air links that are vital to their people and economies. The UK Department for Transport provides essential support. In 2003 the Department responded to a critical report by the International Civil Aviation Organisation (ICAO) by setting up Air Safety Support International (ASSI – <http://www.airsafety.aero>), a subsidiary of the UK Civil Aviation Authority, to support the development of air safety regulation and provide safety assurance (except in Gibraltar and the British Antarctic Territory which have separate arrangements). ASSI has developed aviation legislation that is tailored to the needs of small administrations. ASSI provides support and training to Territories to build the capacity of Territory regulators. Where Territories have not yet set up fully-functioning regulators, ASSI provides direct regulation services such as airport licensing and certifying aircraft airworthiness.

The UK Government will continue to help the Territories meet international safety standards but believes that they should take over responsibility for safety regulation; pay for direct regulation services provided by ASSI; and contribute to the costs of other services. The Department for Transport has agreed Memoranda of Understanding on funding safety regulation with each of the relevant Territories, in which they

have agreed to contribute in proportion to the wealth of the Territory and the benefit they gain from civil aviation. The Department remains committed to providing the major share of funding for ASSI for the rest of the spending period.



RAF Sea King search and rescue helicopter
near Mount Kent, Falkland Islands
Credit: MOD

ASSI will be responsible for the certification of the new international airport being built on St Helena. It will be working with DFID and its consultants to ensure that the airport meets international standards.

Gibraltar has been excluded from the ASSI system as it is covered by EU legislation. The UK Department for Transport helped the Government of Gibraltar establish its own aviation safety regulatory regime in 2009 and continues to provide some support.

Aviation Security

International terrorism is a threat to aviation in the Territories as it is in small independent states. The UK provides assistance to improve aviation security. In the Caribbean the Department for Transport employs a regional aviation and maritime security advisor to provide oversight and advice. The adviser has introduced improved assessments of terrorist and organised crime

threats and risks, involving a wide range of government agencies.

Maritime Safety and Security

"We recognise and remain immensely proud of the growth of the British Shipping Registers operated by the Overseas Territories which has ensured that the combined British fleet at more than 50.1 million Gross Tonnage stands seventh in the world's shipping fleets. Along with the Maritime and Coastguard Agency, we will continue to work collaboratively with colleagues within the Territories to ensure that all ships flying the Red Ensign are maintained to the highest possible standards, and that the Territories meet their obligations as flag, port and coastal states under the International Maritime Conventions."

Mike Penning MP, Parliamentary Under Secretary of State, Department for Transport

All of the Overseas Territories have to comply with international security standards for ships and ports developed by the International Maritime Organisation (IMO).

Any vessel registered in the UK, a Crown Dependency or an Overseas Territory is a "British ship" and is entitled to fly the British Merchant Shipping flag, the 'Red Ensign', or a version of it.

Bermuda, British Virgin Islands, Cayman Islands and Gibraltar currently run large international shipping registers. Anguilla, Falkland Islands, St Helena and the Turks & Caicos Islands operate mainly domestic shipping registers. All are required to meet standards equivalent to those of the UK Register. This requirement is set out in individual Memoranda of Understanding (MoUs) between the UK and the Territory.

The UK Maritime and Coastguards Agency (MCA) monitors the Territories to ensure they comply with UK, international and – where appropriate

– EU standards. The UK represents their interests in international fora such as the International Maritime Organisation (IMO) and the International Labour Organisation (ILO). The MCA continues to work with the Territories to ensure the highest level of international maritime safety. It provides practical assistance to Territory Registers through a four yearly cycle of advisory and assessment visits; and organises regular conferences and technical meetings. More information about the work of the Department for Transport with the Overseas Territories can be found at www.dft.gov.uk

The Department for Transport continues to work with the UK's Territories to ensure appropriate standards of security are maintained at their port facilities. The Department's Miami-based Regional Aviation and Maritime Security Adviser undertakes regular security visits to the Caribbean Territories and Bermuda. The Department maintains a security dialogue with the shipping administrations of the Territories through annual security meetings of the Red Ensign Group.

Priorities for Action

- > maintain commitment to defend the Territories and their peoples.
- > address security threats such as organised crime and illegal migration, including through strengthened border security and the development of National Security Councils to improve co-ordination in the Territories.
- > reduce risks and strengthen preparation for potential natural and man-made disasters, including through regional co-operation arrangements.
- > maintain international standards of aviation and maritime safety and security in the Territories.



Law Enforcement Officers from the Overseas Territories practising boat handling skills at the Overseas Territories Regional Maritime Training Centre, Tortola, British Virgin Islands
Credit: Mike Riley

2: Successful and Resilient Economies

Overview

The Overseas Territories have made considerable strides over the last decade in their economic development. Although many Territories have limited natural resources and few have manufacturing industries they have recognised the need to diversify their economies. The UK Government will continue to work with the Territories to help them develop their economies.

The Territories are acutely vulnerable to shifts in the global economy, regulatory regimes and commodity prices. Prudent fiscal management and effective fiscal planning are fundamental to the delivery of continued economic success and increased resilience to external economic shocks.

Some Territories are in receipt of budgetary aid to assist them in their Government's business, infrastructure, development and growth prospects. Where the conditions are right, DFID will consider further investments that would stimulate growth and reduce financial dependency. The decision to proceed with an airport for St Helena (see below) is an excellent example of this.

Structure of Economies

The economies of the Territories vary significantly in size, but they share a number of features in common: they are open economies; economic activity is often concentrated predominantly in a small number of sectors; the public sector is a major employer; and they are reliant on imports. These factors leave Territory economies

particularly exposed to factors outside their control. For example, an economic downturn in the United States economy will tend to result in a reduction of tourist arrivals in the Caribbean Overseas Territories with a consequent reduction in government revenues.

Despite such challenges, there are many economic success stories. Bermuda, the British Virgin Islands and the Cayman Islands have developed important niche positions in international financial markets. The UK Government strongly believes that Territories which meet financial sector international standards should be free to continue to compete in international markets without discrimination.

The role these three Territories play in international financial markets, and the commitment of their Governments and regulatory authorities to meeting international standards, has also been recognised by the international community. Bermuda, British Virgin Islands and the Cayman Islands are, for example, members of the Financial Stability Board's regional group for the Americas. And Bermuda, as Vice Chair, hosted the second meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes in 2011.

The UK Government will continue to support Territories with financial centres that demonstrate commitment to maintaining high regulatory standards to gain increased recognition through participation in international and regional fora.

Tourism is a major part of the economy of most Territories. It is important to develop this industry but also to consider carefully the environmental impact of proposed development so that the coasts, seas and wildlife that attract tourists are not damaged.

Air Services

"We will continue to promote the interests of our Overseas Territories in negotiating international air service agreements, to support their growth and economic development."

Theresa Villiers MP, Minister of State,
Department for Transport

The Department for Transport seeks to promote the interests of the Territories when negotiating air service agreements with other countries, which are an important element to supporting the economic development of the Territories. For example, the Department for Transport obtained additional rights for Cayman Airways and Air Turks and Caicos to conduct services to Cuba when a new bilateral air services agreement was negotiated in 2011.

The Department will continue to provide on-going support to the Territories with regard to air services. In particular, the Department stands ready to help Bermuda and the Caribbean Territories with the liberalisation of air service agreements with the US and other states wishing to develop their air services. The Department will also be providing assistance to the Government of St Helena in the development of air services to the new airport.



Cayman National Bank, Cayman Islands
Credit: Ministry of Finance

Successful Economic Development

Over the last 40 years, the British Virgin Islands has evolved from an agriculture/subsistence economy where people left the islands to find work, to one based on tourism (sailing and luxury hotels) and then one based also on the provision of financial services to the international business community. They are now the leading centre for international business companies, with much business coming from Asia/Pacific in addition to strong business links with the United States.

From the mid-1960s the Cayman Islands started on the path of development from a predominantly maritime economy to the world's fifth largest financial services centre. The development of financial services legislation helped to solidify Cayman's position as a leading financial services centre. It is now the world's leading centre for hedge funds and also a significant wholesale banking centre, with high volumes of overnight banking business from the United States.

Financial services have also featured significantly in Bermuda's economic development. Bermuda is the third largest reinsurance centre in the world and the second largest captive insurance centre, with firms based in the jurisdiction writing significant volumes of business in the United Kingdom and the United States. Bermuda has one of the highest per capita incomes in the world.

As part of the EU, Gibraltar is subject to EU standards and offers a gateway to the European single market of close to 500 million people. Gibraltar provides an extensive selection of financial services that meet the requirements of both local and international investors. Numerous international trading entities and financial services companies have bases in Gibraltar. The Government of Gibraltar is engaged in maximising the potential for expansion of Gibraltar's financial services sector, which contributes approximately 22 per cent to the GDP of the Territory.

The Falkland Islands are economically self-sufficient in all areas except defence. A system of licensing has enabled the development of the fishing industry and helped the economy move on from reliance on wool.

In common with the Caribbean Territories, tourism also makes an important contribution to the economy as the Falklands Islands promote their pristine environment.

The Tristan da Cunha economy is heavily reliant on the islands' lobster fishery. Tristan lobster is a top-end product mainly exported to the United States and Far East. The Territory works with its commercial partner to ensure that the fishery is well run and highly sustainable. In July 2011 the fishery was awarded Marine Stewardship Council certification. Aside from the lobster fishery, small scale tourism and sales of stamps and coins provide income for Tristan.

The UK Government Supports St Helena

On 3 November 2011 the St Helena Government entered into a contract with Basil Read Ltd to build an airport on St. Helena. The costs will be met by DFID.

The airport is the largest single investment ever made in a Territory and is the clearest possible example of the UK Government's commitment to the island.

In the short term the project will create new jobs in construction and associated supporting industries. But the real benefits are long term and will come through development of St Helena's tourism industry, bringing visitors to the island and boosting the economy.

An airport is the best chance in generations of stimulating sustainable growth on the island. It offers the best prospect for St. Helena to reduce and eventually graduate from its dependence on UK aid. The airport is scheduled to open towards the end of 2015.

We will work closely with the Governor and the St Helena Government to ensure that St Helena gains maximum benefit from this investment, while remaining mindful of the scale of social and economic transformation that the airport will bring.

Building on Success

Overseas Territory Governments continue to explore the options for developing economic resilience. Doing this in the context of a robust economic plan ensures that the feasibility and impact of development options are fully assessed and understood. The exploitation of technology, geology and the richness of the environment all provide opportunities for development, as do improved trading links.



Hamilton, Bermuda business district
Credit: Government of Bermuda

Economic Planning

Having a robust “business plan” for the economy is an important tool for building on success and is an approach the UK Government encourages all Territories to adopt. Such economic planning is a means to assess the feasibility of development options and to identify the expertise and infrastructure required to deliver them successfully, as well as considering how to make best use of those resources that are available. In short, the plan combines the vision for the economy with an objective assessment of deliverability.

Sharing Experience of Diversification

Territory Governments have between them a wealth of experience in delivering successful economic diversification, which the UK Government encourages the Territories to share with each other. The Falkland Islands, for example, has experience of establishing a system of fishing licences from which Territories with under-exploited fisheries can learn.

Science, Energy and the Environment

Montserrat has become a centre of excellence in volcanology and is exploring the development of geothermal energy to reduce the island’s dependence on imported fossil fuel (see box). The successful development of geothermal energy would be a catalyst for wider economic development.

The Government of Montserrat is keen to confirm and develop the potential geothermal resource on Montserrat. While geothermal surface exploration has taken place, no drilling has been carried out, so despite encouraging indications, this potential has yet to be proven. Current electricity demand on the island is met by diesel generation. The Government of Montserrat is keen to displace this source with clean and affordable energy for domestic consumption, and to assist with the economic development of the island as a place to visit and do business. DFID is continuing to work with and support the Government of Montserrat to explore the potential to develop the resource, including financing the exploration phase. The result of this will be known in 2013.



Wind Turbines, Ascension
Credit: Stocktrek Images

The Bermuda Institute of Ocean Sciences is the leading authority on the Sargasso Sea. Scientific research in this area has the potential to broaden the base of Bermuda’s economy. Research into the development of alternative energy based on Algal Biodiesel also has the potential of developing a fuel source that emits less carbon and chemical contaminants than traditional diesel fuel.

The Falkland Islands have established a South Atlantic Environmental Research Institute (SAERI). The Institute has a vision of providing a centre for scientific activity and related commercial opportunities, taking advantage of its existing economic strengths, its geographical location and its place at the centre of a system of British

Territories in the South Atlantic. The UK will work with the South Atlantic Territories to support the development of SAERI. The Natural Environment Research Council is supporting the development of SAERI in kind by providing expert advice on international scientific collaboration.

“On a recent trip to the British Antarctic Territory, I visited research facilities that place the UK at the forefront of environmental science. The Department for Business, Innovation and Skills fully supports our Overseas Territories and is committed to working with them to promote prosperity and growth.”

David Willetts, Minister of State for Universities and Science, Department for Business, Innovation and Skills

Trade Policy

The ability to trade freely is vital for the Overseas Territories. The majority of trade is in services. Whilst the volume of trade in visible goods is currently low, it nevertheless makes an important contribution to Territory economies.

The UK Government is a strong supporter of free trade. We will ensure that the Territories are aware of developments in the World Trade Organisation and other international trade fora which could affect them. Should a Territory want to participate in WTO meetings, the Department for Business, Innovation and Skills (BIS) will offer advice and assistance.

BIS will work with Territories as the European Commission prepares their proposals on trade preferences and Rules of Origin. The UK Government will also work with the Territories to ensure that the impact on them of Free Trade Arrangements made between the EU and other countries is taken into account.

The Trade Policy Unit in BIS will continue to offer support and advice on specific issues relating to trade matters to Territories wherever possible, including offering assistance to individual citizens regarding cases of free movement rights.

More information about the work of BIS with the Overseas Territories can be found at www.bis.gov.uk

Trade Promotion and Inward Investment

The Government believes that there are opportunities for British business in the Overseas Territories, for example in the hydrocarbons, fisheries, sustainable energy and tourism sectors. In some cases they might be deterred from pursuing these opportunities through uncertainty over the legal and political context or because they simply lack the necessary information. The Government wants to encourage British business to explore these opportunities.



Gibraltar International Airport
Credit: Gibraltar Tourist Board

Investment Promotion

The UK has extended to the Territories a number of Investment Promotion and Protection Agreements when the Territories have provided a case for doing so and the other country agreed. These set out the standards of treatment on which investors of both parties can rely when investing in the Territory of the other, and enable investors to resolve disputes through arbitration.

The EU has taken over responsibility for this work. Negotiations are underway on how this will work in practice. Once this has been resolved the UK will work with the Territories to determine how best to accommodate their interests.

Economic Partnership Agreements

A number of Economic Partnership Agreements (EPAs) have been negotiated between the European Union and the Africa, Caribbean and Pacific (ACP) countries. They are intended to protect ACP countries' access to EU markets, promote trade integration and accelerate development and poverty reduction in the ACP regions. Economic Partnership Agreements are World Trade Organisation compatible and development friendly. Not all Territories are in regions with an Economic Partnership Agreement. There is an option for Territories to join Economic Partnership Agreements should they so wish, but to do so will require authority (an entrustment) from the UK Government.

The Territories currently benefit from preferential trade arrangements under the EU's Overseas Association Decision. The UK Government will support any future arrangements which leave Territories no worse off than preferences offered by the Economic Partnership Agreements. We will discuss with Territory Governments the provisions of Economic Partnership Agreements, should they want to explore whether membership of them would be beneficial.

The Territories will continue to face economic challenges, but the Territory governments and peoples have shown themselves adept at responding to past challenges to build vibrant economies. The UK Government is committed to supporting the right of the Territories to trade freely, whether in goods or services, and will continue to work with the most vulnerable Territories to help them along the path to self-sustainability.

Priorities for Action

- > build economic resilience, including through prudent fiscal management and economic diversification.
- > help Territories in receipt of budgetary aid achieve sustainable and inclusive growth and financial independence from the UK.
- > strengthen economic planning capacity.
- > increase trade and investment between the UK and the Territories.
- > protect trade rights and preferences.

3: Cherishing the Environment

Overview

The UK Government wishes to ensure that the rich environmental assets of the Overseas Territories, for which they are internationally recognised, are cherished. The Territories are home to many species and environments found nowhere else in the world – including an estimated 90% of the biodiversity found within the UK and the Territories combined. Each of the Territories depends on these assets in some way such as for fisheries or from tourism.

“The United Kingdom’s Overseas Territories play host to some of our most precious environmental assets, many of which would be irreplaceable if lost. We recognise that environmental challenges are increasingly threatening the future security and safety of our Territories and in particular the people and the biodiversity that they support. We are committed to working in partnership - across government, with the Territories themselves, and with non-government organisations – using funding mechanisms such as the Darwin Initiative, to ensure that these highly valuable natural resources are protected for the future.”

Richard Benyon
Minister for the Natural Environment and Fisheries,
Department for Environment, Food and Rural Affairs

The unique environmental wealth of the Territories brings responsibilities for its sustainable management. Territory Governments, civil society groups, the private sector and the UK Government each has a role to play. The key long-term threat faced by the Territories is climate change. The impacts of this are already being felt, in particular in the British Antarctic Territory which is warming faster than almost anywhere else on the planet. The Intergovernmental Panel on Climate Change has identified the Territories as amongst the “most vulnerable” and “virtually certain to experience the most severe impacts” of climate change. This will mean sea level rise; changes in weather patterns, including higher intensity of extreme weather events; coral bleaching; ocean acidification; and sea temperature changes. Other immediate threats include land use change; waste management; invasive species; and threats to habitats from unsustainable development.

Case Study: The British Indian Ocean Territory (BIOT)

BIOT is situated in the middle of the Indian Ocean and is made up of over 50 islands (the Chagos Archipelago) in 640,000 square kilometres of ocean. The Great Chagos Bank is the world’s largest atoll. The islands, reef systems, biodiversity and waters of BIOT are among the richest on the planet, containing about half of all the reefs of this ocean which remain in good condition. Established on 1 April 2010, the Marine Protected Area – where commercial fishing is prohibited – is the largest such marine reserve in the world.



Plant Beach, BIOT: Some of the world’s cleanest waters
Credit: Crown Copyright (FCO)

Taking Stock of Progress

Territory Governments are responsible for the protection and conservation of their natural environments. They are supported by UK Government Departments, who have been working together, in conjunction with Territory Governments, Non-Governmental Organisations, the private sector and other stakeholders. Much progress has been made. Supported activities include:

- > the joint FCO-DFID Overseas Territories Environment Programme (OTEP) which, since its inception, has disbursed £8m through more than 140 projects across the Territories, in areas such as climate change, renewable energy, recycling, conservation and species protection;
- > development of the Overseas Territories Biodiversity Strategy, an initiative led by the Department for Environment, Food and Rural Affairs (DEFRA), under which DEFRA, DFID, FCO and the Joint Nature Conservation Committee (JNCC) work together towards conservation and sustainable use of biodiversity in the Territories;
- > the DEFRA-led Darwin Initiative, within which £5.2m has been spent to date on Territory projects, including through a special Challenge Fund created to help the Territories work up more successful bids; and the Flagship Species Fund, part-funded by DEFRA, which has a focus on supporting projects in the Territories;
- > funding a fisheries patrol around Ascension, St Helena and Tristan da Cunha, and providing model legislation for Territories to enable them to take appropriate action against illegal, unregulated and unreported fishing;
- > assisting St Helena with institutional reform of its government environmental function, including the creation of a new Directorate of Environmental Management;
- > establishing a Millennium Seed Bank Partnership through The Royal Botanic Gardens, Kew to

ensure the future safety of rare, endemic plant species from the Territories;

- > supporting, through the provision of direct grants, enhanced environmental work in the British Indian Ocean Territory, British Antarctic Territory and South Georgia & the South Sandwich Islands, for example to support non-native species eradication, fisheries patrols and heritage conservation; and
 - > ensuring the needs and concerns of the Territories are represented at international meetings, and providing advice and support in meeting the demands of international agreements. Much of this work is led by DEFRA who assist the Territories in meeting the requirements of:
 - > the Convention on International Trade in Endangered Species;
 - > the Convention on Biological Diversity; and
 - > the Convention on Migratory Species.
- This work has included supporting an officer in the Falkland Islands responsible for implementing the Agreement on the Conservation of Albatrosses and Petrels, part of the Convention on Migratory Species. In addition, the Department for Energy and Climate Change (DECC) has shared with the Overseas Territories information on the development of UK negotiating positions under the UN Framework Convention on Climate Change.

Case Study: Assistance to the Caribbean Overseas Territories on Climate Change

For four years, DFID funded the Caribbean Overseas Territories' participation in a regional project entitled "Enhancing Capacity for Adaptation to Climate Change in the Caribbean Overseas Territories". This helped these Territories adapt to climate change and variability within the context of sustainable development. During the project each Territory developed public education and outreach programmes, established National Climate Change Committees, completed climate change vulnerability and capacity assessments and developed a climate change policy document. This has helped underpin action by the Territories to plan and implement measures to mitigate climate impacts.

Case Study: UK Overseas Territories Online Herbarium

The Overseas Territories Environment Programme has supported The Royal Botanic Gardens, Kew through a 2-year project to create an online herbarium cataloguing the native and introduced plant species of each Territory.

The project is contributing to the Global Strategy for Plant Conservation and will better enable Territory Governments to understand the wealth of their natural environments and ensure they are adequately protected. In particular, this 'one-stop shop' for plant information should help enable effective protection and management of native plants, including through the implementation of multilateral environmental agreements such as the Convention on Biological Diversity, and create a better understanding of their importance.

To date, over 17,000 specimens and 10,000 taxa have been collated into the database held at Kew and freely available through the website: <http://herbaria.plants.ox.ac.uk/bol/UKOT>

Case Study: St Helena – Saving a Unique Species from Extinction

St Helena hosts a large number of species that are unique to the island. These include 43 different types of plant and 45 different types of spider alone, as well as the single remaining land bird – the wirebird. Over the years there have been a number of threats to the survival of these species and populations of many have declined. The unique Bastard Gumwood tree, for example, carries International Union for the Conservation of Nature ‘Red List’ status and was thought to be extinct in the wild. However, in 2007 a single wild tree growing on a remote cliff on St Helena was discovered. With support from the Overseas Territories Environment Programme genetic material from this specimen is being used to develop a self-sustaining population. Now, a network of National Conservation Areas is being proposed on the island which would help to restore and conserve St Helena’s unique natural heritage for the future.

This work has facilitated greater knowledge and understanding of environmental problems and helped Territories put in place measures to protect some key species and habitats. We now want to build on this towards a more strategic, co-ordinated approach to place environmental consideration at the heart of decision-making within each of the Territories.

Shaping the Foundations of a More Sustainable Future

To facilitate this, the UK Government has funded two stakeholder-led pilot projects, in the British Virgin Islands and the Falkland Islands. The aim of these projects has been to raise awareness of the value of the environment in economic growth and development, and human wellbeing, and to identify ways to integrate or ‘mainstream’ that awareness into Territory policies, regulatory frameworks and decision-making. By taking account of the goods and services delivered by the environment, such as flood protection, prevention of coastal erosion, and mitigation of climate change impacts, Territory Governments can take more balanced decisions and help to

provide a stronger foundation for sustainable economic growth and development. This in turn can help to ensure a healthy, productive and biodiverse natural environment, whose contribution to the economy is recognised and sustainably managed.

Case Study: Greening the Economy – Towards Sustainable Development for the British Virgin Islands (BVI)

The BVI Government, FCO, and Joint Nature Conservation Committee (JNCC) supported a two-day workshop in BVI in February 2012 as part of a wider project piloting a new approach to environmental management within the Overseas Territories.

The workshop aimed to identify a range of priority actions that need to be taken forward to help secure a sustainable future for the islands. In his remarks to the workshop, Dr The Hon Kedrick Pickering, Deputy Premier and Minister for Natural Resources and Labour made clear the importance of the issue of environmental management for the BVI: *“Unless and until the environment becomes everyone’s business, and is thought about, and seriously considered in every decision we make, we can forget about an environment that will be in any condition to maintain our economy, secure our development or continue to provide the lifestyle that we now enjoy.”*

Among issues identified by the workshop was the need for effective management of waste and water – which will be critical to the success of the tourism industry which is a major contributor to the BVI economy.

We intend to offer similar projects to other Territories where appropriate and, through these and other activities, develop a shared agenda for sustainable environmental management with each of the Territories based on the following principles:

- > the natural environment, and the goods and services it provides, whether through individual species, habitats or whole ecosystems, is appropriately valued;

- > economic activity, including tourism and fisheries, is managed in a way that is consistent with the long-term sustainable use of the natural environment, avoiding over-exploitation and ensuring a renewable contribution to economic growth;
- > unique, highly vulnerable or sensitive natural environments are identified, protected and conserved by appropriate means including through the use of management plans, underpinned by scientific research;
- > the role of the natural environment in underpinning long-term economic prosperity is understood and integrated within Overseas Territory policies and decision-making.

We will encourage Territory Governments to support the delivery of this shared agenda. We intend to continue to make available UK Government funding streams over the course of the current Spending Review period, as well as continue to offer technical advice and expertise, on environment, climate and renewable energy issues. We will continue to work together across Government to deliver co-ordinated support on natural environment issues, each Department leading in their respective areas of responsibility.



Cacti in Anguilla
Credit: iStockphoto

For example, DEFRA will continue to provide support for endangered species and habitats,

such as through the Darwin Initiative and implementation of the UK Overseas Territories Biodiversity Strategy. DEFRA will also lead on biodiversity and climate change adaptation issues. Together with its Agencies (Royal Botanic Gardens, Kew, JNCC, the Food and Environment Research Agency and the Centre for Environment, Fisheries and Aquaculture Sciences) it will continue to provide technical and policy advice and ensure that key research in the Territories is delivered. More information about the Department's work with the Overseas Territories can be found at: www.defra.gov.uk

DFID will continue to engage with Territories on wider climate, environment and natural resource issues. The Department for Energy and Climate Change will look to increase their support to the Territories in areas of climate change collaboration (including working with Territories to inform UK negotiating positions within international climate change, and other, discussions). They will also provide support on energy-related issues including renewable energy technologies. More information about the Department's work with the Overseas Territories can be found at www.decc.gov.uk

In the EU, we will continue to engage with the Commission and the Territories on the renewal of the Overseas Association Decision, to try to ensure that Overseas Territory environment policy and funding needs are taken into account. We will also seek to secure funding from other sources to assist the Territories in conserving their biodiversity and ecosystem services. Internationally, we will continue to represent Territory interests in the context of multilateral environmental agreements such as the International Commission for the Conservation of Atlantic Tunas, the Convention on Biological Diversity, and the UN Framework Convention on Climate Change.

The Uninhabited Overseas Territories: British Antarctic Territory, South Georgia & the South Sandwich Islands and British Indian Ocean Territory

In the uninhabited Territories the principles of environmental protection and sustainable ecosystem management are already enshrined in our activities. We will continue to support and oversee the effective stewardship of these almost-pristine natural environments.

The British Antarctic Territory is the largest of the UK's Overseas Territories, covering over 1,700,000 square kilometres, but it has no indigenous population. The Government of the British Antarctic Territory, in consultation with stakeholders, has developed an ambitious rolling five year strategy which sets out objectives and funding priorities. Environmental protection is an integral part of this strategy and is amongst its highest priorities: the Antarctic Peninsula is one of the fastest warming, and therefore most rapidly changing places on the planet. The historic leadership and scientific endeavour shown by the UK in early Antarctic exploration, including the meteorological data, rocks, fossils and marine samples collected by Captain Robert Falcon Scott's polar party, laid the early foundations of our scientific understanding of Antarctica. It has underpinned much of the environmental research subsequently conducted, including the study of climate change.

Case Study: Climate Change in the British Antarctic Territory.

Recent climate change has driven significant changes in Antarctica. This has been most apparent in the Antarctic Peninsula, part of the British Antarctic Territory, where in the last 50 years: average temperatures have risen by nearly three degrees Celsius; 25,000 km² of ice has been lost from floating ice sheets; and 87% of glaciers have retreated. These changes are already affecting wildlife. Adélie penguins, a species well adapted to sea ice conditions, are being replaced by open water species such as gentoo penguins. Melting snow and ice cover has resulted in increased colonisation by plants. And reduced sea ice cover may be contributing to a decline in Antarctic krill, a fundamental staple of the Southern Ocean food chain. The FCO is working with the British Antarctic Survey, and through the Antarctic Treaty System, to better understand these changes so that we can better plan for the impacts they may have.



British Antarctic Survey Plane
Credit: Henry Burgess

We are helping to further the UK's historic legacy in Antarctica by:

- > developing a better understanding of the environment and implementing the best Antarctic environmental practices in our activities;
- > enhancing UK expertise on tourism management and minimising human impacts;
- > identifying rare flora and fauna and/or special areas across the British Antarctic Territory and developing protection and conservation measures;

- > proactively managing key Protected Areas in the British Antarctic Territory; and
- > identifying future environmental challenges, including climate change, and developing mitigation measures.



British Antarctic Territory
Credit: Paul Stansfield

South Georgia & the South Sandwich Islands also has a prominent history in polar exploration, and acted as an important staging post for the expeditions of Sir Ernest Shackleton, who died and was buried on South Georgia in 1922. But it is of international importance in its own right for its rich environmental heritage. South Georgia & the South Sandwich Islands sustains major populations of seabirds and marine mammals including globally threatened species, like the iconic wandering albatross. It is also home to one of the longest and most detailed scientific datasets in the Southern Ocean, with over 30 years of population data on seabirds and marine mammals at Bird Island.

The sustainable management and environmental stewardship of South Georgia & the South Sandwich Islands is therefore the key priority. The waters around South Georgia & the South Sandwich Islands are some of the best managed in the world, and the fishery is carefully controlled to minimise adverse impacts. The latest stage of the Government of South Georgia & the South Sandwich Islands' long-term management

strategy was the recent designation of a sustainable-use marine protected area (MPA) within its maritime zone.

Case Study: South Georgia & the South Sandwich Islands Marine Protected Area (MPA).

In February 2012 the Government of South Georgia & the South Sandwich Islands declared a sustainable-use MPA covering over 1,000,000 km² of the Territory's maritime zone, including 20,000 km² of no-fishing zones. It establishes the waters around South Georgia & the South Sandwich Islands as one of the largest areas of sustainably managed ocean in the world.

The declaration of the MPA builds on existing management measures which go above and beyond those required by the Convention for the Conservation of Antarctic Marine Living Resources. As a result, the Marine Stewardship Council (MSC) has certified the island's toothfish fishery, which is rated as the third highest scoring MSC-certified fishery in the world.

The declaration of this MPA contributes to the World Summit on Sustainable Development's global commitment to establish representative networks of MPAs by 2012. The MPA will be monitored through scientific programmes and enforced through a dedicated patrol vessel.

We will continue to support the Government of South Georgia & the South Sandwich Islands' environmental stewardship of the Territory, including through tough environmental and biodiversity protection measures, effective fishery and tourism management and, where feasible, the eradication of non-native species to restore the natural habitat of South Georgia.

We will continue to represent the interests of both the British Antarctic Territory and South Georgia & the South Sandwich Islands in the Antarctic Treaty System, where we uphold the principles of ecosystem management and work with the British Antarctic Survey and other stakeholders to ensure decisions are based on robust scientific evidence.

Tourism, to both the British Antarctic Territory and South Georgia & the South Sandwich Islands, will continue to be carefully managed. The British Antarctic Territory receives the overwhelming majority of all Antarctic tourists. A key focus is to ensure visits are both safe and environmentally friendly, for example through the development of guidelines, educational materials and field guides, many of which have subsequently been adopted by the Antarctic Treaty System.

Within the British Indian Ocean Territory we are committed to similarly high standards of environmental protection. The Administration of the British Indian Ocean Territory has developed a legislative framework which underpins the protection of sites and species of particular importance, and has also designated special reserves. These include an area of Diego Garcia which has been designated as a Wetland of International Importance under the Ramsar Convention on Wetlands.



King Penguin, South Georgia
Credit: Oscar Castillo

This work, together with the establishment of the no-take marine protected area in 2010, has contributed to the very high levels of nature conservation achieved in the Territory and highlights the UK's intention to ensure the on-going protection of this unique environment. We will work with the newly established, multi-disciplinary Science Advisory Group and other relevant stakeholders to take forward this work and deliver effective management measures.



Masked Booby, British Indian Ocean Territory
Credit: Peter Carr

Priorities for Action

- > manage terrestrial and marine natural resources sustainably and address challenges of climate change, including by putting environmental considerations at the heart of all decision-making.
- > oversee exemplary environmental management of the uninhabited Territories.
- > ensure compliance with the requirements of relevant multilateral environmental agreements.
- > strengthen co-operation with the Non-Governmental and scientific communities.

4: Making Government Work Better

Overview

The UK Government has a responsibility for the overall good government of the Territories and takes a close interest in how Territory Governments discharge the functions devolved to them. Those Territories which choose to remain British should abide by the same basic standards of good government as in the UK.

The Territories have proud traditions of democracy and respect for human rights. Territory Governments have used their devolved responsibilities to make significant improvements to the quality of life of their people, outperforming comparable independent states. But small Territories face particular challenges. It is difficult to maintain all the skills needed to regulate modern economies and meet public expectations for specialist services. It is sometimes difficult to procure good value services. Public concerns about capacity, transparency and corruption need to be addressed.

The UK Government has a vision of making government work better. We believe in sound public finances, building economic resilience and effective regulation. We want to increase efficiency and effectiveness, ensure public funds are spent wisely, and foster a fairer, more open and mobile society. We believe in giving power to people and communities across the UK and the Territories to drive reform. This means strengthening accountability including by making the performance of public bodies and services more transparent. We will work with the people, communities and governments of the Territories to realise this vision.

Democracy

The populated Territories have vibrant democratic traditions. Each Territory has its own legal system with its own local laws. In most Territories the legislature consists predominantly of members elected by the Territory's voters (except for the Senate in Bermuda, the members of which are all appointed). Most of the Territories have a ministerial system of government, loosely reflecting the Westminster model, with the elected member who commands support of a majority in the legislature becoming the Premier or Chief Minister. Political parties operate freely and are required to operate transparently and with appropriate controls on party finance. Territory Constitutions and laws define who can vote in elections. In some Territories recent economic success has attracted significant numbers of people and their families. In some cases these people are not able to vote. The UK Government believes that people who have made their permanent home in the Territories should be able to vote, but recognises the desire of island communities to maintain their cohesion and hence the need for a reasonable qualifying process.



Bermuda Parliament, Hamilton
Credit: Hemera

Election Observers

The UK Government encourages observers to monitor UK elections as an important way to promote internationally accepted standards. We encourage other confident and open democracies, including the Territories, to welcome observers. In this spirit, the UK Government supported the observer mission to monitor the elections in the British Virgin Islands in November 2011 which was organised by the Caribbean Community (CARICOM) and the Commonwealth Parliamentary Association (CPA). This mission concluded that the will of the people of the British Virgin Islands had been fairly and freely expressed in an open democratic process, and commended the Territory for transparent, orderly and peaceful elections. The mission also made a number of helpful recommendations. The British Virgin Islands can be proud of the high standards it has set.



Members of the Legislative Assembly, Falkland Islands
Credit: Falkland Islands Government

The Territories have a free and open press that serves to inform the public and foster debate on issues of policy. In recent years there has been an explosion of colourful internet debate and political blogs.

The Territories have a wide range of official organisations that work to ensure openness and transparency and to hold public bodies to account, including auditors and complaints commissions. There are many civil society organisations that play an active role in checking that public bodies are working properly. This important work helps strengthen the people's trust in government and encourages greater public participation in decision making. The UK Government is supporting the development of these organisations.

Complaints Commission in the British Virgin Islands

The Complaints Commission provides an avenue to the public for redress of grievances arising from the administrative action of any government agency including any department, unit, statutory body, public board or committee. Since it was set up in 2009 the Commission has helped people who have had bad experiences and has made six special reports into specific issues.



Dr Elton Georges, BVI Complaints Commissioner
Credit: Government Information Services; British Virgin Islands

It is important that everyone in the UK and the Territories in public life acts in accordance with the highest standards. This includes Governors, Ministers, public officials and advisers, members of national assemblies, members and officers of boards and other bodies discharging publicly funded functions.

The Seven Principles of Public Life

The UK Committee on Standards in Public Life has set out these principles for the benefit of all who serve the public in any way. They have been adopted by many public bodies in the UK and the Territories.

SELFLESSNESS

Holders of public office should act solely in terms of the public interest. They should not do so in order to gain financial or other material benefits for themselves, their family, or their friends.

INTEGRITY

Holders of public office should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their official duties.

OBJECTIVITY

In carrying out public business, including making public appointments, awarding contracts, or recommending individuals for rewards and benefits, holders of public office should make choices on merit.

ACCOUNTABILITY

Holders of public office are accountable for their decisions and actions to the public and must submit themselves to whatever scrutiny is appropriate to their office.

OPENNESS

Holders of public office should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only when the wider public interest clearly demands.

HONESTY

Holders of public office have a duty to declare any private interests relating to their public duties and to take steps to resolve any conflicts arising in a way that protects the public interest.

LEADERSHIP

Holders of public office should promote and support these principles by leadership and example.

Human Rights

The UK and the Territories share a common agenda to promote respect for human rights and tackle discrimination. The UK Government expects the Territories to abide by the same basic standards of human rights as the UK. Over the last decade, as new Territory Constitutions have been agreed, these have included new or strengthened human rights chapters that reflect these standards, in particular the European Convention on Human Rights (ECHR) and the United Nations International Covenant on Civil and Political Rights (ICCPR). Significant progress has also been made on extending core UN human rights conventions to the Territories. The UK Government's longstanding practice in this area is to encourage the Territories to agree to the extension of UN human rights conventions that the UK has ratified, but to extend these to the Territories only when they are ready to apply them. We want to work with all the populated Territories with a view to extending outstanding UN human rights conventions to them by the end of 2013. We will support those Territories that face resource and capacity constraints.

UN Human Rights Conventions

The following core Conventions have been extended to almost all Territories:

- the International Covenant on Civil and Political Rights;
- the International Covenant on Economic, Social and Cultural Rights;
- the Convention on Elimination of all forms of Racial Discrimination;
- the Convention Against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment; and
- the Convention on the Rights of the Child.

The Government of Anguilla is preparing for the extension of the UN covenants on civil and political rights and economic, social and cultural rights. The Government of Gibraltar is similarly considering the extension of the Convention on the Rights of the Child.

The Convention on the Elimination of all forms of Discrimination against Women has been extended to the British Virgin Islands, Falkland Islands and the Turks and Caicos Islands. Bermuda and the Cayman Islands are preparing for extension by the end of 2012. We are working with the remaining Territories to prepare for extension.



Foreign Office Minister Henry Bellingham meeting
Ascension Island Councillor Kitty George in London,
22 November 2011
Credit: Crown Copyright (FCO)

In the Territories in which fundamental rights have been incorporated directly into the Constitution, local courts can enforce those rights directly. Six territories had enforceable fundamental rights chapters before the introduction in the UK of similar arrangements through the Human Rights Act 1998. The Constitution of Bermuda, which is the oldest amongst the Territories' constitutions, has contained a fundamental rights chapter since 1968.

The UK Government is responsible in international law for ensuring that the Territories comply with international human rights conventions that have been extended to them. Territory Governments have a duty to ensure local law complies with the relevant conventions and court judgements and is non-discriminatory. We expect Territories to take action, including legislating where necessary, in any areas of disparity to reach full compliance.

Territory Governments, with support from the UK, are doing a great deal of work to look after vulnerable members of society and to tackle discrimination. A major responsibility is the safeguarding of children. This is taken very seriously and all Territories need to ensure that proper measures are put in place to protect children and to help prevent child abuse. The UK is ready to support further work, including to improve reporting to the various UN human rights treaty bodies; strengthen specialised training and organisations; and tackle all forms of discrimination.

Building Human Rights Capacity in the British Overseas Territories

The UK has supported a Commonwealth Foundation project which has provided training workshops, specialist assistance and advice to help Territory Governments improve the implementation of human rights and worked with civil society to raise awareness of human rights issues. Among other things the project supported a poster and booklet campaign in the Falkland Islands; training for civil servants, police and social workers in the British Virgin Islands; a workshop in Pitcairn; proposals for a Human Rights Commission in St Helena; and the development of national action plans.

Safeguarding Children in the Overseas Territories (SCOT)

The UK has also supported a project to strengthen the protection of children, young people and their families by supporting policy making, professional practice, inter-agency collaboration and regional collaboration. St Helena and Ascension introduced legislative changes to support families and protect children from abuse. Anguilla and St Helena have established systems to encourage effective inter-agency cooperation in child protection cases. The project has also overseen extensive training activities including behaviour management training for teachers in Anguilla and for front line community workers in Montserrat.



SCOT workshop in Turks and Caicos Islands
Credit: Viv Neary, SCOT Programme

The Rule of Law

The UK and the Territories share a long legal tradition and a belief that an independent and effective judicial system is a cornerstone of democratic society. The Territory judiciaries are separate and independent of the locally elected governments in order to ensure the rule of law is enforced impartially and consistently no matter who is in power. It is vital that the judiciary behave in an appropriate professional manner and maintain the highest standards of integrity and independence. One of the key challenges is attracting applicants of a suitably high standard to fill judicial vacancies.

The Ministry of Justice is working with the Territories to advise on sourcing the highest calibre of candidates and maintains close links with the Territory Governors to provide additional assistance where required. The Ministry of Justice is also exploring with the Territories the provision of additional training and support to both current and future members of the judiciary.

The Judicial Committee of the Privy Council (JCPC)

All of the Overseas Territories have the Judicial Committee of the Privy Council as their final court of appeal in both civil and criminal matters. This appellate jurisdiction in relation to the British Territories is ancient. Despite its heavy caseload, the Judicial Committee endeavours to ensure that appeals lodged with it are processed expeditiously, particularly where the case is time sensitive.

The Territories need an effective criminal justice system that delivers justice without delay, protects the civil liberties of all people, and works for the victims of crime and witnesses and also for the accused and convicted. Effective systems are needed, for example, to encourage dispute settlement, provide legal aid where this is needed, and to protect vulnerable witnesses. Sentencing policy should punish those who break the law and help reduce reoffending. It is important to have systems to help offenders get off drugs, get support with mental health problems and reintegrate them back into their communities.

The UK Government will continue to help the Territories find effective ways to deal with young offenders including through promoting the use of diversion from prosecution in appropriate cases and the use of rehabilitation. Diversion away from the criminal justice system, with support and guidance applied correctly, can help prevent the risk of young offenders becoming repeat offenders. We will work with the Territories to demonstrate that diversion and rehabilitation can help turn the lives of many young offenders around and in turn, delivers longer term savings in criminal justice systems and societies.

Restorative Justice

Whilst small island communities can create challenges, they also present significant opportunities. One of the fundamental principles of good justice is that it must be seen to be done, and in small communities, visibility is more easily achieved.

Restorative justice aims to go further than simply meting out punishment, by helping to repair some of the harm done to victims and communities. It also offers the opportunity for offenders to give something back to the communities they have wronged and can help form a basis from which to begin rehabilitation.

The Ministry of Justice will continue to provide best practice and support from the UK to help the Territories develop and use restorative justice to the benefit of their communities. We will also assist in building networks to facilitate the sharing of expertise and experience.

The Territories are increasingly looking at alternatives to custody and more community and rehabilitation based sentences for offenders. For small islands with relatively small prison populations, custody is an expensive, and sometimes impractical way to deal with offenders. Non-custodial sentences can offer an alternative and can have dramatic effects on reducing reoffending rates when compared to prison for certain types of offenders.

The UK Government supports the aim of increasing the range of sentences available to the courts. Building effective probation services to support offenders in the community is a key aspect to this work. Several Territories now have probation services in place and some good results are being achieved. The Ministry of Justice supports this work and officials from the Parole Board have recently travelled to some Territories to help to train justice professionals including probation staff.

Many Territory Governments are looking for cost effective ways to rehabilitate offenders in the prison system and reduce recidivism rates as a key

to tackling crime in their communities. We will continue to work with the Territory Governments to support this move to a more rehabilitative prison system that is better equipped to deal with specialist requirements. Key to achieving this is building capacity through pooling and sharing of expertise.

Prisons

The majority of Territories have only a single prison. Total numbers of prisoners are small and facilities often limited, but in some Territories the overall incarceration rate is amongst the highest in the world. This leads to crowded prisons with an average of 30% over capacity across the Territory prison system.

The small size of the prisons also means that it can be difficult, if not impossible to separate offenders with specific needs, such as minors, women or high risk offenders. Facilities to promote rehabilitation and treat offenders who require specialist treatment, such as those convicted of sexual offences, are often not available.

It is important that the Territories have adequate systems to protect witnesses giving evidence where they may be at risk of reprisal. This can be particularly important in the Territories where there is only one prison and offenders may be giving evidence against others and then find themselves imprisoned together. Effective systems are needed to separate witnesses and the accused in the long term, whether through relocating witnesses or ensuring prisoners can be kept separately or protected from reprisals.

Protecting vulnerable witnesses

The protection of vulnerable witnesses in small island communities can be challenging. The Territories need systems to ensure that witnesses are not intimidated, are protected from harm or reprisal and that there are alternatives available for evidence to be proved to Courts in the appropriate circumstances. This is particularly relevant in cases where children are required to give evidence, such as in cases of abuse where it is good practice to enable a child to give video recorded evidence and evidence by live link to avoid having to go into the Courtroom.

It is important for the Territories to ensure the fast and effective resolution of disputes in the civil and family justice systems. The Territories must ensure that all citizens have equal access to the Courts and are treated equally before the law. This means that justice must be accessible, efficient and not prohibitively expensive. Whether through the effective use of legal aid, the use of mediation or alternative dispute resolution, equal access to justice and the fast and effective resolution of disputes should be the right of every citizen of the Territories.

Promoting mediation in civil and family cases also enables positive outcomes across the justice system. Through promoting alternatives to the courts, the Territories can significantly reduce costs for litigants as well as the costs to the public sector. Alternative dispute resolution is often also considerably faster. It encourages negotiated compromise resolution. It is also often a more amicable and positive way to resolve issues, particularly in family cases. In small islands communities, the amicable resolution of disputes carries even more importance. The Ministry of Justice will continue to support the Territories through the promotion of best practice and sharing of ideas.

The UK is committed to maintaining support for the justice systems in the Territories. The FCO funds regional advisers in the Caribbean and South Atlantic who provide advice and training. The Ministry of Justice provides substantial support on judicial issues and is working with the Territories to identify where expert advice can be best targeted to achieve results. The range of support currently provided includes predeployment training for Governors; training for probation and prison staff; and sourcing and recruiting experts to support justice projects. More information about the work of the Ministry of Justice with the Overseas Territories can be found at www.justice.gov.uk

Public Service

The Territories have professional public services built on the principle that public servants and other persons appointed to positions of public authority are selected and promoted on merit and through open competition. Efforts are made to attract candidates from all sections of society so that the public service reflects the population it serves. It is difficult for small public services to build up all the specialist skills demanded of modern government. The UK Government encourages Territories to work together; to carry out some functions through joint bodies; to exchange personnel; and to open up more recruitment to skilled staff from other Territories, the Crown Dependencies and the UK (jobs in the UK are already open to British citizens from the Territories).

The public services in the Territories and the UK have much to learn from sharing experience with each other. The UK Government wants to see more engagement between public bodies in the UK and the Territories. We are setting up a programme to support public servants from the Territories to get training and work experience in the UK and for specialists from the UK to work in the Territories.



Students from the Turks and Caicos Islands visit 10 Downing Street
Credit: Crown Copyright (FCO)

Policy Making

Public services have a vital role in providing objective and impartial policy advice to Ministers and managing the policy making process including organising public consultation and assessing the potential impact of particular policy options. The UK Government is supporting the development of policy making capacity in some Territories.

Public Services

UK and Territory Governments share a determination to deliver a better deal for taxpayers, directing resources into priority front-line services such as schools and hospitals and reducing waste and administration. Good public procurement is an important priority. This is sometimes challenging for Territory Governments, particularly where there are few suppliers and little competition. The UK Government is ready to share expertise and good practice to help the Territories get the most out of tight budgets.

Better Regulation

Much regulation in the UK and Gibraltar stems from EU law. The UK will ensure that Gibraltar is involved in the development of European directives at the earliest stage. We will support implementation in a way that does not disadvantage businesses relative to their EU competitors.

The Territories outside the EU face the challenge of developing their own regulation including for specialised business areas. Territory Governments work to provide regulation that promotes fair competition and protects the public without unnecessarily burdening businesses. There is an important agenda to remove or simplify regulations that unnecessarily impede growth, for example by restricting entry to certain businesses or professions.



Executive Council, Anguilla
Credit: Governor's office; Anguilla

Good Regulation Principles

PROPORTIONALITY

Regulators should intervene only when necessary. Remedies should be appropriate to the risk posed, and costs identified and minimised.

ACCOUNTABILITY

Regulators should be able to justify decisions and be subject to public scrutiny.

CONSISTENCY

Government rules and standards must be joined up and implemented fairly.

TRANSPARENCY

Regulators should be open, and keep regulations simple and user-friendly.

TARGETING

Regulation should be focused on the problem and minimise side effects.

Regulation of International Financial Services

"Overseas Territories have developed as important financial centres in the global financial network. I welcome the significant progress Territories have made in complying with international standards on tax transparency and dealing with the threat of terrorism financing and money laundering. HM Treasury will continue to represent the interests of those Territories which meet these standards in international fora and will strongly support their right to compete freely in international markets."

Lord Sassoon, Commercial Secretary to the Treasury, HM Treasury

The UK and Territory Governments have a shared agenda on the application of high international standards for financial regulation. The financial services industry is one of the main contributors to the economies of Bermuda, the British Virgin Islands, the Cayman Islands and Gibraltar and to a lesser extent Anguilla and the Turks and Caicos Islands. Adhering to international standards is therefore important to the long term development of these Territories.

The Territories need regulation that promotes fair competition and growth, ensures the stability of their financial systems and prevents abuse. It is important that the responsibilities of the state, business, civil society and individuals are properly balanced so that the international community can have the confidence to do business in the Territories. Territories' supervisory and enforcement regimes must be adequately resourced, well targeted and risk-based. The FCO employs a Regional Financial Services Adviser based in Bridgetown who provides advice and training on financial regulation.

The UK Government will strongly support those Territories that meet international standards. HM Treasury will work in the international arena to ensure that there is no discrimination against well-regulated offshore financial centres and that the same international standards are applicable to all jurisdictions.

All Territories have an obligation to ensure that they are not an avenue for corrupt practices and have systems in place to implement EU and UN sanctions against individuals and businesses where these sanctions have been extended to the Territories.

HM Treasury will engage with and provide support for the Territories in the following key areas: financial regulation; tax and customs; anti-money laundering; counter terrorist financing regimes; and support for economic and financial risk management. HM Treasury will continue to work with the FCO to endeavour to inform Territories in advance of key international meetings and to take into account any concerns that are brought to their attention. More information about the Treasury's work with the Overseas Territories can be found at: www.hm-treasury.gov.uk

High Standards of Financial Regulation

In November 2011, with support from the UK, Bermuda, the Cayman Islands and the British Virgin Islands were invited to participate in the Financial Stability Board's new Regional Consultative Group for the Americas.

All the Caribbean Territories and Bermuda are active members of the Caribbean Financial Action Task Force which oversees anti-money laundering and counter-terrorist financing standards in the Region.

The BVI Financial Services Commission, the Bermuda Monetary Authority and the Cayman Islands Monetary Authority are members of the International Organisation of Securities Commissions, the International Organisation of Insurance Supervisors and the Group of International Financial Centre Supervisors.

The Gibraltar Financial Services Commission (FSC) is a member of the International Organisation of Securities Commissions (IOSCO), the International Association of Insurance Supervisors (IAIS), Offshore Group of Insurance Supervisors (OGIS) and the Group of International Financial Centre Supervisors. The Gibraltar FSC's application to become an "Appendix A" signatory to IOSCO's Multilateral Memorandum of Understanding concerning Consultation and Co-operation and the Exchange of Information is - at time of publication - under consideration by IOSCO. The FSC intends to submit an application to become a signatory to the IAIS Multilateral Memorandum of Understanding on Co-operation and Information Exchange.

Sound Public Finances

Territory Governments are responsible for decisions on taxation and public spending and thus for maintaining sound public finances. Sound finances are necessary to encourage private sector investment, spur economic growth and build diverse economies that are resilient to external shocks. The UK Government expects Territory Governments to manage public finances sustainably and takes a close interest in this because it is an important part of good governance.

The UK Government recognises the challenging global economic climate and is working closely with Territories to provide technical assistance on the sustainability and good governance of public finances, as well as wider economic policy where requested. There is no one size fits all policy prescription for the delivery of sound and stable public finances, but there are a number of internationally recognised standards, which when applied by Territory Governments contribute to increased economic resilience. These standards include:

- > timely and accurate measurement of economic variables to give a clear picture of the performance of a Territory economy;
- > effective measures to plan and control expenditure, including medium-term planning and budgeting;
- > systems to ensure transparency and accountability, including on procurement procedures;
- > a sound revenue base and an efficient system of revenue collection;
- > limits on government and public sector borrowing;
- > a policy of building reserves in good economic times.

The UK Government will support Territory Governments strengthen their public finances by adopting measures in line with these standards and will be proactive in working with Territory Governments to increase resilience and head off potential problems.

The UK Government and some Territory Governments have agreed Borrowing Guidelines, which provide a disciplined framework for managing public finances and a valuable commitment to sustainability. We are working to update these agreements to reflect the changing economic landscape and the particular circumstances of each Territory.

The Cayman Islands and the Framework for Fiscal Responsibility

In November 2011 the Cayman Islands agreed a Framework for Fiscal Responsibility with the UK Government. The framework demonstrates a commitment to strengthen the management of public finances, improve medium term planning, put value for money first, limit borrowing and deliver improved accountability.



The Premier of the Cayman Islands, Hon. McKeeva Bush and the Minister for the Overseas Territories, Henry Bellingham, signing the Framework for Fiscal Responsibility, London, November 2011
Credit: Tony Bates

The British Virgin Islands and the Protocols for Effective Financial Management

In April 2012 the BVI Government signed Protocols for Effective Financial Management with the UK Government. At the same time the BVI Government undertook to strengthen its public financial management legislation and return the public finances to a sustainable footing in the medium term. The UK welcomes the commitment this represents to accountable, transparent and prudent financial management.



The Premier of the British Virgin Islands, Dr Hon Orlando Smith, the Minister for the Overseas Territories, Henry Bellingham and the Governor of the British Virgin Islands, Mr Boyd McCleary, signing the Protocols for Effective Financial Management, Tortola, April 2012
Credit: BVI Government Information Services

Transparency

Territory Governments work hard to demonstrate that public resources are being used effectively and efficiently, but our public consultation highlighted some concerns about transparency which need to be addressed. Territory Governments are working to strengthen, as necessary, systems to ensure public money is spent correctly, including publishing audited accounts for all public sector activities and strengthening independent supreme audit institutions and Public Accounts Committees. The UK will continue to support the Territories to comply with good international audit practice and with international financial control standards. The FCO, Commonwealth Secretariat and the Commonwealth Parliamentary Association UK are

working in partnership to support members of public accounts committees and staff of audit bodies in the Territories.

Tax Systems and Revenue Base

Most Territories rely on two or three main business sectors and on a narrow tax base made up of specific transaction and consumption taxes (in most Territories there is no income tax or sales tax). This approach can work well during periods of economic growth as governments earn revenue from customs duty on imports and stamp duty on property transactions. However, revenue can fall significantly during an economic downturn.

A number of Territory Governments have work underway to broaden their revenue base by, for example, introducing a value added tax. There is no one approach that is right for all Territories, but it is important for economic resilience to ensure that the revenue can be collected; that the distortionary impact of revenue measures on the economy is limited; and that the revenue base is sufficiently broad to reduce the size of swings in revenue to government during the economic cycle.

The UK Government respects the right of Territory Governments to compete on tax. The fiscal autonomy of the Territories means that relations between Territories and the UK in tax matters are in many ways similar to those between any other competitive tax systems.

The UK Government and Territory Governments have common interests in complying with international standards of tax co-operation. This is an important part of the good governance of the Territories and their international reputation rests considerably on their compliance with such standards. HM Treasury and HM Revenue and Customs welcome the significant progress the Territories have made in recent years.

Meeting International Standards of Tax Co-operation

All Territories with a financial services industry have met the internationally agreed minimum standard of 12 Tax Information Exchange Agreements. Some Territories have gone considerably further than this and are continuing to negotiate and conclude additional Agreements.

Seven Territories are members of the Global Forum on Transparency and Exchange of Information for Tax Purposes and represent themselves in its discussions.

The Peer Reviews undertaken by the Global Forum show considerable progress made by the Territories with all those reviewed having successfully moved to Phase II of the process.

Borrowing

It is important for Territory Governments to keep borrowing under control. The need to exercise discipline on borrowing is particularly important to ensure the economic resilience of the Territories because of the structure of their economies and the limited macroeconomic tools available to Territory Governments. (Territory Governments do not, for example, set their own interest rate policy and, even where currency depreciation is technically feasible, it would be of little or no value given the nature of the Territories' economies).

Financial Reserves

Building financial reserves during good economic times is a particularly important contributor to economic resilience. A healthy level of reserves helps Territory Governments maintain public services and capital expenditure throughout the economic cycle and creates room for counter-cycle fiscal policies.

Tackling Corruption

The UK is committed to taking strong action to combat corruption and expects the Territories to do so too.

Bribery must have no place in British business, at home or abroad. The UK Bribery Act 2010 provides a robust legal framework to combat bribery in the UK and internationally. It applies to British citizens including in the Territories. The UK is also committed to implementing international standards, such as the UN Convention Against Corruption and the OECD Anti-Bribery Convention. The UK expects the Territories to adhere to relevant standards and to put the necessary legislation in place so that these Conventions can be extended to them.

In July 2009 a Commission of Inquiry led by Sir Robin Auld identified a high probability of systemic corruption in government and the legislature and among public officers in the Turks and Caicos Islands. This led to the suspension of Ministerial government and the Legislative Assembly and a programme of systemic reform. In June 2012 the UK Government announced that significant progress had been made on eight milestones set for a return to democratic government and on putting in place robust financial controls and that elections would be set for November 2012. We expect the Turks and Caicos Islands government to continue to implement and consolidate these reforms. We are determined that the evidence of corruption and maladministration revealed in the Turks and Caicos Islands is never repeated, there or in any other Territory. The UK Government will take firm and resolute action wherever there is evidence of corruption or maladministration in a Territory.

Priorities for Action

- > monitor and report progress on good governance, public financial management and economic planning.
- > continue to develop democratic institutions that serve and take account of the interests of all the people in the Territories.
- > take necessary action to safeguard fundamental rights and freedoms and tackle discrimination.
- > ensure effective justice systems.
- > strengthen public service, including through increased secondments between the UK and the Territories.
- > manage public finances sustainably.
- > strengthen assurance that public spending delivers overall value for money.
- > take action wherever there is evidence of corruption or maladministration, and work to bring in anti-bribery legislation and to sign up to the relevant international Conventions.

5: Vibrant and Flourishing Communities

Overview

The UK Government cherishes and celebrates the rich diversity of community life in the Territories and works with Territory Governments to build vibrant and flourishing communities. Community cohesion is particularly important in small and remote island communities.

Each Territory has a vision for its own development, its own priorities and makes its own choices about the role of government in building communities through decisions on the education of children and the care of older people, the sick and disadvantaged.

This chapter focuses on engagement between the UK and the Territories in the areas of education, health, work and pensions, local government and culture, media and sport. The UK Government provides substantial support for education and health services in those Territories supported by the UK international development programme – currently Pitcairn, St Helena and Montserrat. The UK Government also provides technical advice and support to the Territories individually and on a cross-cutting basis. UK Departments and their agencies and professional bodies provide technical advice in their areas of expertise, helping Territories improve services and meet international standards.

Education

The UK Government and the Overseas Territories share a vision of building well-educated societies in which opportunity is more equal for children and young people no matter what their background or family circumstances. This means raising standards of educational achievement and closing the achievement gap between rich and poor. Respondents to the UK Government's public consultation on the Overseas Territories strategy in 2011 identified education as one of the main areas where the UK could provide further assistance to the Territories.

All the populated Territories have systems that provide free public education at primary and secondary levels. Education is a priority for the UK development programmes managed by the Department for International Development (DFID) in Pitcairn, St Helena and Montserrat.

Education in Pitcairn

In Pitcairn, the 10 children of school age are taught in Pulao School. The school follows the New Zealand curriculum and the teacher is also recruited from New Zealand. The school delivers both primary and secondary education. Two students are currently being funded to complete their senior secondary education in New Zealand.

DFID is supporting improvement in the quality of teaching and learning including through teacher training and the development of partnerships between the Territories and the UK. St Helena has a partnership with Shropshire which involves school linking and professional development for teachers, while Montserrat had a partnership with the Isle of Wight. Distance education plays an important role in providing access to learning opportunities in isolated communities. DFID funds have enabled broadband internet access for schools and adult education in St Helena in order to assist in building the skills necessary for development.

Rebuilding the Education System in Montserrat

The destruction and depopulation caused by the eruption of the Soufriere Hills volcano in 1995, and the resulting move to the north of the remaining population, severely affected the education sector in Montserrat. Since the eruption DFID has helped Montserrat re-establish its education system. The island now has two government primary schools and two private fee paying schools (both run by churches), one secondary school, a community college, and an extra mural campus of the University of the West Indies, offering direct and distance learning courses. In total, Montserrat caters for about 480 primary school students and about 350 secondary school students. Sixth form work, nurses training and trades classes are held at the community college.

The UK Department for Education is responsible for primary and secondary education in England. The Department for Education provides support to the Territories in specialist areas.

"Education underpins the foundation of any society and is an important issue for the Territories. My Department has a lot of experience and expertise that it is happy to share with the Territories. We understand the importance of the Overseas Territories to Britain and equally understand the role education can play in bringing about economic wealth and social prosperity and maintaining political stability in the Territories."

Sarah Teather MP, Minister of State for Children and Families, Department for Education

The Department for Education helps support improvement in education systems and children with special needs.

The Department's Central Information Officers Group, which initiates and maintains the departmental ICT infrastructure, including contract management and electronic documentation and records, is providing advice to the Government of Bermuda.

The Department is working with the Director of Education on St Helena on the potential use of synthetic phonics in teaching St Helena children reading.

The UK is a world leader in provision for Special Education Needs. The Department is supporting the British Virgin Islands with the development of improved services for children with special needs, focusing in particular on helping children with autism.

More information about the Department for Education's work with the Overseas Territories can be found at <https://www.education.gov.uk/publications>

Several populated Territories have established colleges that provide tertiary education, which is a local responsibility in all Territories. Bermuda provides a good example. Although it has the Bermuda College (equivalent of day-school US junior college), it has no university so the Government of Bermuda encourages those wishing to attend universities in the UK, the US and Canada and in many cases grants scholarships to them. Bermuda is now seeing the long term benefits of these policies with the 2010 Census there revealing that 29% of the population had received a university education.



Children's tennis group, Anguilla Tennis Academy
Credit: Government of Anguilla

The Department for Business, Innovation and Skills is responsible for tertiary education in England. Students from the Territories are encouraged to study in the UK and only pay the same fees as UK students at English Universities rather than the higher rate for overseas students. Territory students are entitled to full student support on the same basis as UK students if they have lived in the UK for the three years prior to the course. In 2010/11 there were 1,295 students from the Territories studying in the UK at under-graduate level and a further 305 at postgraduate level.



Montserratian Chevening scholar Michael Skerit visits the Foreign Office, London
Credit: Tony Bates

The FCO runs the Chevening scholarship programme to provide outstanding graduates and young professionals from across the world with the opportunity to study at UK universities. Since 1984 some 93 scholarships have been awarded to students from the Territories. In 2010/2011 two scholarships were awarded to students from Anguilla and Montserrat. There are many examples of successful scholars returning to the Territories to excel in their chosen careers in government, private business, or civil organisations.

Health

The Territories have their own health care systems that are separate from the UK National Health Service (NHS). There is a wide range of healthcare systems in the Territories reflecting their diverse situations and traditions. There are examples of health care funded through tax revenue, social insurance and private insurance. Most Territories have a mix of public and private health care providers. Health care services in the smallest and most remote Territories are very limited and seriously ill patients sometimes have to make long and difficult journeys overseas for treatment. Even in the most populous Territories some specialist services are provided by visiting specialists or by sending patients to specialist units overseas.

Territory communities are continuing to develop their healthcare systems. These need to remain true to their values but develop so they are fit for the future and ensure the available resources deliver the best possible outcomes.

Reform of Healthcare in the Turks and Caicos Islands

The opening of the Blue Hills Primary Healthcare Clinic on 10 February 2012 was evidence of a shift in healthcare investment from hospitals to primary healthcare facilities that provide residents with preventative, holistic and patient-centred care. Initial services included Antenatal, Child Health and Family Practice Clinics and various healthy lifestyle and health promotion programmes. In welcoming this development, Permanent Secretary in the Ministry of Health Judith Campbell said:

"The Ministry plans to place increased focus on this area moving forward. We believe community clinics should be a first stop for persons seeking health care. This way we can focus on prevention and early treatment and reduce future expenditure on secondary health care. The community clinics will allow the major hospitals on Grand Turk and Providenciales to better fulfil their purpose of providing secondary health care."



Governor Ric Todd tries the Primary Healthcare facilities at Blue Hills Clinic for himself. His blood pressure is being taken by Nurse Douglas.

The UK Department of Health provides assistance to the Territories as part of its objectives to improve global health and to ensure the UK's international health obligations are met. The Department represents the Territories at regional and international meetings, including those of the World Health Organisation, and works with DFID and other partners to help the Overseas Territories to:

- > manage their health sectors sustainably;
- > influence and maximise the impact of regional health organisations and initiatives;
- > be better prepared for, and able to manage, emergencies; and
- > fulfil international responsibilities to which the UK has committed, such as International Health Regulations.

“Access to good quality healthcare is a key element in sustaining a vibrant and flourishing community. In 2010 the Department of Health produced a report outlining support to the Overseas Territories, which stimulated thinking about how we could best work together to address health challenges and improve healthcare provision. We remain committed to maximising the effectiveness of support provided by the Department, as well by other government departments and regional bodies.”

Anne Milton
Parliamentary Under-Secretary of State
for Public Health, Department of Health

The UK Government assists the Territories by providing a number of referrals, per year, for NHS treatment. Typically, this is high level elective treatment that is not available in the Territories. In addition, the UK has bilateral agreements with some Territories that allow for the provision of free emergency treatment to be given to temporary visitors from the UK to those Territories and vice versa.

Support for Mental Health Services

The Department of Health is working with Health Action Partnerships International (HAPI) to help the Territories provide proper support for people with mental health problems. Some Territories have limited capacity to provide appropriate treatment. A project is being developed with the Royal College of Psychiatrists for a partnership to provide longer term peer support, exchange and training for the different professionals.

The UK and Territory Governments work together to implement the internationally agreed standards (the International Health Regulations) for detection, assessment and response to public health threats that have the potential to cross borders and threaten people worldwide. These Regulations provide the framework for reducing risks from diseases with potentially serious epidemic potential such as Influenza, Polio, Cholera and Yellow Fever. The Department of Health is working with DFID and the Health Protection Agency (HPA) to assist the Territories to reach the necessary standard of compliance. More information about the Department of Health's work with the Overseas Territories can be found at www.dh.gov.uk

Pandemic Flu

Pandemic influenza presents potential challenges for the Territories, just as it does for the rest of the world. Some of the Overseas Territories confirmed cases of H1N1 in the 2009 pandemic. The Department of Health made available both antiviral medicines and pandemic vaccines to the Territories during the pandemic at cost price, and there are arrangements in place to ensure supplies are available in any future such emergency.

DFID's budgetary aid and development assistance to St Helena, Montserrat and Pitcairn includes support to the health and social welfare sectors aimed at introducing and facilitating reforms and improving the quality of service provision. Pitcairn, St Helena and Tristan da Cunha receive financial aid to help them recruit essential staff resources in the health sector.

DFID has supported the Territories on a cross-cutting basis to develop their capacity to deal with specific public health challenges. A recent DFID project helped the Territories develop the capacity to deal with sexual and reproductive health issues and HIV, focusing on building the

necessary skills in the Territories and linking them with regional and international resources.

Work and Pensions

Territory Governments face many and varied challenges in helping people find work that enables them to support themselves and their families and in ensuring that the most vulnerable in society are protected. Territory Governments are responsible for creating welfare systems that tackle poverty and incentivise work. Some of the Territories face challenges of an ageing society and providing for people in retirement. All Territories are working to provide opportunity, choice and independence to enable disabled people to take an equal role in society. Employment issues were identified as priorities by a fair number of respondents from the Territories to the public consultation in 2011.

Employment Challenges in Tristan da Cunha and Pitcairn

In most countries Governments spend time, money and effort trying to provide employment for their people. But in the South Atlantic Territories the reverse is true. The islands have near full employment and in the smaller, more remote islands, many people, of necessity, have multiple roles. An example is the Tristan da Cunha Chief Islander who has to juggle his responsibilities within the Island Council with jobs operating heavy machinery in the Public Works Department and acting as Fisheries Observer for the Fisheries Department.

The size of the population on these islands means that there are not enough people to do all the essential tasks and so it is essential that the community works together to ensure that things are done. In Tristan (population less than 300), the lobster fishery is vital and civil servants take leave of their day jobs on good fishing days to ensure a good catch for the island. On Pitcairn (population less than 60) most people have a number of Government jobs which they have to balance with the need to trade with passing ships; and by internet sales; and to make products for sale.

The UK Department for Work and Pensions supports the Territories on a number of policy issues. The Department supports the Territories adopt international standards, including advising Territories on the legislation they need to comply with International Labour Organisation (ILO) Conventions.

"We recognise the difficulties that small territories face in dealing with issues such as employment and health and safety. We will continue to provide advice and support where needed."

Chris Grayling
Minister for Employment
Department for Work and Pensions

The Department is responsible for paying UK state pensions to eligible citizens in the Overseas Territories. Improvements to the payment system have recently been announced so that these will be made into a bank account in the local currency wherever possible.

The International Pension Centre (a part of DWP) is able to provide support and help for those people who are planning or already have their pension paid to them overseas (their contact details can be found under "Britons living abroad" at: www.Direct.gov.uk).

The UK Government pays an annual increase to some overseas pensioners depending on where they permanently reside. Territory Governments have asked that the UK Government consider extending such pension arrangements to all the Overseas Territories.

More information about the Department for Work and Pensions' work with the Overseas Territories can be found at www.dwp.gov.uk

Offshore Oil Exploration Safety

The Health and Safety Executive is providing support to the Falkland Islands Government to develop health and safety legislation for its offshore oil and gas activities. The support includes: policy advice; offshore safety case assessment; investigations; and inspections of the installations involved. The support is paid for by the Falkland Islands Government.



Falklands Islands oil exploration
Credit: Falklands Islands Government

Local Community and Government issues

"For our Overseas Territories, we at the Department for Communities and Local Government can offer a vital and valuable resource of knowledge and skills, which cover important, wide-ranging issues. Whether advising on improving fire safety, ensuring the delivery of good quality homes that neighbourhoods need or implementing an effective planning system, this Department has a long history of providing support and expertise to the Overseas Territories and I am determined to see this important link continue for years to come."

Grant Shapps, Housing and Local Government Minister, Department of Communities and Local Government

On 16 March 2011 the bulk carrier MS Oliva ran aground on Nightingale Island, Tristan da Cunha. Although no lives were lost, the vessel quickly broke up, releasing heavy fuel oil and its soya bean cargo. Nightingale is the home of internationally protected bird species, nearby Inaccessible Island is a World Heritage Site and both form part of the lobster fishing grounds on which the Territory depends. Faced with potential economic and ecological disaster the islanders showed exceptional resilience and cohesion as they worked together with professional teams in dealing with the aftermath. Tristan islanders were involved in rescuing and sheltering the ship's crew and threw themselves into salvage efforts, the environmental clean-up operation and attempts to rehabilitate nearly 4000 oiled penguins rescued from the scene.



Wreck of MS Oliva, Nightingale Island, Tristan da Cunha
Credit: Tristan da Cunha News



Cleaning oil off penguins after the spillage from the MS Oliva, Tristan da Cunha
Credit: Tristan da Cunha News

Territory Governments need to respond to people's housing aspirations and the desire of communities to shape the places in which they live. Territory Governments are responsible for running effective planning systems that balance different interests, are transparent and support sustainable and eco-friendly economic growth and development.

The Department for Communities and Local Government provides advice and guidance to Territory Governments in areas where it has expertise – in particular planning, housing, and fire safety and rescue services. More information about the Department's work with the Overseas Territories can be found at www.communities.gov.uk

The Local Government Association supports, promotes and improves local government in the UK and is building partnerships with Territories to help them harness knowledge and expertise of UK local government. The Local Government Association has organised leadership and human resources management training for the Falkland Islands Government and advised the Turks and Caicos Islands Government on setting up an Integrity Commission to help restore public confidence in those in public service. The work of the Local Government Association is especially valuable because many of the practical challenges facing Territory Governments are issues which in the UK are dealt with by local government. The Local Government Association also helps build long term partnerships between Territories and local government in the UK. More information about the Local Government Association's work with the Overseas Territories can be found at www.communities.gov.uk/localgovernmentassociation/

British Virgin Islands and Hertfordshire Build a Partnership

At the Overseas Territories Consultative Council in November 2011 the Premier of the British Virgin Islands and the Deputy Leader of Hertfordshire County Council signed a Memorandum of Understanding to foster engagement and share best practice, skills and business contacts between the public service and private sectors in Hertfordshire and the British Virgin Islands.

In January 2012, the BVI Education Minister met Hertfordshire County Council education officials to discuss the development of policies and training to enhance the education system in the Territory, particularly in the areas of special needs education, technical and vocational education and training, strategic education planning, school governance and educational leadership.



Premier of the British Virgin Islands, Dr Hon Orlando Smith and the Deputy Leader of Hertfordshire County Council signing a Memorandum of Understanding on mutual co-operation, London, November 2011
Credit: Tony Bates

Culture, Media and Sport

Her Majesty The Queen's Diamond Jubilee and the London Olympics make 2012 a unique year in which to celebrate the links between the UK and the Territories. The elected leaders of the Territories have been invited to attend the celebrations in the UK over the Diamond Jubilee weekend. Many Territories will be lighting Beacons that weekend to mark the Jubilee. Citizens of the Overseas Territories will also be eligible for the Diamond Jubilee medal in line with the agreed eligibility criteria.

The UK Government recognises the diverse cultures of the Territories that span the globe and the special nature of their links with the UK. Every Territory is proud of its local culture and passionate about its sporting achievements. Territory Governments work to enable everyone to enjoy these and to create the conditions which encourage the growth of creative, communications, cultural, tourism and leisure businesses.



Masked dancers performing on St Patrick's Day, Montserrat, 2011
Credit: Tony Bates

The Department for Culture, Media and Sport (DCMS) supports the Territories by sponsoring museums that provide access to material from the Territories; representing their interests internationally; and providing advice on issues relating to electronic communications, gambling, and sport.

"I firmly believe that it is vital for our Overseas Territories to be vibrant and flourishing communities, proudly retaining aspects of their British identity and generating wider opportunities for their people. My Department currently works in a number of ways to support the people of our Overseas Territories, including in the fields of communications, culture, and sport, and we will work to build on those links in the future."

John Penrose
Minister for Tourism and Heritage
Department for Culture, Media and Sport

More information about the Department's work with the Overseas Territories can be found at www.culture.gov.uk

Museums

The Department for Culture, Media and Sport sponsors a range of national museums, which provide free access to a wealth of inspiring objects representing heritage from Britain and from around the world. Many of our museums hold material from the Overseas Territories.

The Overseas Territories in British Museums

The **National Maritime Museum** holds charts, manuscripts, photographs, paintings, coins and maps from a large number of the Territories. They include whaling station furniture from South Georgia & the South Sandwich Islands, material relating to the Bounty mutiny and Pitcairn Island and material from the time when Napoleon was on St Helena.

The **Natural History Museum** holds collections from nearly all the Overseas Territories, including corals and molluscs from British Indian Ocean Territory, Neanderthal fossils from Forbes' Quarry and Devil's Tower in Gibraltar and significant entomological collections from Anguilla and the Cayman Islands. Its library holds very significant collections of drawings, paintings, engravings and manuscripts from or relating to the Territories.

The **Imperial War Museum** has exhibitions and learning programmes about the Falklands War. Their film collection includes scenes from Anguilla after the British landing in March 1969, footage of HMS Southampton in Montserrat after the volcanic eruption in August 1995 and aerial views of the British Antarctic Territory. Their sound archive includes material from Montserrat and the Sovereign Base Areas on Cyprus. They have books, photographs and other material from Bermuda, the Cayman Islands, the Falkland Islands, Gibraltar, British Indian Ocean Territory and the British Virgin Islands.

The **British Library** has remarkable images – engravings, maps, stamps and views – relating to the Overseas Territories which can be seen in their Online Gallery. It has printed books, manuscripts, newspapers and maps from a range of different Territories. Its sound recordings include wildlife recordings from eight Territories, unique recordings of traditional music from Pitcairn Island and interviews from an oral history project in 2006 with islanders from Tristan da Cunha. The British Library holds 168 volumes of records relating to St Helena between 1676 and 1836, when the island was administered by the East India Company. It also holds philatelic material for all of the Territories except Anguilla and the Sovereign Base Areas on Cyprus.

National Gallery of the Cayman Islands

Established in 1996, the National Gallery of the Cayman Islands is a vibrant arts organisation that promotes and encourages the appreciation and practice of the visual arts in the Cayman Islands through exhibitions, artist residencies, education/outreach programmes and research projects. Their programmes aim to capture every age group in the community from the youngest pre-schoolers to senior citizens.

After a series of temporary sites the National Gallery moved into its permanent home in January 2012. This new centre, the capital cost of which was funded almost entirely by the private sector, permits the National Gallery to consolidate its programmes under one roof for the very first time.

This centre is a state-of-the-art civic resource, providing a home for schoolchildren, teachers, researchers, artists, archivists, seniors and students of all ages and space for artists to exhibit the very best of Cayman's cultural production.



Opening of the Cayman Islands National Art Gallery
Credit: David Wolfe Photography

World Heritage

The Department for Culture, Media and Sport is responsible for the UK's compliance with the UNESCO World Heritage Convention, which the UK ratified in 1984. The UK currently has 25 World Heritage Sites: an additional three are in Overseas Territories: the Town of St George and related fortifications in Bermuda; Gough and Inaccessible Islands (Tristan da Cunha); and Henderson Island (Pitcairn).

Every six years, the signatories to the Convention are invited to submit a report to UNESCO covering the state of conservation of the World Heritage properties located on its territories. The Department submits these on behalf of world heritage sites in the Overseas Territories and represents them at meetings of the World Heritage Committee.

The Department is also responsible for nominating sites for world heritage status. Governments put forward new sites from a Tentative List of Future Nominations. Each Tentative List is expected to last for approximately ten years. Following a public consultation and review process, the Department announced the new UK Tentative List in March 2011. There were eleven sites on the list, three of them in Overseas Territories:

- > **Gorham's Cave Complex, Gibraltar** – This complex is of international importance because of the long sequence of occupation and the evidence for the end of Neanderthal humans, and the arrival of modern humans.
- > **The Island of St. Helena** – This site has a high number of endemic species and genera and a range of habitats, from cloud forest to desert, representing a biome of great age which exists nowhere else on earth.
- > **Turks and Caicos Islands** – The islands have a high number of endemic species and others of international importance, partially dependent on the conditions created by the oldest established salt-pan development in the Caribbean.

The Expert Panel that reviewed the List also suggested that the Fountain Cavern in Anguilla could be considered for the UK Tentative List in the future as part of a possible transnational nomination.



Giant tortoise on St Helena
Credit: Chrystele Todd

The UK National Lottery

The UK National Lottery is the most cost efficient in Europe and has so far raised £27 billion for Good Causes. Some 28% of Lottery revenue is distributed to Good Causes through a number of distributing bodies which support sport, the arts, heritage and communities. The Lottery cannot currently be played in the Territories. However, distributing bodies, which make their funding decisions independently of Government, can make grants to support good causes in the Territories to organisations based in the UK and working in the Territories, where applications meet the relevant criteria and the distributors have the legal vires to do so.

Sport

DCMS provide support to the Territories to combat drug use in sport. In line with commitments under the UNESCO Anti-Doping Convention the UK has set up an organisation to provide education and testing and is taking measures to restrict the availability of banned substances and withhold funding from non-compliant sports and athletes. Territory Governments are responsible for setting up and implementing their own programmes. UK Anti-Doping, an arm's length body of DCMS, is responsible for the implementation and management of UK anti-doping policy and works to support the Territories to comply with these requirements. The UK successfully applied on behalf of the Cayman Islands for US\$4,000 from the UNESCO Fund for the Elimination of Doping in Sport to fund an anti-doping awareness workshop.

Priorities for Action

- > continue to provide development assistance to Territories in need.
- > improve education systems and encourage and enable students to study in the UK.
- > build sustainable healthcare systems and prepare for health emergencies in line with international obligations.
- > encourage employment and ensure the most vulnerable members of society are protected.
- > build partnerships between the Territories and UK local government.
- > celebrate and cherish the cultural heritage of the Territories and support participation in international sporting events.

The Overseas Territories and the Olympics

In 1996 the International Olympic Committee (IOC) amended its Olympic Charter to define 'country' to mean 'an independent state recognised by the international community', as the basis for determining applications for National Olympic Committees (NOC). Bermuda, the Cayman Islands and the British Virgin Islands had all been recognised by the IOC before this date and are therefore the only three Territories that have their own Olympic teams. All three will be sending teams to the London 2012 Olympics.

Any individual from Territories not recognised by the IOC, who holds a valid British passport, is eligible to compete for the Great Britain Olympic Team (Team GB) provided that: a) they are affiliated to the relevant British National Governing Body of sport (NGB) which is a member of the BOA; and in turn is affiliated to the appropriate International Federation of that sport; and b) they meet the Olympic qualifying standards for their chosen sport.

Shara Proctor of Anguilla, a 23-year-old long jumper, made her debut at the European Team Championships in June 2011 representing Great Britain, where she took third place with a jump of 6.6m. In March 2012 she broke the British indoor record with a long jump of 6.89 metres.

6: Productive Links with the Wider World

Overview

Realising our vision for the Overseas Territories in an increasingly interconnected world requires active engagement with other states and international organisations. The UK Government is responsible for the external relations of the Territories but we encourage Territory Governments to play an active role in building productive links with the wider world. A number of responses to the public consultation suggested that the UK and Territory Governments could do more to work together to harness international support for the Territories.

The Territories have a special relationship with the EU because of the UK's membership. Many of the Territories have privileged access to the EU market which creates opportunities for trade, investment and the development of beneficial business links. The EU provides substantial financial and practical support to some Territories through a range of assistance programmes.

The Territories are part of the Commonwealth through their connection to the UK. The UK Government wants to strengthen the links between the Commonwealth and the Territories. The Commonwealth family includes many small island nations and provides a wealth of opportunities to exchange experience and build practical co-operation on issues of common interest.

The UK Government encourages the Territories to engage directly with regional groups as appropriate, including the Caribbean Community (CARICOM), and the Pacific Community.

Where the UK Government is leading internationally on issues of concern to the Territories we will make every effort to ensure the Territories are consulted and their interests defended. Where it is appropriate we will continue to include representatives of Territory Governments as part of UK delegations.

We will similarly encourage as appropriate the Territories to engage directly with other international bodies including the UN. We will continue to support the Territories to represent their own interests in the financial services and tax arena, including in the Global Forum and the Caribbean Financial Action Task Force and in other international fora.

The UK Government expects the Territories to use attendance at international fora productively, use international assistance effectively and live up to their international commitments.

European Union



When the UK joined the European Union in 1973 special arrangements were made for the UK's non-European Overseas Territories in line with those already in place for French and Dutch Territories. This special relationship with those Territories is aimed at promoting their economic and social development and helping them establish closer economic relations with the EU as a whole. As a result of this association those Territories have been able to benefit from preferential trade arrangements and direct financial assistance.

The Overseas Association Decision (OAD)

Part 4 of the Treaty on the Functioning of the EU and an EU Decision govern the relationship between the Territories and the EU. The current Decision is due to expire at the end of 2013. We will work with the Commission and the Overseas Territories to build on the benefits of the current Decision further to improve the quality and standard of living in the Territories. The new Decision should ensure that adequate funding and trade provisions remain and include an acknowledgement of the unique environment found in the Territories. Gibraltar and the Sovereign Base Areas are excluded from this arrangement because they are located within Europe, and their relationship with the EU is dealt with separately. Bermuda is not included in the current Decision by choice, but is considering whether they want to be included in revised arrangements.

Under the OAD, Territories benefit from quota free and duty free access to European markets as well as preferential Rules of Origin. We want EU policy to foster greater trade and economic co-operation both amongst the Territories subject to the OAD, and with neighbouring countries. Although EU law does not in general apply in the non-European Territories it can sometimes impact on their economies. We will give those Territories as much notification as possible of proposed EU legislation which might have an effect on them. Public servants at the UK Representation in Brussels and across Whitehall look out for policies that might impact on them.



Falklands trawler John Cheek unloading frozen fish at Stanley, Falkland Islands
Credit: Falklands Islands Government

Gibraltar and the European Union

Although Gibraltar does not form part of the UK it is within the European Union as part of the UK's membership by virtue of Article 355(3) of the Treaty on the Functioning of the European Union.

Under the terms of UK membership of the EU, certain parts of the Treaty do not apply to Gibraltar. As a result, Gibraltar has exemptions from four main areas of EU policy: the Common Customs Territory and Common Commercial Policy (thus although EU rules on free movement of services apply to Gibraltar, rules on the free movement of goods do not); the Common Agricultural Policy; the Common Fisheries Policy; and the requirement to levy VAT. Gibraltarians are British Nationals for EU purposes and have rights of free movement within the EU.

While the UK Government is ultimately responsible under the Treaty for the implementation of EU law in Gibraltar, EU measures are implemented within the Territory by means of local legislation enacted by the Gibraltar Parliament or by subsidiary legislation.

Following a ruling by the European Court of Human Rights in 1999, the franchise for European Parliament elections was extended to Gibraltar by means of the European Parliament Representation Act 2003 and accompanying regulations. These measures provided for the creation of a new electoral region combining Gibraltar with the existing South West England constituency. The Gibraltar electorate voted for the first time in European Parliament elections in 2004. This did not change the constitutional relationship between the UK and Gibraltar.

EU helps the Falkland Islands' Fishing Industry

Preferential access to the EU market via Rules of Origin (RoO) laws, with derogations where required, has allowed the main export industry of fisheries to expand considerably over recent years in the Falkland Islands. This approximately US\$150m annual industry faces a remote and challenging environment with few economies of scale and considerable logistical difficulties. Without preferential access to the European market this industry would not be economically viable within the Falkland Islands.

The EU is a significant donor to the Territories. In the period 2008 – 2013 approximately €60 million is being allocated to programmes for the Territories from the European Development Fund (EDF). The richer Territories do not receive direct funding but benefit from regional programmes, such as support for small and medium sized enterprises in the Caribbean. Some of the Territories have struggled to access EU funding in a timely way. We want the Commission to continue to provide funding for the Territories that need assistance and to simplify procedures, reduce bureaucracy and speed up decision making, to enable the Territories to have easier access to these funds.

Participation in other EU programmes also increases the visibility of the Overseas Territories in Europe. Territories are eligible under the current Overseas Association Decision for funding from EU education and research programmes such as Leonardo da Vinci and Erasmus. We want these funding programmes to remain open to the Territories and for them to be eligible for other EU funding streams.

EU Money Helps Improve Access to St Helena, Ascension and Tristan da Cunha

Jamestown, the capital of St Helena, lies in a narrow valley and its wharf was subject to frequent rock-falls from unstable cliffs. EU funding has enabled cliffs to be stabilised and the wharf widened. The wharf, which provides the only access to the island, is now a safer place and can stay open in rough weather. EU funding also enabled the construction of a new passenger terminal building which provides a much more comfortable arrival for visitors wishing to sample the fascinating history and beautiful landscape of the island.



View of Jamestown, St Helena, from the sea
Credit: Mark Lavaud

The harbour on Tristan da Cunha was in imminent danger of collapse. EU funding enabled emergency repair upgrading, thus keeping the world's most isolated inhabited island open for business. The EU has also funded vital improvements to the sea port and Wideawake airfield on Ascension.

The London based representatives from the British Territories play an important role in promoting Territory interests in Europe. We welcome and support this work. We also welcome a recent Territory initiative to support the establishment of a bureau to promote the interests of all the European Overseas Territories in Brussels and provide a central focal point for researching funding opportunities.

Commonwealth



The modern Commonwealth brings together all continents, almost two billion people, and all the world's major faiths. Its membership is based on common history, culture and values and includes many of the fastest growing economies in the world. It fosters business, civil society and parliamentary links.

The Territories are part of the Commonwealth through their connection to the UK. The Commonwealth family includes many small island nations and provides a wealth of opportunities to exchange experience and build practical co-operation on issues of common interest, such as governance, climate change and economic diversification. There are already a number of areas where the Commonwealth is working with the Territories.

The Territories have their own branches of the Commonwealth Parliamentary Association (CPA) and participate in the CPA's annual conference, as well as in the programmes and seminars they run. An important strand of CPA work is to support links between smaller states and the Territories. The Territories also have their own Commonwealth Games Associations, which means that they can send teams to the Commonwealth Games and participate, as observers, in the Commonwealth Sports' Ministers meetings that take place in the margins of the Games. Representatives of the Territories' civil society and business communities are invited to participate in the Commonwealth Youth, Business and People's Forums, which take place biennially ahead of the Commonwealth Heads of Government Meeting (CHOGM).

We will ensure that the Territories are consulted on future CHOGM agendas, and that they have the opportunity to feed in their comments, and we will continue to inform them of CHOGM outcomes. In addition, they are invited to attend other meetings such as the Commonwealth Finance Ministers' meeting as part of the UK delegation. We will continue to liaise with the Territories in advance of relevant Ministerial meetings so that their interests can best be represented.

The Territories are invited to join the Commonwealth of Learning, which works to improve access to open and distance learning opportunities for people in the Commonwealth's developing countries. Montserrat has recently joined the Virtual University of Small States of the Commonwealth.

The Territories already participate in the Malta-Commonwealth Third Country Training Programme which aims to strengthen skills and capacity in small states in areas where Malta has expertise, for example in banking and finance, and coastal management. As a result of our discussions with the Commonwealth Secretariat, the Territories will be able to use the Commonwealth Small States Office in Geneva, and have been invited to participate in the Commonwealth's 2012 Small States Conference. We will also work with the Commonwealth Secretariat to ensure that the Territories benefit from programmes specifically aimed at the Small States, for example on climate change risk management and the financial regulatory network initiative.

The UK wants to strengthen links between the Commonwealth and the Territories. We are exploring the possibility of creating observer or associate member status of the Commonwealth from which the Territories might benefit. Some Commonwealth bodies, such as the Commonwealth Foundation and Commonwealth Local Government Forum already offer associate

member status. The Anguilla National Trust has received grants from the Foundation.

Pitcairn Islander Receives a Commonwealth Foundation Award

In 2011 Meralda Warren, a 7th generation descendent of the Bounty mutineers, became the first Pitcairn Islander to receive a Commonwealth Foundation Award for her work in rediscovering the traditional Pacific island art of making decorative bark cloths called tapa. This art had originally been brought to Pitcairn by Polynesian women taken on board the Bounty in 1789, but had died out.

Travel to and from this remote and isolated community is expensive and opportunities limited. The award allowed Meralda to accept an invitation to be the keynote speaker at the first Maori and Pacific Textile Symposium at the Te Papa Museum in Wellington. The award also provided Meralda with the opportunity to promote Pitcairn arts and crafts through workshops and an exhibition of her work.

Meralda is now passing on her skills and knowledge to others on Pitcairn. In particular to the children, some of whom have already produced some excellent examples of tapa cloth, beautifully painted with Pitcairn scenes. On receiving the award, Meralda said; *"I am very honoured to be the first Pitcairn Islander to achieve recognition and support. It is my hope that this recognition will open doorways for future generations of Pitcairners so they too can make their dream a reality and aim for a positive future."*



Meralda Warren, Commonwealth Foundation Award winner
Credit: Meralda Warren

The United Nations



The Territories already interact with different parts of the United Nations, either in their own right or through the UK.

Territory representatives have joined UK delegations to special UN meetings and UN conferences, including the UN Conference on Women and the World Summit on the Information Society as well as UN meetings related to the situation of Small Island Developing States. The UK will continue to look for further opportunities for the Territories to attend relevant UN meetings.

Some Territories have particular relationships with some of the UN Specialised Agencies. The UK's membership of the Universal Postal Union (UPU) includes all the Territories that have their own postal systems. The Caribbean Territories are separate members of the World Meteorological Organisation (WMO) as they run their own meteorological network. They are able to cast their own vote and send their own representatives to WMO meetings in Geneva. The British Virgin Islands and the Cayman Islands are associate members of UNESCO. The Caribbean Territories and Bermuda participate in and contribute to the work of the World Health Organisation's regional body, the Pan-American Health Organisation (PAHO).

UN Decolonisation Committee

The UK believes that the UN's Decolonisation Committee (the C24) no longer has a relevant role to play in respect of our Territories. The British Territories on the Committee's list have a large measure of internal self-government and have all chosen to retain their link to the UK. In the UK's view, all our Territories should have been delisted a long time ago. Nevertheless, given that some Members of the UN wish to retain the Committee, some democratically elected Territory representatives wish to present their own positions directly to the Committee, and to the Fourth Committee of the General Assembly, at annual meetings of these Committees. The UK Government will continue to support this and these Territories' right to determine their own futures.

Regional Organisations in the Caribbean

The Caribbean Territories and Bermuda are full or associate members of a number of regional organisations including the Caribbean Community (CARICOM). We encourage these links. At our initiative the Territories were invited to the UK Caribbean Forum in January 2012 where they were able to discuss common concerns such as tackling organised crime and climate change with the independent Caribbean states. We believe that there is scope to increase co-operation with the Territories of France, the Netherlands and the US.

As already mentioned in Chapter 1 some of the Caribbean Territories are full members of the Caribbean Disaster Emergency Management Agency (CDEMA), a subsidiary of CARICOM, which supports its members in all aspects of disaster preparedness and response. The UK Government supports CDEMA's work.

How can Territories join International Organisations?

If an Overseas Territory Government wishes to enter into negotiations with an international or regional organisation, or to conclude a treaty with it, it requires the authority of the UK Government. Such authority can be given in the form of a specific or general entrustment (i.e. a letter to the Territory Government confirming that it can enter into negotiations and/or conclude a treaty). Before issuing an entrustment or agreeing to the conclusion of a treaty, the UK Government will consider whether the Territory is able to meet the obligations that membership of the treaty imposes. In recent years general entrustments have been given to the Cayman Islands, the British Virgin Islands and Montserrat as part of their constitutional reviews. Bermuda's 1968 General Entrustment was updated in 2009. These general entrustments give these Territories greater freedom to engage with regional organisations and governments across a range of issues.

Co-operation in the Southern Oceans

The populated Territories in the South Atlantic are too isolated geographically to benefit from regional organisations. The Falkland Islands, St Helena, Ascension and Tristan da Cunha have recognised that they can benefit from shared experience and have therefore organised themselves into the South Atlantic Co-operation Forum. This organises quarterly political meetings and expert level engagement on issues such as fisheries and tourism. The UK Government welcomes and supports this. The South Atlantic Territories form a regional system offering new strategic and economic opportunities for the future, including in respect of South Georgia & the South Sandwich Islands and the British Antarctic Territory where these opportunities are consistent with our international obligations within the Antarctic Treaty System.

The EU is funding collaboration between the Secretariat of the Pacific Community and Pitcairn to combat drought. Pitcairn Islanders are experiencing longer, more severe periods of

drought. The effects can be devastating on many fronts, from crop production to drinking water consumption or for fire fighting purposes. The project is monitoring the weather on Pitcairn, and using this information to bolster the island's water catchment, storage, treatment and distribution systems.

Tristan da Cunha Develops Links with the Isle of Man

The most remote inhabited island in the world and the island which is home to the world's oldest parliament have been developing useful links. The Tristan da Cunha Chief Islander, Ian Lavarello, visited the Isle of Man in November 2011 as part of a study tour looking at the system of governance on the island. The Chief Islander gave a presentation about Tristan to the Tynwald and was able to investigate how the Isle of Man manages its fishing, agriculture and tourism industries along with sales of stamps and commemorative coins – all activities directly relevant to the Tristan economy. Building on these beginnings the two islands are now looking at possible options for further co-operation which might include nurse training and tourism development.

Priorities for Action

- > develop the Territories' special relationship with the EU, particularly in trade, educational and cultural links.
- > ensure EU support is continued, processes are simplified and assistance is used effectively, including through successful negotiation of the successor to the Overseas Association Decision.
- > strengthen engagement with the Commonwealth, particularly programmes for small states.
- > encourage co-operation with regional partners in the Caribbean.
- > develop with the South Atlantic Territories a long-term strategy which takes full advantage of the regional system stretching from Ascension to the Antarctic.

Conclusion

We have set out in this Paper the Coalition Government's overall approach to the UK's Overseas Territories. The Government is determined to live up to its responsibilities towards all the Territories. We have demonstrated our commitment through our actions over the past two years. All UK Government Departments have undertaken to engage with and support the Territories in their areas of expertise and competence. This Paper and the links to the Departments' own Papers set out the extensive work in hand. We have launched the construction of an international airport on St Helena. We have taken new initiatives to improve our stewardship of the rich environmental assets in the unpopulated territories. We are defending robustly Territories which face external threats.

We have made good progress, but much remains to be done. We will work with Territory Governments to implement priorities identified in this Paper in ways that are appropriate for each Territory. The agenda identified in this Paper will evolve as new challenges and opportunities emerge. We expect the relationships to continue to evolve. We hope this Paper will encourage wider interest in and support for the Territories, bringing in new ideas and enthusiasm.

The Government is both ambitious and optimistic for the future of our Territories. We believe the UK is important to the future of the Territories and that the Territories are an important part of the future of the UK.



Annex

Overseas Territories – Background Information

| | |
|--|-----|
| Anguilla | 90 |
| Bermuda | 92 |
| British Antarctic Territory (BAT) | 94 |
| British Indian Ocean Territory (BIOT) | 96 |
| Cayman Islands | 98 |
| Falkland Islands | 100 |
| Gibraltar | 103 |
| Montserrat..... | 105 |
| Pitcairn, Henderson, Ducie and Oeno | 107 |
| St Helena, Ascension and Tristan da Cunha..... | 109 |
| South Georgia and the South Sandwich Islands (SGSSI) | 115 |
| Sovereign Base Areas of Akrotiri and Dhekelia on Cyprus (SBAs) | 117 |
| Turks and Caicos Islands | 119 |
| Virgin Islands (commonly known as the British Virgin Islands)..... | 122 |





Anguilla

General

Anguilla is the most northerly of the Leeward Islands in the Eastern Caribbean. It is a flat island with an area of some 91 sq km but limited natural resources. It has, however, one of the most important largely unbroken coral reefs in the Eastern Caribbean. Its coastal and marine biodiversity (including fish, seabirds and marine turtles) is the island's most important natural asset.

Government

Colonised by British and Irish settlers in 1650, Anguilla has had an eventful shared history with its neighbour St Kitts and Nevis and was administered at times as a single colony and an associated state with St Kitts and Nevis. The Anguillians, believing their interests were being ignored and wishing to retain their direct links with Britain, sought separation at various times in the 1950s and 60s. This disquiet culminated in what is known as "the Anguilla revolution" of 1967. Anguilla came under direct UK administration in the 1970s, and eventually became a separate British Dependent Territory in 1980. Government is executed through a Governor appointed by the Crown, an Executive Council which has the general control and direction of government, and a House of Assembly. The Governor has reserved powers in respect of legislation, and is responsible for external affairs, offshore finance, defence and internal security (including the police force) and aspects of the public service. The Executive Council consists of the Chief Minister, not more than three other Ministers and the Attorney General and Deputy Governor. The House of Assembly has 12 members. Elections are held every five years and last took place in February 2010.



Economy

Anguilla has built a reputation as a beautiful, safe, exclusive and high-end tourism destination. Tourism is the mainstay of the economy, although construction and financial services have also played roles in Anguilla's development.



Sandy Ground Bay, Anguilla
Credit: Tony Bates

The international financial services industry has steadily grown over the last decade and Anguilla is now a major location for captive insurance vehicles – in 2010 it was ranked fifth in the world with 252 captives domiciled in the jurisdiction. The Financial Services Commission, the island's regulatory body, was established as an independent, self-funded statutory authority in 2004 and oversees all Anguilla's international financial services activities. Anguilla was assessed by the OECD Peer Review Group in 2011 and was successful in proceeding to Phase II of the

assessment programme. Anguilla's anti-money laundering and counter-terrorist financing systems were assessed in 2010 by the Caribbean Financial Action Task Force for compliance against the recognised international standard. The Task Force ranked Anguilla among the best in the region.

Anguilla graduated from UK bilateral development assistance in 2003 and then experienced economic growth averaging 14% per annum between 2003 and 2007. The global downturn starting in 2008 hit Anguilla's economy and public finances hard. Recently the UK has provided technical assistance from a regional risk management allocation to help Anguilla effectively manage its public finances and improve the effectiveness and efficiency of delivering public services.

>> Anguilla has one of the most important largely unbroken reefs in the Eastern Caribbean. Its coastal and maritime biodiversity is the island's most important natural feature. <<

Key facts

| | |
|-----------------------------|---|
| > Currency | Eastern Caribbean Dollar |
| > Population | 16,318 (estimated 2010) |
| > Capital | The Valley |
| > Government Website | http://www.gov.ai/ |



Bermuda

General

Bermuda, a group of over 130 islands and islets, lies 1,046 km east of the coast of North Carolina. The total land area is 54 sq km. The warming effect of the Gulf Stream makes Bermuda the most northerly group of coral islands in the world. Small surviving areas of natural habitat support 14 endemic plants and the Bermuda Cahow, the only endemic bird in Bermuda.

Approximately 65 per cent of the population are of African descent and the remainder of European extraction (including expatriates). Portuguese settlers from the Azores have been coming to Bermuda for about 150 years.



St Peter's Church in St George's, Bermuda is the oldest Anglican church in the world outside the United Kingdom.
Credit: Tony Bates

Government

Bermuda is Britain's oldest territory and its Parliament, which first met in 1620, is the oldest legislature in the Commonwealth outside the British Isles. It is a largely self-governing territory with a high degree of control over its own affairs. The Governor retains responsibility for external affairs, defence, including the armed forces, internal security and the police. Bermuda has two legislative chambers, the House of Assembly and the Senate. The last General Election was held in December 2007.



Economy

Offshore finance (especially reinsurance) and tourism are the main pillars of the economy. There are more than 15,300 Bermuda-based international companies, 2650 local companies, 430 overseas partnerships and 940 other non-resident companies, many with a global business empire. They include subsidiaries of 75% of the Fortune 100 and their European equivalents. In insurance and reinsurance, Bermuda has an industry capital base exceeding US\$35 billion and gross premiums of US\$24 billion. It ranks with Lloyds of London and New York as a global leader. Tourism accounts for 15 per cent of Bermuda's overseas earnings. There are few natural resources and little manufacturing activity.

>> Bermuda is Britain's oldest territory and its Parliament, which first met in 1620, is the oldest legislature in the Commonwealth outside the British Isles <<

Key facts

| | |
|-----------------------------|---|
| > Currency | Bermuda Dollar (parity with US\$) |
| > Population | 64,722 (June 2011 estimate) |
| > Capital | Hamilton |
| > Government Website | http://www.gov.bm |



British Antarctic Territory (BAT)

General

The British Antarctic Territory (BAT) comprises that sector of the Antarctic south of latitude 60°S and bounded by longitudes 20°W and 80°W. It is the UK's largest Overseas Territory covering around 1,700,000 sq km, but it has no permanent population. The UK has the longest established claim to territory in the Antarctic with letters patent having been issued in 1908.

Territorial sovereignty in Antarctica is however held in abeyance by the Antarctic Treaty 1959, which provides an internationally agreed regime for the governance of the continent. For just over 50 years now, the Antarctic Treaty has preserved Antarctica for peace and science and is arguably one of the world's most successful international agreements.

The Government of the Territory, in consultation with a range of stakeholders, has developed an ambitious rolling five year strategy, which sets out objectives and funding priorities. The objectives include ensuring security and upholding British sovereignty; raising awareness of British interests in Antarctica; protecting the environment; and delivering effective administrative and financial governance. These objectives are underpinned by the overarching FCO objective to ensure that the UK plays an active and influential role in upholding the Antarctic Treaty System. This strategy, covering 2009-2013, is reviewed annually and is available through www.britishantarcticterritory.fco.gov.uk.

The Government of the Territory takes pride in ensuring that the historic leadership shown by the UK in early Antarctic exploration and scientific endeavour is matched today by rigorous and effective governance and international engagement across the whole range of Antarctic issues.

The UK's presence in the Territory is primarily provided by the British Antarctic Survey (BAS). BAS has three research stations within the



Territory; two year-round, Rothera and Halley, plus a further summer-only station, Signy. The work of the stations is supported by two Royal Research Ships, the Ernest Shackleton and James Clark Ross and a fleet of five aircraft. The UK is also represented each year in Antarctica by the Royal Navy. The current Ice Patrol Vessel, HMS Protector, made her maiden Antarctic voyage during the austral summer 2011/12. As well as supporting the work of the FCO and BAS, the Royal Navy ships carry out extensive hydrographic surveying work and perform important inspections, environment and logistics work. An additional presence is provided by a summer-only team from the UK Antarctic Heritage Trust which runs the historic base at Port Lockroy, the most visited site in Antarctica.

Government

In 1989 responsibility for administering the Territory was assumed by a Commissioner appointed by the Foreign Secretary. Previously it was a British Dependent Territory administered by the Falklands Islands (1962 – 1989) and a Dependency of the Falkland Islands (1908 – 1962). The Commissioner appoints such officers as the Chief Justice and Senior Magistrate, as required. He has powers to make laws, subject to certain conditions, and the BAT has a suite of its own laws, together with both judicial and postal administrations. Legislation enacted by the Territory is in line with, and implements, international regulations under the Antarctic Treaty System (i.e. the Antarctic Treaty and its Environmental Protocol, and the Convention on

the Conservation of Antarctic Marine Living Resources), as well as other relevant international instruments.

Antarctic Treaty Parties have recently agreed a new Annex to the Treaty's Protocol on Environmental Protection, which requires Antarctic operators to take all necessary remedial steps in the event of an environmental emergency. The UK is keen to be among the first to ratify the Annex, and is preparing a new Antarctic Bill that will be introduced as soon as Parliamentary time allows, both in recognition of the environmental importance of the Territory and as part of our continuing leading role in the Antarctic Treaty System.

Economy

The Territory is self-financing; generating revenue primarily from the sale of stamps and coins and income tax from overwintering British Antarctic Survey scientists and others. The majority of British Antarctic Territory revenue is reinvested in projects which support the BAT strategy – focusing on protecting the environment, conserving British heritage and education and outreach.

Environment

Environmental protection is an integral part of the Territory's strategy and amongst its highest priorities: the Antarctic Peninsula is one of the fastest warming, and therefore most rapidly changing, places on the planet.



Iceberg formations, Rongé Island, British Antarctic Territory
Credit: Paul Stansfield

We are working to develop a better understanding of the Territory's environment and to develop and implement the best Antarctic environmental practices. In addition, we are enhancing our expertise on tourism management and minimising human impact, along with identifying and developing protection and conservation measures for flora and fauna across the Territory. We are also proactively managing key Protected Areas in the Territory, identifying future environmental challenges (including climate change), and developing mitigation measures.

>> the Antarctic Peninsula
is one of the fastest
warming, and therefore
most rapidly changing,
places on the planet <<

Key facts

| | |
|--------------------------------------|---|
| > Number of visitors | 26,000 (2010/11) |
| > Indigenous human population | 0 |
| > Number of penguins | 20 million pairs (estimate) |
| > Administration centre | London (largest British science base in the Territory is Rothera Research Station) |
| > Government Website | http://britishantarcticterritory.fco.gov.uk/en/ |



British Indian Ocean Territory (BIOT)

General

BIOT is close to the very centre of the Indian Ocean, mid-way between Tanzania and Indonesia. Its nearest neighbours are the Maldives and Sri Lanka. The Territory covers 640,000 sq km of ocean (more than twice the size of the UK) but the land area is only 60 sq km. The largest and most southerly of some 55 islands, Diego Garcia, accounts for more than half the land area. The other islands are very small, none larger than Hyde Park.

The islands were uninhabited until the late 18th century. The French established coconut plantations using slave labour in 1793. After emancipation, many slaves became contract employees and remained on the islands. They were then referred to as Ilois but are now usually known as Chagossians.

The islands of the Chagos Archipelago have been British territory since 1814 when they were ceded to Britain with Mauritius (which then included the Seychelles). For administrative convenience, and following the French practice, they were administered as a dependency of Mauritius until 1965 when, with the full agreement of the Mauritian Council of Ministers, they were detached to form part of the newly established colony of the British Indian Ocean Territory. At the same time Britain paid £3 million to Mauritius in consideration of the detachment of the islands. Three other island groups, formerly part of the Seychelles, made up the rest of the Territory, but these were returned to the Seychelles when it gained independence in 1976. The Government of Mauritius claims sovereignty of the Territory. The UK does not recognise this claim but successive governments have given undertakings to the Government of Mauritius to cede the Territory to Mauritius when it is no longer required for defence purposes.



In 1966 the UK agreed with the US to make the BIOT available for the defence purposes of the two countries. The Crown purchased the freehold title to the land in the islands in 1967. The copra plantations were run down as their commercial future was already unviable, and the last of the contract workers and their children left the Territory in 1972/73. Successive British Governments have expressed regrets about the way resettlement was carried out. Britain made £650,000 available to the Government of Mauritius in 1973 and a further ex-gratia sum of £4 million in 1982 to the Ilois Trust Fund in order to assist the resettlement of the contract workers in Mauritius. The British Overseas Territories Act 2002 granted British citizenship to Overseas Territories citizens, including a large number of Chagossians. This gave them a right of abode in the UK. Some Chagossians have brought a case against the UK at the European Court of Human Rights for the right to return to BIOT and for further compensation.

The BIOT has no permanent population, only UK and US military personnel and the civilian employees of contractors to the military, who are mostly Filipino. The number of people on Diego Garcia varies significantly, depending on military needs. In early 2012 it was around 2,500. There are no inhabitants on the other islands. Access to the BIOT is restricted and a permit is required. There are no commercial flights to the BIOT and permits are only issued to yachts in safe passage. The British Indian Ocean Territory is not a tourist destination.

Government

The BIOT is governed by a Commissioner, Deputy Commissioner and Administrator based in the FCO in London. The Commissioner's representative in Diego Garcia is a Royal Navy commander who combines this role with his military duties as Commander British Forces.

The constitution of the BIOT is set out in the British Indian Ocean Territory Order 1976. The 1976 Order gives the Commissioner full power to make laws for the Territory. Two Orders in Council in 2004 provided that there is no right of abode and imposed immigration controls.

In the Territory, the Commissioner's representative holds the office of Magistrate and is responsible for handling routine cases and also, through his subordinate officers, for the enforcement of both the criminal law and laws regulating matters such as customs, immigration and conservation.

A series of exchanges of notes between the UK and the US regulates matters arising from the use of the Territory for defence purposes. The current agreement runs until 2016 and allows for a roll-over for a further twenty years.

Economy

There is no economy in the normal sense; and no industrial production or commercial agricultural activities. Since the declaration of the Marine Protected Area (MPA), no commercial fishing licences are sold.

The British military presence is funded by the Ministry of Defence.

The Commissioner proclaimed the BIOT Marine Protected Area (MPA) on 1 April 2010 to ensure the on-going protection of this unique environment of global significance. The BIOT MPA is currently the world's largest full no-take MPA. A Science Advisory Group was set up in 2011 to make recommendations on a science strategy for the Territory.

>> the Commissioner proclaimed the BIOT Marine Protected Area (MPA) on 1 April 2010 to ensure the on-going protection of this unique environment of global significance. The BIOT MPA is currently the world's largest. <<



Manta Ray, British Indian Ocean Territory
Credit: Anne Sheppard



Cayman Islands

General

Discovered by Christopher Columbus in 1503 the three Cayman Islands (Grand Cayman, Cayman Brac and Little Cayman) are situated some 260 km north-west of Jamaica in the Caribbean Sea. The islands have an area of about 260 sq km. 'Cayman' comes from a Carib word for the marine crocodiles, once found on their shores. The vast majority of the population live on the largest of the three islands, Grand Cayman. English is the principal language.

Government

The present Constitution came into force on 6 November 2009 and provides for a Ministerial system of Government. The Governor retains responsibility for aspects of the public service, defence, external affairs and internal security including the police.

The Legislative Assembly comprises the Speaker, fifteen elected members and two ex-officio members (the Deputy Governor and the Attorney General). Elections are held every four years, most recently in May 2009. The Constitution also provides for a Cabinet consisting of the Premier, four other Ministers (rising to six when the number of Members of the Legislative Assembly increases from fifteen to eighteen) and the two ex-officio members of the Legislative Assembly. The Governor presides at meetings of Cabinet. Cabinet has responsibility for the formulation of policy, except in the areas reserved to the Governor.



Economy

International offshore finance and tourism are the major economic activities. In 2010, there were circa 300,000 stay-over visitors and some 1.5 million cruise ship visitors. At the end of that year there were 371 bank and trust companies, 739 captive insurance companies, 9,003 licensed or registered mutual funds and 91,206 registered companies in the Cayman Islands.

The principal sources of government revenue are import duties, company, bank and trust licence fees, work permit fees and stamp duties. There is no national insurance, no income or payroll tax, no company or corporation tax, no inheritance tax, no capital gains or gift taxes and no VAT. Although imports outstrip exports by about 100:1, the visible trade gap is more than offset by invisible earnings from the financial services and tourism sectors.

The Cayman Islands have done much over the years to protect their flora and fauna. The Islands have 25 endemic species of plants and reptiles, and over 200 species of birds. A botanical park and bird sanctuary on Grand Cayman provide safe environments for endangered species of birds and lizards. The National Trust is engaged in long-term projects to preserve the unique wildlife and flora indigenous to Cayman Brac.

>> The Islands have 25 endemic species of plants and reptiles, and over 200 species of birds. A botanical park and bird sanctuary on Grand Cayman provide safe environments for endangered species of birds and lizards <<



Seven Mile Beach, Cayman Islands
Credit: Cayman Islands Department of Tourism

Key facts

| | |
|-----------------------------|---|
| > Currency | Cayman Islands Dollar (fixed at 1 CI\$ = US \$1.25) |
| > Population | 55,456 (2010) |
| > Capital | George Town (on Grand Cayman) |
| > Government Website | www.gov.ky |



Falkland Islands

General

The Falkland Islands are an archipelago of around 700 islands in the South Atlantic, the largest being East Falkland and West Falkland. They are situated about 770km (480 miles) north-east of Cape Horn and 480km (300 miles) from the nearest point on the South American mainland. The Islands have a total land area of 12,173 sq km (4,700 sq miles) – about the size of Northern Ireland – and a permanent population of 2,995 (2006 census). The capital is Stanley, which is the only town on the Islands, though it qualifies as a city by virtue of its cathedral. Elsewhere in Camp (the local term derived from Spanish for countryside (campo)), there are a number of smaller settlements.

The majority of the population of the Falkland Islands are British by birth or descent and many can trace their family origins in the Islands back to the early nineteenth century. There are Anglican, Roman Catholic and non-conformist churches on the Falklands.

There are over 250 species of plant in the Falkland Islands, of which 164 are recorded as native – including the Islands' national flower, the Pale Maiden. The Islands are also noted for their abundant range of wildlife, particularly the Rockhopper, Magellanic, Gentoo, King and Marconi penguins.



Government

Navigators of several countries have been credited with first sighting the Falklands but the earliest sighting that has been conclusively authenticated was by the Dutch sailor Sebald van Weert in 1600. The first known landing was made in 1690 by a British naval captain, John Strong. He named the Islands after Viscount Falkland, First Lord of the Admiralty at the time. A British expedition reached West Falkland in 1765, and anchored in a harbour which it named Port Egmont. It took formal possession of it and of 'all the neighbouring islands' for King George III. The following year, another British expedition established a settlement of about 100 people at Port Egmont. This settlement was withdrawn on economic grounds in 1774, but British sovereignty was never relinquished or abandoned. There was no indigenous or settled population of the Islands before 1833, when British administration of the Islands was resumed and this has continued until the present day. The Falklands were invaded and illegally occupied by Argentine military forces on 2 April 1982. A British task force was dispatched immediately and, following a conflict in which over 900 British and Argentine lives were lost, the Argentine forces surrendered on 14 June 1982.

Argentina continues to assert a claim to sovereignty over the Falkland Islands. The United Kingdom has no doubt about its sovereignty over the Islands. The principle of self-determination, enshrined in the UN Charter, underlies our position. There can be no negotiation on the sovereignty of the Islands unless and until the Islanders so wish. The Islanders regularly make it clear that they wish to remain British. On 12 June 2012, The Falkland Islands Government announced its intention to hold a referendum on the political status of the Falkland Islands.

The present Constitution dates from January 2009. The Constitution recognises the Islanders' right to self-determination. Executive authority is vested in HM The Queen and exercised by a Governor on her behalf, with the advice of the Executive Council and Legislative Assembly, and in accordance with the Constitution. The Governor presides over an Executive Council composed of five members: three elected and two ex-officio (the Chief Executive, Financial Secretary). In addition, the Attorney General and the Commander of the British Forces in the Falkland Islands attend by invitation. The Legislative Assembly has eight members elected by universal adult suffrage as well as the two ex-officio members of the Executive Council. It is chaired by a speaker.

Elected Members have a substantial measure of responsibility for the conduct of their Territory's affairs. The Governor is obliged to consult the Executive Council in the exercise of his functions (except in specified circumstances, for example on defence and security issues, where he must consult and follow the advice of the Commander of the British Forces in the Islands) and on foreign affairs issues. Although he has the constitutional power to act against the advice of the Executive Council, he would be required, without delay, to report such a matter to the UK Government with the reasons for his action.



Falkland Islands
Credit: Overseas Territories Directorate

Economy

Since 1982 the economy of the Islands has grown rapidly. Initially this was as a result of UK development aid, but by 1998 the Islands were self-sufficient in all areas except defence. The Falkland Islands Government's stated aim is to ensure a diverse and sustainable economy for the future. The latest Islands Plan (2010 – 2015) is available at their website: <http://www.falklands.gov.fk/>. It outlines their vision for improved financial management, quality of life and communications while ensuring a sustainable economy.

The role of tourism in the Islands' economy is also increasing. Tourist numbers continue to grow, with many attracted by the diverse wildlife. Besides the tourists who fly in to stay on the Islands, the number of cruise ship passengers making day trips to Stanley and the surrounding countryside has grown significantly.

Agriculture was the chief industry for most of the last century and remains an important part of the Islands' economy and culture. Though its contribution to GDP in recent years has been lower than the fisheries sector, it remains one of the largest sectors for employment outside of the public sector. The Government has recently encouraged the modernisation of this sector, for example setting up a modern abattoir designed to meet EU standards and strongly supporting

organic farming. Offshore oil exploration is underway in the Northern and Southern Basins of the Islands.

>> The Falkland Islands Government's stated aim is to ensure a diverse and sustainable economy for the future <<

Key facts

| | |
|------------------------------|---|
| > Currency: | Falkland Islands Pound (parity with Pound Sterling) |
| > Population: | 2995 (2006 Census) |
| > Capital: | Stanley |
| > Government Website: | http://www.falklands.gov.fk/ |



Gibraltar

General

Gibraltar is a rocky peninsula rising from the south coast of Iberia. It has a total area of 5.8 sq km and is just under five km long from north to south. It has a land border with Spain.

The population (2010 figures) is 29,441, of whom 24,127 are Gibraltarians. Most Gibraltarians claim British, Genoese or Maltese ancestry. English is the official language, but Spanish is widely spoken. About four-fifths of the population are Roman Catholic, along with significant Protestant, Jewish, Hindu and Muslim communities.

Government

Sovereignty of Gibraltar was ceded to the UK by Spain under the Treaty of Utrecht of 1713. Spain has, nonetheless, repeatedly sought to regain sovereignty. However Spanish pressure, including the closure of the border from 1969 until the early 1980s, has largely served to strengthen Gibraltarians' sense of identity. The UK Government has reaffirmed that it will never enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another State against their wishes, and that furthermore, the UK will not enter into a process of sovereignty negotiations with which Gibraltar is not content.



Gibraltar's current constitution dates from 2006. Following negotiations between the UK and Gibraltar, it was approved in a referendum on 30 November 2006 by over 60% of those who voted, and came into force on 2 January 2007. It modernised the UK-Gibraltar relationship, giving Gibraltar control over its internal affairs. The Governor remains responsible for external affairs, defence, internal security and ensuring good government, including responsibility for some public appointments, while the Government of Gibraltar has responsibility for all areas not specifically assigned to the Governor, including economic and environmental management and provision of education, healthcare and other social and public services.

Gibraltar's legislature, the Parliament, consists of 17 elected Members plus a Speaker. Elections take place every four years. The Territory consists of a single constituency and each elector may vote for up to ten candidates. The most recent elections were held on 8 December 2011.

Gibraltar is within the European Union by virtue of Article 355(3) of the Treaty on the Functioning of the European Union. However, under the UK's Act of Accession, Gibraltar is excluded from four areas of EU policy: the Common Customs Territory and Common Commercial Policy (and thus EU rules on the free movement of goods do not apply); the Common Agricultural Policy; the Common Fisheries Policy; and the requirement to levy VAT. Gibraltarians have rights of free movement within the EU. While the UK Government is ultimately responsible under the Treaty for the implementation of EU Law in Gibraltar, EU measures are in practice implemented within Gibraltar by means of legislation enacted by Gibraltar's Parliament.

Economy

Since the late 1970s Gibraltar has diversified its economy, developed niche sectors which require little land but offer high added value, and adapted to reflect changing circumstances, including the re-opening of the border with Spain. Gibraltar has a thriving economy dominated by four main sectors. The financial services sector accounts for about 22% of GDP (2010 figures); it is regulated by the Gibraltar Financial Services Commission and conforms to EU standards. Retail/tourism makes up 25% of GDP – the Cruise Ship Terminal, which opened in 1997, received 303,371 visitor arrivals in 2010. Shipping accounts for 20% of GDP. The online gaming sector has also become a pillar of the economy in Gibraltar, accounting for a similar percentage (and around 2000 jobs). The former Royal Naval Dockyard is now privately owned and operated.

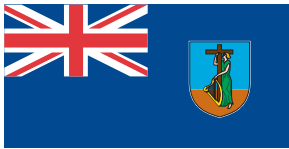


Rock of Gibraltar
Credit iStockphoto

>> Gibraltar is a rocky peninsula rising from the south coast of Iberia <<

Key facts

| | |
|------------------------------|--|
| > Currency: | Gibraltar Pound (Pound Sterling notes & coins issued by the Government of Gibraltar) |
| > Population: | 29,441 (2010) |
| > Capital: | Gibraltar |
| > Government Website: | http://www.gibraltar.gov.gi/ |



Montserrat

General

Montserrat is one of the Leeward Islands in the Eastern Caribbean, lying 43 km south-west of Antigua and 64 km north-west of Guadeloupe. The island is 17 km long and 11 km wide, occupying an area of 102 sq km, entirely volcanic and very mountainous. Named after a monastery in Spain by Columbus during his second great voyage in 1493, the island became a British Colony in 1632. The first settlers were largely Irish. Montserrat was captured twice by the French for short periods but was finally restored to Britain in 1783.

English is the official language. Christianity is the principal religion and the main denominations are Anglican, Roman Catholic and Methodist.

The Soufriere Hills Volcano has been active since 1995, with a fluctuating level of activity. The capital, Plymouth and several other villages were destroyed in 1997. An area around the volcano, approximately two-thirds of the island, has been designated a Special Vulnerable Area and three areas around the coastline have been designated as Maritime Exclusion Zones. The volcano is closely monitored by the Montserrat Volcano Observatory. A Hazard Level System was introduced in August 2008 and information on the current hazard level can be found on the Observatory website (www.mvo.ms). There has been no significant activity at the volcano since February 2010, representing the longest pause since the first volcanic eruptions in 1995.



Sunset at Woodlands Beach, Montserrat
Credit: Tony Bates



Government

Government is executed through a Governor appointed by the Crown, a Cabinet which has the general control and direction of government, and a Legislative Assembly. The Governor retains responsibility for external affairs, defence, internal security including the police, aspects of the public service and regulation of offshore finance. The Cabinet is chaired by the Governor and consists of the Premier and three other Ministers, as well as the Cabinet Secretary, Financial Secretary, Attorney General and Deputy Governor. The Legislative Assembly consists of nine elected members and the same ex-officio members as Cabinet. The Deputy Governor may attend but has no voting rights in the Legislative Assembly.

A new constitution for Montserrat came into force on 27 September 2011. The new constitution gives more power to the government of Montserrat in the field of international relations and strengthens and expands the fundamental rights and freedoms of those living in Montserrat, reflecting the European Convention on Human Rights and the International Covenant on Civil and Political Rights. The Constitution establishes a number of new Commissions to deal with complaints, integrity, mercy and elections. It establishes a National Advisory Council, and retains the existing Public Service Commission. These are all designed to enhance democracy and good government, and to give greater powers to local politicians and senior civil servants.

Elections are held every five years and last took place in September 2009.

Economy

Montserrat's economy is dominated by the rebuilding of the island's infrastructure since the start of volcanic activity. A new capital is under development in the north of the island and work continues to re-house the population and government. Tourism and agriculture continue to show solid growth and contribute most to the economy outside the public sector and construction. Prospects for future growth are good, given the significant public investment in Little Bay town and port as well as ferry and air connections.

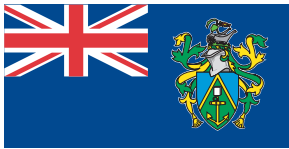
Montserrat aims to grow its declining and ageing population (4,922 in 2011 compared with 11,314 in 1991) back to pre-crisis levels. Currently around 25% of the population are immigrants, largely from other Caribbean countries. Approximately 10% of the population is in receipt of some form of social assistance scheme, all of which operate strict eligibility regimes.

The UK has provided financial support to Montserrat since the start of volcanic activity in 1995. This was initially in the form of humanitarian assistance and is now focussed on rebuilding public infrastructure and the provision of basic public services. Both the Government of Montserrat and the UK are working to develop the economy so Montserrat becomes self sufficient in the medium term.

>> Prospects for future growth are good, given the significant public investment in Little Bay town and port as well as ferry and air connections <<

Key facts

| | |
|-----------------------------|---|
| > Currency | Eastern Caribbean Dollar |
| > Population | 4922 (2011) |
| > Capital | Little Bay (planned) |
| > Government Website | http://www.gov.ms/ |



Pitcairn, Henderson, Ducie and Oeno

General

The Pitcairn Islands comprise Pitcairn Island itself and three uninhabited islands, Henderson, Ducie and Oeno. Pitcairn is approximately three km long and 1.5 km wide. It was first settled in 1790 by some of the HMS Bounty mutineers and their Tahitian companions. Pitcairn was left uninhabited between 1856 and 1859 when the entire population was resettled on Norfolk Island. The present community are descendants from two parties who, not wishing to remain on Norfolk, returned to Pitcairn in 1859 and 1864 respectively.

The population totals only 54, all living in the only settlement, Adamstown. The official languages of Pitcairn are English and Pitkern, the latter becoming an official language by declaration of the Island Council in 1997. This is a mixture of English and Tahitian with the former predominating.

Henderson Island is the best example in the Pacific of a large raised coral atoll and is an important breeding ground for seabirds. Henderson has been designated as a UNESCO World Heritage Site. The UK and Pitcairn Governments have been working with the Royal Society for the Protection of Birds (RSPB) to safeguard Henderson's biodiversity through a project to remove non-indigenous rats.

>> Pitcairn was first settled in 1790 by some of the HMS Bounty mutineers and their Tahitian companions <<



Government

Pitcairn is a British settlement under the British Settlements Act of 1887, although the Islanders usually date their recognition as a British Territory to a constitution of 1838 devised with the help of a visiting Royal Navy officer. The office of the Governor was established in 1970, after Fiji (whose Governor had been responsible for Pitcairn since 1952) became independent from the UK. The British High Commissioner to New Zealand is appointed concurrently as Governor (Non-Resident) of Pitcairn.

In September 2009, a consultation period began on a new Constitution better to meet the needs of Pitcairn in the 21st century. The new Constitution came into force in March 2010. For the first time the new Constitution included a fundamental rights chapter. It also established the role of the Island Council in the Constitution and obliges the Governor to consult with the Island Council before making laws (and, in cases where the Governor acts contrary to advice of the Island Council, entitles any member of the Council to submit his or her views on the matter to a UK Secretary of State). The new Constitution affirms the independent role of the Pitcairn courts and judicial officers and guarantees the independence of the public service. Pitcairn Islanders manage their internal affairs through the Pitcairn Island Council, for which elections are held every two years.

Economy

The economy of Pitcairn is largely based on subsistence fishing, horticulture, and the sale of handicrafts. Pitcairn's primary source of income was traditionally the sale of postage stamps, but a downturn in the market led to financial reserves being exhausted and Pitcairn now receives budgetary aid from the UK. The Pitcairn Government is trying to boost revenue through small business development, the sale of .pn domain names, honey production and by increasing tourism.

The population of the Territory is self-employed or works for local government. There is no formal taxation. The dwindling and ageing population of the Island has become an increasing concern. The UK is assisting the Pitcairn Government in developing plans to tackle population decrease and develop the Island's economy and society.



Longboat shed, Pitcairn Island
Credit: Ian Cramman

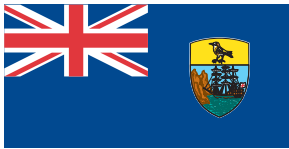
The UK has provided bilateral aid to Pitcairn since 2002/03. In 2010/11 this aid amounted to £2,447,000.

Over the last decade the UK Government has provided extensive development assistance for a range of projects designed to help provide an environment which encourages economic and social development and meet the reasonable assistance needs of the community. These have included a health centre, rebuilding the school, upgrading telecommunications and a sealed road from the jetty to the main settlement. A regular shipping service was established in December 2009 and this provides a necessary life-line in terms of freight and passenger services.

Work is also progressing on projects to provide sustainable wind energy and an alternate harbour to make the landing of supplies, tourists (particularly from cruise ships) and islanders easier and safer.

Key facts

| | |
|---------------------------------|---|
| > Currency: | New Zealand Dollar |
| > Population: | 54 (February 2012) |
| > Administrative centre: | Adamstown |
| > Government Website: | http://www.government.pn/ |



St. Helena, Ascension and Tristan da Cunha

St Helena, Ascension and Tristan da Cunha are three island territories which together form a single territorial grouping under the Crown.

St Helena

General

St Helena is a small island of volcanic origin in the South Atlantic with an area of 122 sq km. It is 1,930 km from the west coast of Africa and 2,900 km from South America. The nearest land is Ascension, 1,125 km away.

St Helena was discovered by the Portuguese navigator, Juan da Nova, on St Helena Day (21 May) 1502. Its existence was kept secret until the English seafarer Thomas Cavendish found it in 1588. In 1658, a Charter from Richard Cromwell, Lord Protector, authorised the British East India Company to colonise and fortify the Island, which it did the following year. Napoleon was exiled on St Helena from 1815 until his death there in 1821. It became a Crown Colony in 1834.

St Helena is currently accessible by sea only. In November 2011 a contract was signed between the St Helena Government and the construction company Basil Read to construct an airport. An airport could transform St Helena from an island in decline into a prosperous and thriving community. The UK Government will finance the airport and St Helena will do all it can to develop and eventually graduate from budgetary aid.



Government

A new Constitution was introduced in 2009, containing a comprehensive suite of fundamental human rights, including provisions to guarantee a fair trial. The St Helena Constitution Order provides for a Legislative Council consisting of the Speaker, twelve elected members and three ex-officio members (the Chief Secretary, the Financial Secretary and the Attorney General). The last general election took place on 4 November 2009. The Governor enacts laws acting in his or her discretion. The Executive Council consists of five elected members of the Legislative Council and the ex-officio members. The Governor has responsibility for the conduct of government business relating to defence, external affairs, internal security including the police, shipping, finance, administration of justice, and aspects of the public service.

Economy

St Helena's Gross Domestic Product (GDP) stood at £15.5 million in 2009/10. The economy has expanded sluggishly, averaging growth of 0.7% per annum over the past 10 years (in real terms). The main driver of growth has been financial support from the UK Government, with the public sector employing 44% of the working population.

In order to make the most of the airport development, the St Helena Government has embarked on a programme of far reaching reforms to open its economy up for tourism and to encourage greater levels of inward investment. These reforms are designed to make the island a more attractive place to live, invest, work and to visit. A ten-year Economic Development Plan is also being written that will outline what activities will be undertaken in the coming years to attract investors, develop tourism sites and critically to enable the people of the Territory to participate fully in the local private sector.

The total aid package from the Department for International Development averaged £23.5m a year over the three years from 2009/10 to 2011/12. DFID provides development support to St Helena to meet the reasonable assistance needs of citizens cost-effectively and to promote greater self-sufficiency. DFID's direct budgetary aid currently provides over half of the St Helena Government's recurrent budget but this proportion will decrease as the island's economy grows and revenues increase. Budgetary aid helps fund the delivery of basic public services such as health care, education and social security. DFID aid also maintains maritime access by subsidising the operation of the Royal Mail Ship St Helena. The final component of DFID's aid supports specific interventions, such as the provision of technical expertise, a project to modernise and increase efficiency in the public sector, and support to a number of infrastructure development projects.

Key facts

| | |
|------------------------------|---|
| > Currency: | Pound Sterling and St Helena Pound (at parity) |
| > Population: | 4000 (2009/10) |
| > Capital: | Jamestown |
| > Government Website: | http://www.sainthelena.gov.sh/ |



Jamestown harbour, St Helena seen from Jacob's Ladder
Credit: Chrystele Todd

>> Its existence was kept secret until the English seafarer Thomas Cavendish found it in 1588 <<



Ascension

General

Ascension is in the South Atlantic, some 1,125 km north-west of St Helena and around 3,200km east of Brazil. It covers an area of 90 sq km and is of volcanic origin. The last eruption was about 600 years ago.

Ascension was discovered in 1501 by the Portuguese and “found” again on Ascension Day 1503 by Alphonse d’Abuquerque, who named the island. In 1815, when Napoleon was a prisoner on St Helena, a small British naval garrison was stationed on Ascension. The island remained under Admiralty supervision until 1922 when it was made a Dependency of St Helena.

During the Second World War the US Government built ‘Wideawake’ airstrip on the island. In 1957 a US Air Force presence was re-established and the airstrip and ancillary facilities enlarged. It is now a missile tracking station and an airfield used by UK and US Air Forces. In 1982 it became the crucial stop for Royal Air Force flights to and from the Falklands. Ascension continues to provide a re-fuelling stop-over point for RAF flights to the Falklands and a small UK military presence to support these flights.

Ascension is also used by Cable and Wireless, the BBC and the Composite Signals Organisation as well as the Royal Air Force. These ‘user’ organisations financed all non-military activities on the island until 2001/2. A plebiscite was held on Ascension in 2002. 95% of those who voted chose the option of forming an Island Council. The first elections took place in November 2002. There is no indigenous population and no right of abode.



Ascension from the sea
Credit: Colin Wells

Ascension has globally important populations of seabirds and turtles. In addition Ascension is home to many endemic species – 22 plant, 26 invertebrate and seven fish types. The Ascension Island Government funds a Conservation Department to protect the Island’s biodiversity with major partners such as the University of Exeter, Kew Gardens and the RSPB using funding from the UK and Ascension Governments, and the Darwin Fund. The central Green Mountain area is now a National Park.

Government

Executive authority for the Territory is exercised by the Governor resident on St Helena, either directly or through the resident Administrator of Ascension. There is an Island Council. The Governor receives advice from the Island Council and consults it when making laws. The composition and functions of the Island Council are prescribed by law. The current Island Council consists of five elected members plus three ex-officio members, the Administrator, the Attorney General and the Director of Financial Services. Ex-officio members have no vote.

>> Ascension has globally important populations of seabirds and turtles <<

Key facts

| | |
|------------------------------|---|
| > Currency: | Pound Sterling and St Helena Pound (at parity) |
| > Population: | 873 [December 2011] |
| > Capital: | Georgetown |
| > Government Website: | http://www.ascension-island.gov.ac/ |



Tristan da Cunha

General

Tristan da Cunha is a small, isolated island of volcanic origin in the South Atlantic. It is almost circular in shape and has an area of 98 sq km. Gough Island, Inaccessible and Nightingale islands make up the Tristan da Cunha Group. A team of South African meteorologists live on Gough. Inaccessible and Nightingale are uninhabited. The nearest neighbours to the group are St Helena, 2,100 km to the north. Cape Town is 2,400 km to the east.

Tristan da Cunha was discovered in 1506 by the Portuguese navigator Tristao da Cunha who did not land but named the island after himself. It was garrisoned and possessed by the British in 1816.

There are no air services. Transport to and from the island is provided by nine return sailings a year from Cape Town by fishery concession vessels and a further annual visit by the South African research vessel, SA Agulhas. Due to heavy seas the harbour is accessible for only 60 to 70 days a year. Improvements to the harbour are vital to Tristan da Cunha's future.

The islands have very distinctive endemic flora and fauna and are important breeding grounds for many seabirds. Gough and Inaccessible Islands have UNESCO World Heritage Site designation. The volcano is still active and last erupted in October 1961. The population was evacuated to the UK, but returned in 1963.

Government

Executive authority for the Territory is exercised by the Governor resident on St Helena, either directly or through the resident Administrator of Tristan. There is an Island Council. The Governor receives advice from the Island Council and consults the Island Council when making laws.

The composition and functions of the Island Council are prescribed by law. The Island Council consists of the Administrator, who is President, eight elected members, at least one of whom must be a woman and three members appointed by the Administrator. The Chief Islander is appointed by the President and is the councillor who declares himself or herself willing to act as Chief Islander and who receives the most votes for that post.

Economy

Tristan da Cunha is largely self-sufficient. The economy relies predominantly on the income from the island's highly sustainable lobster fishery. Fluctuating market demand and prices for Tristan lobster has a direct effect on Territory revenue and government reserves have been substantially depleted in recent years.

Other sources of current income – a small scale tourist industry based on three or four tourist ships per annum and the sale of stamps and coins – are limited and further potential economic developments, such as the sale of mineral water, will require considerable capital investment.

Despite the economic challenges, the Tristan Government is committed to trying to balance its budget through efficiencies and effective management of the finances.

Annual bilateral assistance to Tristan da Cunha is modest and consists of support for the provision of medical care and assistance with education, public works and government reform. In addition the UK has funded several repairs to Tristan's harbour, and is working with the Tristan Government in developing a longer term plan for the harbour.



Chief islander surveys Nightingale Island
Credit: Sean Burns

Key facts

| | |
|------------------------------|---|
| > Currency: | Pound Sterling |
| > Population: | 261 (February 2012) |
| > Capital: | Edinburgh of the Seven Seas |
| > Government Website: | http://www.tristandc.com/government.php |

>> The economy relies predominantly on the income from the island's highly sustainable lobster fishery <<



South Georgia & the South Sandwich Islands (SGSSI)

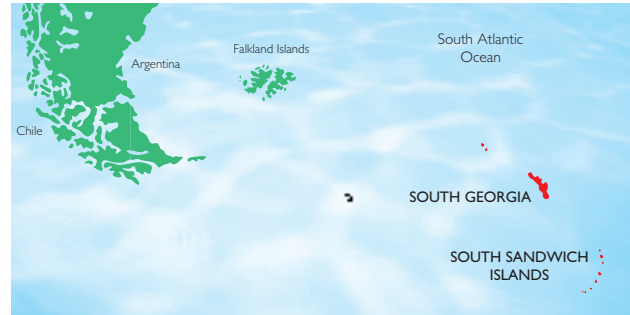
General

South Georgia is situated 1290 km south east of the Falkland Islands and occupies an area of 3,755 sq km. It is a mountainous sub-Antarctic island, more than half of which is permanently ice covered, with Mount Paget rising to 2,934m. The South Sandwich Islands lie 760 km south east of South Georgia and comprise a chain of eleven small volcanic islands stretching over 240 km. The climate is wholly Antarctic and the islands may be surrounded by pack ice during the winter months. The SGSSI maritime zone occupies in excess of 1,000,000 sq km of the Southern Ocean, equivalent to over four times the terrestrial area of the United Kingdom.

Captain Cook claimed South Georgia for the UK in 1775, the year in which he also discovered the South Sandwich Islands. SGSSI has a rich heritage. Its unique natural environment is internationally recognised and featured in the BBC's *Frozen Planet* series in 2011. South Georgia has a prominent history as the gateway to Antarctica for polar explorers, including Sir Ernest Shackleton. It was also a centre for land-based whaling during the early 20th Century, which provides much of the cultural heritage of the island.



King Edward Point, South Georgia
Credit: Dr Martin Collins



The Territory is internationally recognised for its biological importance, and sustains major populations of seabirds and mammals, including globally threatened species. The South Sandwich Islands represent a maritime ecosystem scarcely modified by human activities, their only inhabitants being millions of breeding penguins and other seabirds. The principles of environmental protection and sustainable ecosystem management are enshrined within the Government of SGSSI's legislation and policies including measures to protect against invasive and non-native species that threaten the natural environment. A programme to eradicate rats – which pose one of the greatest threats – from South Georgia is currently underway.

>> The Territory...sustains major populations of seabirds and mammals, including globally threatened species <<

Government

SGSSI has been under continuous British administration since 1908 apart from a short period of Argentine occupation in 1982. SGSSI has been a separate UK Overseas Territory since 1985, before which it was a Dependency of the Falkland Islands. There is no indigenous population, although South Georgia is home to two scientific bases maintained by the British Antarctic Survey, as well as SGSSI Government representatives based at the Administrative Centre, King Edward Point.

SGSSI has its own constitution and is administered by a Commissioner, who is currently the person who holds the office of Governor of the Falkland Islands, based in Stanley. The Commissioner is supported by officials of the Government of SGSSI. The Government of SGSSI is responsible for making its own laws which cover the principal activities of the Territory. This legislation is in line with, and implements, regulations under the Antarctic Treaty System (including the Commission for the Conservation of Antarctic Marine Living Resources (CCAMLR)) and other international agreements. The UK retains overall responsibility for good governance, defence and foreign policy. In consultation with stakeholders the Government of SGSSI and the UK have developed complementary rolling five year strategies which underpin our respective activities.

Economy

SGSSI is self-financing and generates income primarily through fisheries and tourism. Fishing is the lifeblood of the economy and generates over 75% of the Territory's revenue. The toothfish fishery exceeds the standards laid down by CCAMLR and is the third highest scoring Marine Stewardship Council certified fishery in the world. Its management is underpinned by scientific research, much of it conducted on South Georgia. The Government of SGSSI also issues a range of stamps and coins annually which generated over £150,000 in revenue in 2010. Tourism contributes over 15% of revenues and over 7000 visitors arrive in South Georgia every year, many of them en route to the Antarctic Peninsula.

Key Facts

| | |
|---------------------------------------|--|
| > Currency: | Pound Sterling |
| > Indigenous Human Population: | 0 |
| > Macaroni Penguin Population: | 1 million breeding pairs (estimate) |
| > Administrative Centre: | King Edward Point |
| > Government website: | www.sgisland.gs |



Sovereign Base Areas of Akrotiri and Dhekelia on Cyprus (SBAs)

General

The SBAs are those areas of Cyprus that remained under British sovereignty when the 1960 Treaty of Establishment created an independent Republic of Cyprus (RoC). The SBAs cover around 256 square kilometres. Most of this land (some 60%) is privately owned by Cypriot nationals. The British population of the SBAs is around 7,500 and includes Service personnel, UK-based civilians and their families. In addition there is a population of around 10,000 Cypriots. The Cypriots living in the areas are recognised residents of the SBA but are European Union (EU) and RoC citizens.

There are two locations: the Western Sovereign Base Area (or WSBA), which consists of Episkopi and Akrotiri stations, and the Eastern Sovereign Base Area (or ESBA), which consists of Dhekelia station and Ayios Nikolaos. As such, the SBAs have never been part of the RoC, they are not on temporary loan, nor have they been ceded to the UK. The SBAs are run as military bases, not colonial territories. It is because of this military focus that the SBAs are administered by the Ministry of Defence, and not the Foreign and Commonwealth Office, which administers other overseas territories.

There are in most areas no entry or exit controls between the SBAs and the rest of Cyprus, and the boundary itself is marked only by inconspicuous pillars. Although there is free access to the majority of SBA Territory, access to the military bases is restricted.

Government

Under the 1960 Treaty of Establishment, the bases remain sovereign British territory under the Crown unless the Government of the United Kingdom, in view of changes in its military requirements, decide to divest itself of the sovereignty or effective control over the SBAs or any part thereof. The military requirement for the bases still exists and there are no plans to withdraw from the SBAs.



Aerial view of Sovereign Base Areas
Credit: Crown Copyright (Ministry of Defence)

Civil government of the SBAs is the responsibility of the Administrator, and is carried out by the SBA Administration on his behalf. The philosophy for the administration of the SBAs was stated by the UK Government in 1960 through an appendix to the Treaty of Establishment known as Appendix O. Appendix O declared that the UK's key policy objectives in administering the Areas were:

- > The effective use of the SBAs as military bases;
- > Full co-operation with the Republic of Cyprus;
- > Protection of the interests of those resident or working in the SBAs;

Legislation in the SBAs is made by the Administrator but, in general, mirrors the RoC's laws, in line with the UK's declaration that the laws applicable to the Cypriot population of the SBAs would be, as far as possible, the same as in the Republic.

When Cyprus joined the EU in May 2004, the SBAs did not become part of the EU but Protocol 3 to the 2003 Accession Treaty, acknowledging the open boundaries, applied specific provisions of the EU Treaties to the SBAs mainly in the areas of Agriculture & Fisheries, Social Security, and Customs and Fiscal. The ESBA and corridor road that links Dhekelia to Ayios Nikolaos is a de facto EU external border, bringing immigration and customs responsibilities for the SBA administration.

Economy

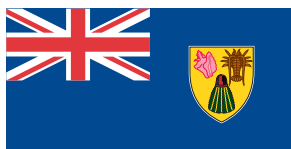
The UK Government declaration accompanying the Treaty of Establishment currently restricts the establishment of civilian commercial or industrial enterprises within the SBAs, unless they are connected with military requirements but British Forces Cyprus and the Sovereign Base Areas Administration do provide some direct local employment opportunities.

The Cyprus Review 2011

In May 2011, in order to implement the SDSR conclusions, the Defence Secretary announced that a review of the British SBAs in Cyprus would be undertaken. On announcing its completion in December 2011, the Defence Secretary confirmed Her Majesty's Government's enduring commitment to the SBAs in Cyprus. The key considerations in affirming this commitment were:

- The SBAs, situated in a region of geo-political importance, remain high priority for the UK's long-term national security interests.
- The SBAs provide an adaptable and capable Forward Mounting Base, the utility of which has been amply demonstrated: for example in aircraft basing during the Libya campaign and as a logistic hub for operations in Afghanistan.
- In addition, the SBAs are expected to make a significant contribution to the logistic drawdown from Afghanistan, as well as to wider humanitarian and conflict prevention activities in the region. They also continue to provide excellent training opportunities for the Armed Forces.

This announcement offered a timely opportunity to put the necessary financial support for the SBAs – and access to wider Government expertise – in place. The MOD will continue to work closely with Other Government Departments to ensure there are sustainable plans to support the SBAs, including by means of ensuring that the SBAs are treated equitably with other Overseas Territories.



Turks and Caicos Islands

General

The Turks and Caicos Islands (TCI) form the south-eastern extremity of the Bahamas chain and lie north of Haiti and south-east of Miami. The Territory comprises some 40 islands and cays. Six islands are permanently inhabited: Grand Turk – the capital; Salt Cay; South Caicos; Middle Caicos; North Caicos; and Providenciales.

TCI Islanders account for about one third of the total population: there are many immigrants from other Caribbean Islands and North America as well as significant numbers of illegal migrants. English is the main language. The main religion is Christianity.

Juan Ponce De Leon discovered the islands in 1512. Locals claim that the islands were the first landfall of Christopher Columbus in 1492. For several centuries the islands changed hands between the French, Spanish and British. They remained virtually uninhabited until 1678 when they were settled by a group of Bermudians who started to extract salt and timber. The islands became part of the Bahamas in 1799. In 1848 the islanders were granted separate colonial status with an elected Legislative Board and an administrative President. From 1872 until 1962 the islands were part of Jamaica. In 1959 an Administrator for TCI was appointed. From 1965 until 1973 the Governor of the Bahamas was also the Governor of TCI. Since 1973 the islands have had a Governor in their own right

Government

In 2009 a Commission of Inquiry concluded that there was a high probability of systemic corruption among Ministers, members of the legislature and public officials in the former TCI Government. As a result of these findings, parts of the Constitution providing for Ministerial Government and the House of Assembly as well as the automatic right to trial by jury were suspended. Powers and functions previously exercised by Ministers are – at the time of



publication – exercised by the Governor acting in his discretion. A Special Investigation and Prosecution Team (SIPT) consisting of former police officers, lawyers and senior counsel from the UK was appointed to investigate matters identified in the 2009 Commission of Inquiry report. A prominent international law firm was appointed to carry out civil recovery work.

An FCO/DFID joint Written Ministerial Statement in December 2010 set out eight milestones that would have to be met before elections could take place:

- > implementation of a new Turks and Caicos Islands Constitution Order, in support of recommendations of the Commission of Inquiry, which underpins good governance and sound public financial management;
- > introduction of a number of new Ordinances, including those making provision for: (i) the electoral process and regulation of political parties; (ii) integrity and accountability in public life; (iii) public financial management;
- > establishment of robust and transparent public financial management processes to provide a stable economic environment and a strengthening of the Turks and Caicos Islands Government's capacity to manage its public finances;
- > implementation of budget measures to put the Turks and Caicos Islands Government on track to achieve a fiscal surplus in the financial year ending March 2013;
- > implementation of a transparent and fair process for acquisition of Belongership;

- > significant progress with the civil and criminal processes recommended by the Commission of Inquiry, and implementation of measures to enable these to continue unimpeded;
- > implementation of a new Crown Land policy;
- > substantial progress in the reform of the Public Service.

On 12 June 2012 the UK Government announced that it judged there had been significant and sufficient progress on the eight milestones and on putting in place robust financial controls and set 9 November as the date for elections.

Economy

In the last thirty years TCI has developed from being dependent on budgetary aid and technical assistance from the UK (until 2003) to a territory with a booming economy based primarily on tourism, with a small financial services sector. The Territory has become a popular up market holiday destination. By 2007 TCI had a per capita income of US\$23,768. Growth hit a peak of 15% per annum.

However in 2008 TCI's economy was hit by the global financial crisis and by Hurricane Ike which caused widespread damage. The economy suffered further in 2009 when the gross mismanagement of public finances, corrupt practices and unsustainable levels of debt servicing were revealed following the suspension of parts of the Constitution. In 2011, in response to the unfolding financial plight of the Turks and Caicos Islands Government, DFID put in place a

five year guarantee with commercial lenders, to provide the TCI Government with access to a maximum capital amount of US\$260 million over the guarantee period. A Chief Financial Officer was appointed to meet the urgent task of addressing the TCI Government's structural deficit. Once the Territory is in fiscal surplus it will be able to start to pay off its debt and should, after the five year period is over, if not before, be able to secure new and reduced bank lending without the need for a UK Government guarantee.



Holiday Resort, Turks and Caicos Islands
Credit: iStockphoto

Key facts

| | |
|------------------------------|---|
| > Currency: | US\$ |
| > Population: | 36,600 (2008 est) |
| > Capital: | Cockburn Town, Grand Turk |
| > Government Website: | http://www.gov.tc |

In 2011 the tourism sector began to recover, and in 2012 arrivals were around 10% up from the previous year. The extension of the runway at Providenciales Airport and further development on Grand Turk as a destination for cruise ships should ensure that TCI's tourism market remains buoyant. Foreign investors, mainly from North America and the UK, play a significant role in the Islands' economic life particularly in the development of tourism resorts and real estate.

Since the suspension of parts of the constitution in 2009, the UK has funded a wide range of technical assistance in the key areas highlighted in the Commission of Inquiry report, including public financial management, Crown Land, Public Sector Reform, legislative drafting, Immigration and Customs. Canada has provided and funded the Commissioner and Deputy Commissioner of Police for two years.

>> The Territory has become a popular up market holiday destination <<



Virgin Islands (commonly known as the British Virgin Islands)

General

The Virgin Islands comprises over 60 islands, islets and cays situated in the north-eastern arc of the Caribbean archipelago covering a geographical area of 152 sq km. The Territory is located about 97 km east of Puerto Rico. The main islands of Tortola, Virgin Gorda, Anegada and Jost Van Dyke are home to most of the Territory's 29,000 people. The capital, Road Town, is located on the main island of Tortola.

The population is predominantly of African descent. The remainder are of European, American and Asian extraction. Approximately half the population are immigrants from other Caribbean islands. The majority of the population is Christian. English is the main language and Spanish is the second most widely used language.



Government

Discovered by Christopher Columbus in 1493, the islands came into British possession in 1666 when planters took control from the original Dutch settlers, and have been a British colony since 1672. The Constitution provides for a Cabinet comprising the Premier, four other Ministers and one ex-officio member, the Attorney General. Cabinet is responsible for the formulation and implementation of policy, though the Governor has responsibility for external affairs, defence, internal security, aspects of the public service and the administration of the courts. The House of Assembly comprises 13 elected members, nine representing individual districts and four elected by a territory-wide vote. The Attorney General, an appointed official, is also an ex-officio member of the House of Assembly. Elections are held at least every four years and the last election took place in November 2011.



Roadtown
Credit: Tony Bates

Economy

The main pillars of the economy are financial services and tourism. The financial services sector has grown rapidly in the last decades and now generates about 60% of total government revenue. The Territory specialises in international business companies and has a dominant share of around 45% of the global market for this product. By the end of 2011 there were in excess of 450,000 registrations. Tourism accounts for 30% of GDP.

The Territory is known for its numerous white sand beaches as well as being one of the world's greatest sailing destinations. Agriculture and manufacturing each account for less than 5% of GDP.

>> The Territory specialises in international business companies and has a dominant share of around 45% of the global market for this product. <<

Key facts

| | |
|---------------------|---|
| Currency: | US Dollar |
| Population: | 29,537 (2010 estimate) |
| Capital: | Road Town (Tortola) |
| Government Website: | http://www.bvi.org.uk/ |

Front cover photographs

Left:

Hamilton, Bermuda
Credit: Alfred Wekelo

Right:

Neko Harbour, British Antarctic Territory
Credit: iStockphoto



Foreign & Commonwealth Office

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, telephone, fax and email

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/general enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other accredited agents

www.fco.gov.uk

