



Seventh Report
of the
Foreign Affairs Committee

Session 2007-08

Overseas Territories

Response of the Secretary of State
for Foreign and Commonwealth Affairs

*Presented to Parliament
By the Secretary of State for Foreign and Commonwealth Affairs
By Command of Her Majesty
September 2008*



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SEVENTH REPORT OF THE FOREIGN AFFAIRS COMMITTEE

SESSION 2007-08

OVERSEAS TERRITORIES

RESPONSE OF THE SECRETARY OF STATE FOR FOREIGN AND COMMONWEALTH AFFAIRS

1. The Government¹ has studied carefully the Committee's Report on the Overseas Territories. This Command Paper sets out the Government's response.
2. The Government's overall approach to the Overseas Territories is set out in the 1999 White Paper "Partnership for Progress and Prosperity". This identified four principles underlying the relationship:
 - self-determination;
 - mutual obligations and responsibilities;
 - freedom for the Territories to run their own affairs to the greatest degree possible;
 - a firm commitment from the UK to help the Territories develop economically and to help them in emergencies.
3. The White Paper made clear that the UK expects high standards of probity, governance and adherence to the international agreements to which the UK and the Overseas Territories are party. For as long as the Territories choose to remain British, they must meet these obligations.
4. The Government remains committed to the principles and objectives set out in the White Paper.
5. The Government has particular responsibility to manage risks in the Territories which give rise to large contingent liabilities. Overall, these are substantial and continue to grow. Recent House of Commons Public Accounts Select Committee and National Audit Office reports highlighted the Government's duty to the British taxpayer to manage and reduce risks arising in the Territories. The Government takes these responsibilities very seriously. It means not only managing current liabilities, but not entering into new and avoidable ones.

¹ All references to "the Government" are to the UK Government unless the context requires otherwise.

6. No two Overseas Territories are alike. Many have made great strides in their development and much has been achieved since the 1999 White Paper. In some, governance and implementation of international standards are now equal to standards in the UK. Some have encountered problems in their attempts to improve governance but, with our support, are now making positive steps. For various reasons, others are failing to meet their obligations and responsibilities. Where this is so, the Government intervenes.
7. Given the nature of our relationship, the most effective and sustainable interventions come through working in partnership and developing the capacity of the Territories and their governments. But where it is clear that this approach will not deliver results, or where immediate action is necessary, the Government is ready to intervene directly through the exercise of formal powers. Governors are constantly having to judge the balance between encouraging good governance and responsibility locally, and protecting the interests of the UK Government and taxpayer.
8. The relationship between an Overseas Territory and the UK is enshrined in the constitution of that Territory, which is agreed between the Territory and the UK. It is different in each case. The 1999 White Paper launched a review process aimed at providing a modern constitutional framework reflecting the circumstances of each Territory. The reviews have updated provisions of existing constitutions, such as good governance and human rights provisions, and those relating to the role of the Governor and locally elected politicians. New constitutions came into force in the Turks and Caicos Islands and Gibraltar in 2006 and in the British Virgin Islands in 2007. While there has been progress in negotiations with most other Territories, nine years on from the White paper the Government encourages Territories to move the process forward.
9. The Government considers carefully all proposals for constitutional modernisation put forward by the Territories. But it has made clear that because the UK is ultimately responsible for good governance, compliance with international obligations, and contingent liabilities, it will retain sufficient powers to discharge its responsibilities.

Constitutional relationship

Constitutions

1. **We welcome the Government's approach of encouraging Overseas Territory governments to take the lead in reviewing their constitutions and making proposals for reform. We recommend that the FCO should, as far as possible, hold negotiations and consultations with Territory governments on such proposals within the individual Territory concerned so that the process does not appear distant to the local population. We believe that the modernisation of constitutions could also be made more transparent if the FCO published criteria for deciding the degree of self-government that is appropriate for Overseas Territories and we recommend that it does so. We also recommend that the FCO continues to send us draft constitutional Orders in Council at least 28 sitting days before they are made.**

10. The Government welcomes the Committee's support for its approach that Overseas Territory governments should continue to take the lead in making proposals for reform of their constitutions. The constitutional review negotiations and consultations with the Territories so far have almost always taken place in the Territory concerned. In some cases, however, Territory representatives have been invited to come to London to agree any outstanding points and to settle the draft new Constitution with the Minister responsible for the Overseas Territories.

11. The criteria for deciding the degree of self-government that is appropriate for Overseas Territories in the context of constitutional modernisation have been made clear to the Territories at various times. The FCO agrees with the Committee's recommendation that they be made public and will publish them on the FCO website. The criteria are the following:
 - (a) any modernised constitution must provide a framework for enhanced good governance and human rights protection;
 - (b) increased Territory self-government is encouraged, but this must be consistent with the United Kingdom's continuing responsibilities for the Territories; these responsibilities include ensuring good governance, a non-political civil service and police force, the independence of the judiciary, the maintenance of law and order, the fulfilment of international obligations, and the minimisation of contingent liabilities;
 - (c) there must be evidence that any proposed new constitution has the support of the people of the Territory concerned; that evidence should as a minimum consist of the endorsement of the Territory's legislative body, as the elected representatives of the people, but additional means of wider public consultation are encouraged.

12. The FCO will continue, where possible, to send draft Orders in Council relating to Overseas Territories' constitutions to the Committee at least 28 sitting days before they are made.
2. **We conclude that Gibraltar's presence on the UN list of Non-Self-Governing Territories is an anachronism. We recommend that the Government continues to make representations to the UN about delisting the Territory and that it makes clear that it is only sending the UN progress reports on Gibraltar because it is obliged to do so.**
13. The Government agrees that Gibraltar's presence on the UN list of Non-Self Governing Territories is an anachronism. As we have made clear on a number of occasions, we do not believe that Gibraltar should remain on the list. The criteria used by the UN Committee of 24 in its deliberation on whether a Non-Self Governing Territory should be 'de-listed' fail to take into account how the relationship between the UK and Gibraltar has been modernised in a way that is acceptable to both parties. The 2006 Gibraltar constitution provides for a modern relationship between Gibraltar and the UK. As we made clear in relation to the latest Article 73 report on Gibraltar, we only continue to make such submissions because we are obliged to do so under the UN Charter.
14. Aside from these Gibraltar specific considerations, the UK does not consider that any of its Overseas Territories should remain on the UN list of Non-Self Governing Territories. We continue to make this point regularly to the UN.
3. **We conclude that there is a strong moral case for the UK permitting and supporting a return to the British Indian Ocean Territory for the Chagossians. We note the recent publication of resettlement proposals for the Outer Islands by Chagos Refugees campaigners. The FCO has argued that such a return would be unsustainable, but we find these arguments less than convincing. However, the FCO has also told us that the US has stated that a return would pose security risks to the base on Diego Garcia. We have therefore decided to consider the implications of a resettlement in greater detail.**
15. The Government regrets the way the resettlement of the Chagossians was carried out and the hardship that resulted for some of them. We do not seek to justify the actions taken in the 1960s and 1970s. These regrets have been repeated on many occasions.

16. As the Committee is aware, in May 2007 the Court of Appeal took a decision which had the effect of allowing the Chagossians to return to the outer islands of the British Indian Ocean Territory. The Foreign Secretary appealed this decision in the House of Lords. The reasons behind the appeal are, firstly, to maintain the availability and effectiveness of the Territory for defence purposes, particularly in light of a change of security circumstances since 2000 and our treaty obligations to the United States. Secondly, because an independent study has demonstrated the lack of feasibility in resettlement, which would in any event open up demands for an open-ended and long-term commitment from the British taxpayer to fund resettlement. Thirdly, an appeal was necessary to ensure clarity about the legal relationship and structure of the system of governance in the Overseas Territories and its relationship to the British legal system. The case was heard in the House of Lords from 30 June to 3 July 2008 with a judgment expected in the autumn of 2008.
17. The Government recalls that compensation was paid by the UK to the Chagossians in two stages. Firstly, £650,000 was paid to the Mauritian Government for the benefit of the Chagossians in the early 1970s (£5.5 million at today's prices). Secondly, under a 1982 Agreement between the UK, the Government of Mauritius and representatives of the Chagossians a further £4 million (£9 million at today's prices) was paid by the UK into a Trust Fund for the benefit of registered Chagossians. This was in full and final settlement of any claims they might have had. The High Court Judgment of 9 October 2003, upheld by the Court of Appeal on 22 July 2004, thoroughly examined the circumstances in which this settlement was reached. The islanders were advised at the time by their own lawyers that this represented a fair and reasonable settlement. It established that the UK had no legal obligation to make any further compensation.
18. In April 2000, the Government commissioned a study by independent outside experts to assess whether it would be feasible for the outer islands to be resettled. The study involved visits to the Territory. It took into account the natural resources of the two outer atolls of Peros Banhos and Salomon, long-term information on local climatic conditions and tides and their influences on freshwater lenses, assessments of groundwater resources, soils, fisheries resources and the marine and terrestrial environment.
19. The report came down heavily against the feasibility of resettlement. While the report concluded that short-term habitation for limited numbers on a subsistence basis would be possible, it stressed that any long-term resettlement would be precarious and costly. The outer islands, uninhabited for over thirty years, lack all basic facilities and infrastructure. They are remote and extremely difficult to access.
20. The Government categorically rejects allegations that the results of this study were "interfered with".

21. The Government has doubts about the independence and credibility of the report “Returning Home: A Proposal for the Resettlement of the Chagos Islands” which was written in “support of achieving the immediate objective of a return to Peros Banhos and Salomon” rather than as a study of the feasibility of such a return. It does not appear to be based on direct knowledge of the islands and significantly underestimates costs, for example for the construction of an airport in such a remote location.
4. **On Diego Garcia itself, we conclude that it is deplorable that previous US assurances about rendition flights have turned out to be false. The failure of the United States Administration to tell the truth resulted in the UK Government inadvertently misleading our Select Committee and the House of Commons. We intend to examine further the extent of UK supervision of US activities on Diego Garcia, including all flights and ships serviced from Diego Garcia.**
22. The Government shares the Committee’s disappointment that the new information on Diego Garcia only came to light in February 2008. However, the US came to us quickly when they realised a mistake had been made and we fully accept that they gave us their earlier assurances in good faith. We accepted those assurances and referred to them publicly in good faith. The Foreign Secretary made an oral statement on 21 February 2008 to inform the House of this information and to correct previous statements made on the subject.
23. Since February, the US Government have confirmed that, with the exception of the two cases of rendition through Diego Garcia in 2002, there have been no other instances in which US intelligence flights have landed in the UK, our Overseas Territories or the Crown Dependencies, with a detainee on board since 11 September 2001. Secretary Rice has also underlined the firm US understanding that there will be no rendition through the UK, our Overseas Territories and Crown Dependencies or airspace without first receiving our express permission. The Foreign Secretary made a Written Ministerial Statement on 3 July 2008 to update the House on this matter.
5. **We recommend that British Overseas Territories Citizenship should be extended to third generation descendants of exiled Chagossians. We also recommend that the Government should provide more guidance to those Chagossians wishing to resettle in the UK.**

24. The Government notes the Committee's recommendation that British Overseas Territories citizenship should be extended to third generation descendants of exiled Chagossians. In May 2002, as part of the extension of citizenship rights across Overseas Territories, Chagossians were granted *British citizenship* (not British Overseas Territories citizenship as mentioned in paragraph 72 of the Committee's report) if they were born on or after 26 April 1969 and before 1 January 1983 to a woman who at the time was a citizen of the United Kingdom and Colonies by virtue of her birth in the British Indian Ocean Territory. British Overseas Territories citizenship does not confer the right of abode in the UK. British citizenship does.
25. There is no precedent elsewhere in nationality law for citizenship to be extended to a third generation born outside of the UK or an Overseas Territory. Since 1915, citizenship has in general terms been transmissible to one generation born abroad. There is provision for British Overseas Territories citizenship to be obtained *by registration* by 2nd generation children, but this is dependent on either the British Overseas Territories citizenship by descent parent or the child and its parents having spent a period of residence in a Territory.
26. If the Government extended the acquisition of citizenship for Chagossians, this could lead to pressure to consider extending citizenship to other descendants of British nationals. This would be contrary to the current principles of British nationality law which limits citizenship to one generation born overseas.
27. The Government notes the Committee's recommendation that the Government should provide more guidance to those Chagossians wishing to settle in the UK. The Government advises Chagossians wishing to settle in the UK to contact the British High Commission in Port Louis, Mauritius, before departure where information is available. Once in the UK, the Department of Health and Department for Work and Pensions as well as local social services are the departments with primary responsibility for welfare of British citizens in the UK.
6. **We conclude that the FCO did raise expectations that rights of property and abode would be granted to those who live and work on Ascension Island. We recommend that the FCO must make greater efforts to restore trust among the residents of the Island. In particular, we recommend that it should try to re-establish the Island Council as soon as possible. We further recommend that the FCO should work with elected representatives to consider the potential contingent liabilities of a permanent base on Ascension Island, and means of reducing these liabilities, with the ultimate aim of granting rights of property and abode to residents.**

28. Following the publication of the 1999 White Paper on the UK's relationship with the Overseas Territories and the decision of the commercial organisations in the late 1990s to concentrate on their core business activities on the island, the FCO undertook to consider the future of Ascension. This included consultation on the governance and financing of the island as well as the democratic and civil rights of those working and living on Ascension. A consultation paper setting out options on how Ascension could be run was produced in April 1999. This paper raised the issue of the development of the general right of abode and property rights in addition to other changes, including the provision of services and democracy. But the paper made clear that these were options only and stated specifically that the UK Government had not made up its mind on what those changes should be. During the period 2002 to 2005, the Government carried out extensive consultations with individuals and organisations with an interest in the future of the island. This included the commissioning of a number of studies on future economic prospects for the island and the potential for Ascension to develop a viable, sustainable revenue base to support a settled population.
29. The Government regrets that the protracted period of consultation and assessment may have led to uncertainty on the part of the people working and living on Ascension and that this may have raised expectations of a change in the Government's policy.
30. The Government agrees that it should try to re-establish the Island Council as soon as possible. Since the resignation of a number of councillors in March 2007, the Governor, Administrator and FCO have worked together to build a relationship based on openness and consultation with the people on Ascension Island. The Governor launched a public consultation in May 2007, seeking their views on the future and the type of council they would like to have. This consultation has helped to shape legislation providing for the Council and the timing of the election, which will be held on Tuesday, 14 October 2008.
31. The consultation has included increased visits to the island by the Governor and officials from the FCO. Since the suspension of the Island Council Ordinance in April 2007, members of the FCO have visited five times and the Parliamentary Under-Secretary of State at the FCO (Meg Munn) visited in January 2008. The new Governor has visited the island twice and held public meetings and meetings with the advisory group on each occasion. Since January 2008, in response to concerns over the lack of information about the advisory group meetings, the Governor has made radio broadcasts to the island providing details.

32. The Government notes the Committee's recommendation that the FCO should work with elected representatives to consider the contingent liabilities and means of reducing those liabilities with the ultimate aim of granting rights of property and abode to residents. During the period of consultation on the future of the island in the period 2002 – 2005, the Government considered extensively potential liabilities and the means to mitigate them. The Government concluded that the requirement to build an infrastructure independent of the employing organisations would be very expensive; the cost of provision and maintenance of housing, utilities and infrastructure, and of providing social and additional education and medical services, would be high; and in addition, the security enhancements which would be necessary for the Ministry of Defence and US bases would require a significant level of investment. Against this, the evidence suggested that there was a real risk that the economy of the island would not be and could not become sufficiently viable to support a permanently settled population.
33. In October 2005, an economic report by Oxford Policy Management (Ltd) highlighted that “..the prospects for economic development independent of the present major users do not look very encouraging. The prospects for buoyant growth driven by significant inward investment seem slender, in the near to medium future”. The report also concluded that “the costs entailed by the location and physical characteristics of Ascension make the development of (tourism) unlikely to succeed”. An earlier study suggested the prospects for fisheries were limited.
34. The prospects for the future of development on Ascension Island have not changed since these studies were carried out. The island's economic viability will continue to be dependent on the major employing organisations remaining on the island and contributing to local services and to the receipt by the Ascension Island Government of personal and property taxes. The Government's position with regard to Ascension Island remains that granting permanent right of abode and property rights to those living and working on Ascension Island would change the nature of the Territory and bring unacceptable security and development costs. It would also create unacceptable contingent liabilities for the UK stretching indefinitely into the future. This would create an unjustifiably high level of risk for UK taxpayers. The Government's policy therefore remains that the right of abode and property ownership rights will not be developed on Ascension Island.

Consultation and representation

7. **We recommend that Territory governments should be given an opportunity to pass on their opinions of the candidates for Governor before appointments are made. We welcome the appointment of local individuals as Deputy Governors in some Overseas Territories, but urge the FCO to ensure those appointed are not seen to be politically partisan individuals.**

35. As the Committee notes in its report, the FCO consults Territory leaders about the particular qualities they would like to see in a new Governor before the recruitment process begins. Their views are taken into account in drawing up the job description against which candidates are selected by the FCO senior appointments board. The board recommends an appointment to the Foreign Secretary and Prime Minister. The Chief Minister is formally notified once Her Majesty has made the appointment. There is no provision at present for Territory leaders to comment on individual candidates.
36. The Government fully understands the wish of Territory governments to have a greater say in the selection and appointment of Governors. However, Governors are Her Majesty's representatives in the Territories and the constitution of each Territory requires the Governor to act in accordance with the instructions of Her Majesty given through a Secretary of State. This means that we must preserve the position that selection of Governors is by Her Majesty's Government in London on Her Majesty's behalf.
- 8. We conclude that the annual Overseas Territories Consultative Council (OTCC) is a valuable event. However, since it is intended as a forum for Territory governments, they should be given more of a say about the way in which the OTCC is run. We recommend that the FCO consults Territory governments on the improvements they would like made to the OTCC and implements their suggestions. We also recommend that the FCO should consider ways of raising awareness of the OTCC within Overseas Territories, including, as far as possible, making papers tabled for the forum publicly available. We note that Overseas Territories' representatives reported that those issues raised in the OTCC which involved other Whitehall departments were least likely to be followed up and we recommend that the FCO continues to press other departments to take their responsibilities with regard to the Overseas Territories seriously.**
37. The Government agrees with the Committee that the annual Overseas Territories Consultative Council is a valuable event bringing together British Ministers and Territory leaders. Territory governments are already consulted about the format and agenda of the meeting. Territory leaders largely set the agenda for the Consultative Council meeting in December 2007 and chaired many of the sessions. Their closer involvement was a major contributor to its success. We have again consulted Territory governments about the format, venue and agenda for the 2008 Consultative Council meeting and have incorporated their suggestions. Territory leaders will again lead discussion on most agenda items.

38. The Government considers that Territory governments are best placed to raise awareness of the Overseas Territories Consultative Council within the Territories. As noted in the Committee's report, it has been a tradition for the Overseas Territories Consultative Council to take place under Chatham House rules and for discussions and papers related to the meeting to remain private to allow for free and frank discussion between Ministers. The agreement of Territory leaders and relevant UK Government departments would have to be obtained before making public any documents related to the Overseas Territories Consultative Council.
39. The FCO follows up action points from the Overseas Territories Consultative Council with Whitehall departments and continues to remind them of their responsibilities towards the Overseas Territories. As noted in the Committee's report, the FCO and Department for International Development (DFID) Permanent Under-Secretaries wrote to their opposite numbers in Whitehall in December 2007 about their shared responsibilities towards the Territories. Meg Munn, the FCO Minister responsible for the Overseas Territories, also wrote to her ministerial colleagues in other Whitehall departments on 4 June 2008 to underline that message and to encourage them to attend this year's Overseas Territories Consultative Council.
- 9. We recommend that the FCO urges Overseas Territory governments whose offices in the UK are less active to consider ways of raising their profile. The FCO should also encourage this by, when appropriate, making more use of official Territory government representatives, as well as Governors, to liaise with Territory governments. We recommend that the Government also ensures that all new officeholders in Overseas Territories appointed by or on the Government's recommendation are briefed by official Territory government representatives in the UK before they take up their posts.**
40. The Government believes it should be for the Territory governments themselves to take forward ways of raising their profile in the UK. However, the FCO is in close contact with all Territory government representatives in London and will continue to liaise with them on a regular basis.
41. The Government agrees that where possible new office holders in Overseas Territories appointed by the Government should meet the relevant Territory government representatives in the UK before taking up their post.
- 10. We conclude that the FCO's guidelines on treaties applying to Overseas Territories do not yet appear to be being followed by all of Whitehall and recommend that the FCO writes to remind other Government departments of their existence. We also recommend that the FCO should provide more drafting assistance to Overseas Territories for transposition of international agreements into local legislation.**

42. The FCO acknowledges the difficulties faced by the Overseas Territories when guidelines on treaty extensions are not followed. We regularly remind other Government departments of their responsibility to ensure that the Territories are consulted well in advance about the possibility of treaties being extended to them. Most recently, the Permanent Under-Secretaries at the FCO and DFID wrote a joint letter to their Whitehall equivalents on 6 December 2007 reminding them again of their responsibilities towards the Overseas Territories and enclosing copies of the treaty guidelines. At the departmental level, the FCO continues to liaise with other Government departments to remind them of capacity constraints in the Territories and about the need for early consultation on whether they would like treaties to be extended to them and, if so, on realistic deadlines.
43. The FCO is very conscious of the legislative capacity constraints in the Overseas Territories and of the additional burden placed on their limited resources by extending new treaties. When consulting the Territories on international treaties, where appropriate, we offer to extend UK legislation to them by Order in Council or to draft legislation for them, to relieve the legislative drafting burden. However, some Territories, for example Gibraltar, prefer to draft their own legislation, and the option is not always available for Bermuda because of its different constitutional provisions.
44. The FCO has provided legislative drafting assistance to the Territories and will continue to do so to bring local legislation up to international standards. It has funded the family law and domestic violence legislative programme in Anguilla, the British Virgin Islands, Montserrat and the Turks and Caicos Islands. Model legislative bills were drafted and are with Attorneys General offices for their consideration. It has also jointly funded with the Cayman Islands Government a review of their children's law and regulations to bring them in line with the United Nations Convention on the Rights of the Child.
- 11. We conclude that it is disappointing that the UK did not properly engage with the government of Gibraltar about its concerns regarding the text of the Lisbon Treaty. We recommend that the FCO must ensure it takes Overseas Territories' interests into account in its relations with the EU. We further recommend that in its response to our Report the FCO sets out the mechanisms it has in place to ensure the Overseas Territories covered by the Overseas Association Decision are informed and consulted about EU legislation that affects them.**
45. The Government agrees with the Committee's recommendation that it must ensure that the interests of the Overseas Territories are taken into account in our relations with the EU. As Gibraltar is the only Overseas Territory that forms part of the EU, officials from the FCO and other UK Government departments work closely with the Government of Gibraltar to promote and defend Gibraltar's rights and interests within the EU.

46. The UK Government did engage with the Government of Gibraltar in relation to its concerns about the Inter-Governmental Conference mandate. The Minister for Europe met with the Chief Minister of Gibraltar in July 2007 where the Government of Gibraltar's concerns in relation to the Inter-Governmental Conference mandate were discussed. The Chief Minister and representatives of the Government of Gibraltar also met with officials from the FCO and Home Office to discuss in more detail some specific issues. This was followed by the Minister for Europe's detailed written response in October 2007 on the issues raised by the Chief Minister in his memorandum of August 2007. There was also another meeting between the Minister for Europe and the Chief Minister in October 2007 where Gibraltar's concerns were further discussed. We sought throughout to reassure Gibraltar that neither the Inter-Governmental Conference mandate nor the Lisbon Treaty changes or prejudices the status of Gibraltar within the EU and that Gibraltar's current position under the Treaty is preserved. Nevertheless, we recognise that we should seek Gibraltar's views on EU issues at the earliest possible opportunity. We are therefore developing ever closer ways of working with the Government of Gibraltar's EU Business Unit.
47. We recognise that the UK has not always informed and consulted the other Overseas Territories as fully as they would wish. In recent years, we have tried to ensure they are fully informed about, and given the opportunity to comment on, developments concerning legislation that affects them, for example in relation to the EU Savings Directive, where we have drawn their attention to relevant documents and invited their views on possible revisions to the Directive.
48. Officials at the UK's Permanent Representation in Brussels and in Overseas Territories Directorate at the FCO are designated to ensure that Overseas Territories and UK interests are fully reflected in European Union decisions on Overseas Territory issues. The Overseas Territories Directorate officer monitors and takes appropriate action on all correspondence from the European Commission and others on EU proposals, discussion papers and agendas relating to the Overseas Countries and Territories (as they are known by the European Union). Overseas Territories Directorate works closely with the UK's Permanent Representation in Brussels and Governors' Offices to keep Territories informed of legislation which might affect them. There is also regular dialogue with the Overseas Territories' Representatives based in London.
49. UK officials attend the European Commission/Overseas Countries and Territories/ Member State meetings, held every two months, to discuss general issues regarding the Overseas Countries and Territories. Officials also attend specific Partnership Working Party meetings, covering themes such as the environment, financial services and trade. The UK representatives raise points of concern from the Overseas Territories at these meetings and report back to them if they are not represented.

12. **We recommend that the Foreign and Commonwealth Secretary should consider with the Leader of the House and with representatives of the Opposition parties whether improvements can be made in the ways in which the views of those resident in the Overseas Territories can be made known in the UK Parliament.**
50. The Overseas Territories are jurisdictions separate from the UK. Each Territory has its own legislature, and most have a locally elected legislative body or a locally elected island council. The people of the Territories are able to express their views to their locally elected representatives, just as people in the UK can to their Members of Parliament. The people of each Territory are also able to raise their concerns with the Governor, and have the right to petition directly The Queen or the Secretary of State if they wish. Because of the small size of the Territories, people there tend to have a much closer relationship with the elected representatives than people in the UK have with theirs, and can easily make their views known.
51. There is no direct constitutional link between the people of the Overseas Territories and the British Parliament, except in respect of the passing of legislation. However, because British Ministers have overall responsibility for the good governance of the Overseas Territories, they are answerable to the British Parliament in relation to the Territories. The Government sees no case for changing the existing constitutional arrangements to give the Territories direct representation in the British Parliament. However, the people of the Territories have the opportunity to make their views known to members of the British Parliament, either directly or through their Ministers' contact with UK Ministers, or through their representative offices in London, which liaise closely with UK Members of Parliament.
13. **We are concerned that witnesses from Overseas Territories cannot at present be guaranteed protection against legal action or even intimidation or other abuse arising as a consequence of their giving evidence to select committee inquiries in the UK. We recommend that the Government should introduce legislation to extend the Witnesses (Public Inquiries) Protection Act 1892 to Overseas Territories, or as an alternative, that it should urgently require Overseas Territories to introduce equivalent legislation as a matter of good governance.**
52. The Government agrees that the intimidation and abuse of any witness is unacceptable and the Government will encourage Territories to take the strongest possible measures to deal robustly with any such allegations. However, we regard the introduction of legislation within the Territories mirroring the Witnesses (Public Inquiries) Protection Act 1892 as a matter for Territory Governments. Although it would be possible to extend UK legislation to the Territories, the Government believes that here, as elsewhere, it will be much more effective in terms of encouraging good governance in the Territories for them to bring forward any necessary legislation themselves.

53. Witness protection schemes in small communities, some of them far from any other countries which might cooperate, pose particular challenges. A number of Territories, particularly in the Caribbean, have been working together on the introduction of a Justice Protection Bill. This would give effect to an inter-Territory witness protection scheme, which would help address problems created by intimidation of witnesses within Territories. We will keep the Committee informed of developments on this.
- 14. We conclude that it is wrong for some Overseas Territories to have access to the benefits of International Olympic Committee (IOC) recognition while others do not. We recommend that the FCO should make representations to the IOC about recognition for all the UK Overseas Territories.**
54. The Government has made representations on behalf of the Turks and Caicos Islands (who have approached the FCO) with the British Olympic Association. We have met the Turks and Caicos Islands' Olympic Steering Committee and explained the position. We will consider what more might be done on behalf of all the Territories, taking account of the broader issues that are likely to be involved and the outcome of an ongoing case brought by one Territory which is currently before the courts.
55. Before 1996, individual Overseas Territories were able to apply for recognition to the International Olympic Committee as Bermuda, Cayman and the British Virgin Islands all successfully did. The Turks and Caicos Islands did not apply before 1996. An amendment to the Olympic Charter in 1996 defined "country" to mean "an independent State recognised by the international community". Overseas Territories are excluded by this definition and this has prevented the Turks and Caicos Islands from applying for International Olympic Committee recognition.
- 15. We recommend that Overseas Territory government representatives from Bermuda, Gibraltar, the Falkland Islands and any other Territory wishing to do so should be permitted to lay a wreath at the Cenotaph on Remembrance Sunday. The Foreign Secretary should continue to lay a wreath on behalf of other Territories.**
56. The Government understands the wish of representatives of the Overseas Territories to participate in the annual National Ceremony of Remembrance at the Cenotaph. Ministers have no objection to this recommendation in principle. However, there are significant logistical constraints to what the Committee proposes. Any proposals for change need to take into account the extremely limited scope around the Cenotaph for additional participants. The views of the Royal Household also need to be sought before any significant changes to the existing ceremony can be introduced. The Government will work with Overseas Territories' representatives to consider these issues further and report back to the Committee.

16. **We recommend that the Government should give consideration to whether it would be appropriate to support wider participation of Overseas Territories in Commonwealth meetings and conferences, including the Commonwealth Heads of Government Meeting.**
57. The Commonwealth is an association of sovereign member states who are equal in all respects. Full participation in all Commonwealth meetings is based on membership of the Commonwealth. The Overseas Territories are not member states of the Commonwealth although they are associated with it through their connection to the UK.
58. As the Committee recognised in its report, responsibility for attendance at the Commonwealth Heads of Government meeting lies with Heads of Commonwealth Governments. The Government actively supports and invites the Overseas Territories, where appropriate, to participate in Commonwealth meetings as part of the United Kingdom's delegation, eg the Conference of Commonwealth Education Ministers and the Commonwealth Finance Ministers meeting.

Governance

Allegations of corruption in the Turks and Caicos Islands

17. **We are very concerned by the serious allegations of corruption we have received from the Turks and Caicos Islands (TCI). They are already damaging TCI's reputation, and there are signs that they may soon begin to affect the Islands' tourism industry. There is also a great risk that they will damage the UK's own reputation for promoting good governance. Unlike the Cayman Islands, where the Governor has taken the initiative in investigations, the onus has been placed on local people to substantiate allegations in TCI. This approach is entirely inappropriate given the palpable climate of fear on TCI. In such an environment, people will be afraid to publicly come forward with evidence. We conclude that the UK Government must find a way to assure people that a formal process with safeguards is underway and therefore recommend that it announces a Commission of Inquiry, with full protection for witnesses. The change in Governor occurring in August presents an opportunity to restore trust and we recommend that the Commission of Inquiry should be announced before the new Governor takes up his post.**
18. **On 20 May we held a private meeting with Meg Munn to express our concerns about the allegations we had received during the course of our inquiry.**

59. As the Committee is aware, the Government shares the Committee's concerns about the allegations of corruption in the Turks and Caicos Islands. On 10 July 2008 the Governor of the Turks and Caicos Islands announced the appointment of a Commission of Inquiry. The Commission will inquire into whether there is any information that corruption or other serious dishonesty in relation to past and present elected members of the House of Assembly (previously known as the Legislative Assembly) may have taken place in recent years. The Commission will report to the Governor within sixteen weeks its preliminary findings and recommendations concerning;
- (a) Instigating criminal investigations by the police or otherwise
 - (b) Any indications of systemic weaknesses in legislation, regulation and administration
 - (c) Any other matters relating thereto.
60. The Commissioner is the Rt Hon Sir Robin Auld. He undertook a short initial visit to the Territory from 13-16 July 2008. This is being followed by a period of preparation in the UK leading to his main visit to the Turks and Caicos Islands in September/October. He will submit his report and recommendations to the Governor by 3 November 2008.
61. The Government notes the Committee's concerns about providing full protection for witnesses wishing to provide evidence to such an Inquiry. The Governor has directed the Commission to conduct such parts of the Inquiry as it may deem appropriate *in camera* in the interests of confidentiality. In the event that evidence is given by a person before the Commission, such evidence shall not be admissible against him or her in any civil or criminal proceedings by or against him or her, except where he or she is charged with perjury or contempt. In addition the Ordinance provides that anyone who attempts to interfere with this process is liable, on conviction, to a fine, imprisonment or both. The Commission also has powers to compel any person in the Turks and Caicos Islands to attend to give evidence.
62. A number of important steps have recently been taken or are currently underway in the Turks and Caicos Islands to reduce the scope for corruption, and to improve capacity in the Turks and Caicos Islands to deal with it should it occur. These include the establishment of an Integrity Commission, a Human Rights Commission, a Complaints Commissioner, a Ministerial Code, a Public Service Code of Ethics and Integrity, the appointment of a highly experienced Chief Auditor, and the adoption of a comprehensive Proceeds of Crime Ordinance.

Other Overseas Territories

19. **We recommend that the Government should encourage the Anguillan government to establish an independent inquiry into allegations that Anguillan ministers accepted bribes from developers in the Territory. We also recommend that the Government should urge the Anguillan government to use the opportunity of constitutional review to introduce stronger anti-corruption measures in the Territory.**

63. The Governor of Anguilla continually monitors governance issues in Anguilla, including possible cases of corruption. In the first instance it is for the Territory Government and competent authorities to investigate allegations of bribery. No substantive evidence has come to the Governor's attention that Anguillian Ministers have accepted bribes from developers. The Chief Minister of Anguilla has publicly rejected the allegations. Nevertheless, the Governor will ask the Government of Anguilla to explain how they plan to deal with the allegations made to the Committee. The Government will inform the Committee of the response.

64. The Government agrees that the constitutional review process is an opportunity to introduce improved good government measures in Anguilla. That is why the Government encourages Territories to move the process forward, while respecting the position that it is for the Territories to bring forward proposals for reform.

20. **We recommend that the Government sets out in its response to this Report the steps it has taken to ensure that allegations of corruption at the Bermuda Housing Corporation, in the issuing of contracts, and of electoral fraud in Bermuda are properly investigated. We also recommend that the Government should encourage the Bermuda government to strengthen its transparency measures, including by establishing an independent Electoral Commission and ending the practice of Committees of the House of Assembly sitting *in camera*.**

65. From 2002 to 2004 the Bermuda Housing Corporation was the subject of a thorough investigation into allegations of corruption by senior figures by the Bermuda Police Service (with external assistance from New Scotland Yard). The investigation led to the conviction of a Bermuda Housing Corporation employee. Investigation papers were leaked to the press in 2007 but no new material evidence has emerged.

66. In addition, the Bermuda Opposition Party told the Governor of Bermuda soon after the December 2007 General Election that they did not have evidence of fraud or other illegal activity in any constituency which would have returned a different MP. Bermuda's Parliamentary Registrar has stated categorically that there were no 'illegal voters'. At the same time the Parliamentary Registrar put forward proposals for an Electoral Commission for Bermuda which the Governor, and we expect, the Bermuda Government will want to consider.
67. The Government will continue to encourage Overseas Territories to promote transparency, and where necessary, to improve public accounting and auditing capability. Although it favours committees of the House of Assembly meeting in public, it recognises that this would be for the House itself to decide.
- 21. We recommend that the FCO should strongly encourage all Overseas Territories which have not yet done so to introduce freedom of information legislation. We also recommend that the FCO should review with Overseas Territories what steps they might take to improve their public accounting and auditing capability. We support the Public Accounts Committee's recent recommendations that the FCO should explore how Overseas Territories might make better use of UK expertise and that it should also explore whether those Territories with Public Accounts Committees could make more use of ex-officio members.**
68. The introduction of freedom of information legislation is a matter for each Overseas Territory to decide, considering its own circumstances and capacity. Some Overseas Territories have implemented freedom of information legislation. For example, the Cayman Islands passed a fully-fledged Freedom of Information Law which will come into effect from January 2009. The Falkland Islands has a Committees (Access to Information) Ordinance which gives the public rights of access to Government committee meetings and documents. The Government will consider favourably requests for technical assistance from any other Territory that decided to adopt such legislation, and we encourage them to consider doing so.

69. The Government agrees that it should review with Overseas Territories what steps they might consider to improve their public accounting and auditing capability. It also accepts the Public Accounts Committee's recent recommendations on this issue. Discussions are underway with the National School of Government, as part of a wider public sector reform programme, to provide targeted support to achieve improvements in public accounting and audit in the Overseas Territories. As a first step, within the next 6 months, the National School of Government will undertake a scoping study in a number of Territories and recommend, with Territory governments, how best to deliver sustainable improvement. Support may include making available expertise from the UK or creating opportunities for the sharing of good practice among the Territories, for example considering extending membership of Public Accounts Committees beyond government. We will keep the Committee informed.

Rule of law

22. **We conclude that the FCO must ensure there are sufficient measures in place to prevent interference from either the Governor or the local government in judicial decisions in Overseas Territories. We recommend that the FCO should consider transferring the responsibility for Chief Justices' terms and conditions of employment to the Ministry of Justice. We also recommend that the FCO should consider whether judges in Overseas Territories would be less vulnerable to interference if they were on longer non-renewable contracts, with appropriate safeguards in case of incapacity, rather than on renewable short term contracts.**
70. The Government agrees that the courts and judiciary in the Overseas Territories must be, and be seen to be, independent and impartial as required by the European Convention on Human Rights and other relevant human rights instruments. The constitution of each Overseas Territory provides for this, and the FCO has sought to strengthen the provisions on the administration of justice in the constitutional review process.
71. The Government does not accept the Committee's recommendation that responsibility for Chief Justices' terms and conditions should be transferred to the Ministry of Justice. The terms and conditions of employment of the Chief Justices of the Overseas Territories is a matter for the individual Territories (or the Organisation of Eastern Caribbean States in the case of Montserrat, Anguilla and the British Virgin Islands), not the UK, and therefore it would not be appropriate to transfer responsibility to the Ministry of Justice. That Ministry does however, when requested, offer advice and assistance to the FCO and Territories on judicial matters.

72. The FCO, while being of the view that renewable contracts for judges can be acceptable if they are of a sufficiently long duration, accepts that there is an argument in favour of longer, non-renewable, contracts for judges. The FCO will consider further with the Territories the question of judges' contracts, including drawing on advice from the Ministry of Justice.

Human Rights

- 23. We recommend that the Government should take steps to ensure that discrimination on the basis of sexual orientation or gender status is made illegal in all Overseas Territories.**

73. The protection and promotion of human rights in a Territory are primarily the responsibility of Territory governments. However, the UK is ultimately responsible for ensuring that the Territories fulfil obligations arising from international human rights treaties which have been extended to them. The Government therefore takes a close interest in the rights of all inhabitants of the Territories and takes any allegations of abuse very seriously. Even where the Government does not have direct responsibility for these areas, we raise, and will continue to raise, matters of concern with Territory Governments to assure ourselves that the rights of individuals are not neglected.

74. Territory governments are well aware of the UK Government's opposition to discrimination on the basis of sexual orientation or gender status. Where an Overseas Territory is in breach of constitutional provisions or international obligations, we strongly encourage the Territory government to take steps themselves to remedy the breach, if necessary through local Territory legislation. However, where it is clear that a Territory government is not prepared to take the necessary action, we are ready, where possible, to take steps to remedy the defect. For example when, following extensive consultation, it became clear that Caribbean Territory governments were not prepared to decriminalise homosexual acts between two consenting adults of 18 years or above in private, the Territory's local law was amended by Order in Council.

75. We will bring the Committee's concerns to the attention of the Overseas Territories' governments at the Overseas Territories Consultative Council in October 2008.

- 24. We recommend that the Government should closely monitor the conditions of prisoners, illegal immigrants and migrant workers in Overseas Territories to ensure rights are not being abused.**

76. The Government has set out its general approach to the protection of human rights in paragraph 73 above.

77. In the majority of Territories, the management of prisons has been devolved to Territory Governments. However, the Government recognises that capacity in this field in the Territories is limited. It therefore employs a Regional Prisons Reform Co-ordinator for the Caribbean Overseas Territories and Bermuda, who is charged with providing advice and guidance to Territory Governments, Prison Superintendents and the UK Government. Part of his remit includes working with the Territories to ensure they meet human rights standards including with respect to the detention of particularly vulnerable groups, such as juveniles and the mentally ill. He is also working with the Territories to promote effective alternatives to custody measures, including parole, probation and sentence planning. Progress has been slow as it relies to a large extent on local Territory legislation and political will. However, pilot projects are now underway in the Caribbean to promote this work, supported by the Government and the relevant Territory Governments, and where possible incorporating and sharing existing best practice in the Territories. Separately, the Government is seeking to appoint an adviser to provide a similar service to the Southern Ocean Territories.
78. Responsibility for immigration matters has also been devolved to the majority of Territory Governments. As explained above, the Government raises and will continue to raise matters of concern with Territory Governments to assure ourselves that the rights of migrants, whether they have entered Territories legally or illegally, are respected.
79. Most Territory constitutions contain a fundamental rights chapter. The new constitutions of the Turks and Caicos Islands, the British Virgin Islands and Gibraltar each contain a comprehensive fundamental rights chapter, intended: to reflect, at a minimum, the rights contained in the European Convention on Human Rights and the International Covenant on Civil and Political Rights; and to protect the rights of all persons present in those Territories. We will ensure that other new Overseas Territory constitutions contain similar fundamental rights chapters.
- 25. We conclude that although extending voting rights to non-Belongers will be politically difficult for Overseas Territory governments, the Government should at least encourage local administrations to review this issue with regard to non-Belongers who have resided in an Overseas Territory for a reasonable period. We recommend that the Government should propose that non-Belongers' rights be an agenda item for the next OTCC.**
80. The Government agrees with the Committee that it would be politically difficult for Overseas Territories governments to change their policies on extending voting rights to non-Belongers. However, we will encourage Overseas Territories, where they have not recently done so, to review their policies with regards to non-Belongers who have resided in the Territories for a reasonable period.

81. The Government will ensure that the issue of non-Belongers' rights is raised at the Overseas Territories Consultative Council in October 2008.
26. **We recommend that the Government should encourage the Bermuda government to move away from conscription and towards the Bermuda Regiment becoming a more professional organisation, with voluntary and paid elements. We conclude that this could make serving in the Regiment more attractive, giving it the staffing resources required to extend into maritime duties.**
82. The responsibility for the Bermuda Regiment was delegated to the Government of Bermuda in 1989 and its recruitment policy is therefore a matter for the elected Ministers of Bermuda. However, the Government agrees that more of a balance between volunteers and conscripts would be beneficial to the Bermuda Regiment. It would encourage the recruitment of volunteers, while taking into account the difficulties posed by a Territory with full employment.
83. The Bermuda Regiment has two key roles: to support the Bermuda Police Service in times of national emergency and to undertake a post disaster relief role both at home (as it did after Hurricane Fabian in 2003) and elsewhere in the region (after Hurricane Ivan in 2004 in the Cayman Islands and in 2005 in Grenada). We understand that preliminary discussions about new roles, including maritime duties and corresponding resource implications, are underway within the Bermuda Government.

Environmental governance

27. **We agree with the Environmental Audit Committee that the Government does not appear to have carried out any kind of strategic assessment of Overseas Territories' funding requirements for conservation and ecosystem management. We conclude that given the vulnerability of Overseas Territories' species and ecosystems, this lack of action by the Government is highly negligent. The environmental funding currently being provided by the UK to the Overseas Territories appears grossly inadequate and we recommend that it should be increased. While DEFRA is the lead Whitehall department responsible for environmental issues, the FCO cannot abdicate responsibility for setting levels of funding given its knowledge of Overseas Territories' capacity and resources. The FCO must work with other government departments to press for a proper assessment of current needs and the level of the current funding gap and then ensure increased funding by the Government through DEFRA, DFID or other government departments is targeted appropriately.**

84. Responsibility for environmental protection lies with the Territories. The Government does not accept that it has been negligent in its approach to environmental management in the Territories. The Government is in regular dialogue with the Overseas Territories and non-governmental organisations involved in environmental matters about conservation priorities in the Territories and the environmental challenges facing them. However, the Government acknowledges that more can be done to help the Territories address environmental issues.
85. The Government provides funding through the Overseas Territories Environment Programme, an FCO and DFID funded programme, that provides £1 million per annum for environmental projects in the Territories. The Overseas Territories Environment Programme supports the implementation of the Environment Charters, which were signed by individual Territory governments and the UK Government. The Charters contain eleven commitments to protect and safeguard the environment, and to promote environmental management more generally. The Overseas Territories Environment Programme has funded environmental awareness projects in the Falkland Islands, Ascension Island, the British Virgin Islands and Bermuda; legislation drafting projects to update environmental legislation in Montserrat, Anguilla and the Turks and Caicos Islands; environmental habitat restoration projects in St Helena, Bermuda, Montserrat, the Falkland Islands, Pitcairn and the British Indian Ocean Territories; species protection in Montserrat, Tristan da Cunha, St Helena and Cayman Islands; and capacity building projects in the Falkland Islands and regionally. Additionally, the FCO provides funds for environmental projects in the territories through its Overseas Territories Programme Fund.
86. Funding is also provided through the Darwin Initiative, a Department for Environment Food and Rural Affairs (DEFRA)-funded programme to assist developing countries and the Territories to conserve their biodiversity; the Flagship Species Fund, a part DEFRA-funded programme which provides support for the conservation of endangered species and their habitats in developing countries and Territories; and the International Sustainable Development Fund, a DEFRA-funded programme to support delivery of the UK's World Summit on Sustainable Development commitments. These funds are used to help the individual Territories manage their environment sustainably and to increase local capacity to address the environmental challenges facing them.
87. It was never the intention that these funds would meet all the Overseas Territories' environmental needs. They were established in recognition of the difficulties Territories face in accessing the international funds set up to help developing countries implement commitments under certain multilateral environmental agreements.

88. The FCO does not accept that it alone is responsible for setting levels of funding. This is a responsibility for all relevant Whitehall departments including the FCO, DFID and DEFRA. The next Inter Departmental Ministerial Group on Biodiversity involving DEFRA, DFID, the FCO and the Joint Nature Conservation Committee will address the roles of individual government departments with regards to the Overseas Territories and look into the feasibility of carrying out a full strategic assessment of the needs of the Territories. DFID has provided funding to the Joint Nature Conservation Committee to conduct a review of existing funding sources, and to propose options for increasing funding for environmental management in the Territories.

Contingent liabilities

Regulation of offshore financial services

28. **We recommend that the FCO should encourage Bermuda, the British Virgin Islands, the Cayman Islands, and Gibraltar to continue to make progress in improving financial regulation, in particular in arrangements for investigating money laundering.**
89. The Government accepts this recommendation, and has stepped up its efforts to encourage the Territories to bolster regulatory standards where necessary. The Government considers that in recent years good progress has been made in the more developed Territories to meet international standards. The statistics quoted in Figures 1 and 2 of the National Audit Office report of November 2007 are based on findings from first round International Monetary Fund assessments carried out between 2001 and 2005. Since then subsequent assessments have reported advances in relation to regulatory standards in the Cayman Islands and Bermuda. The Cayman Islands has a comprehensive legal framework and regulatory regime, an effective financial intelligence unit, and a high degree of co-operation among competent authorities in investigating money laundering. Bermuda has a comprehensive legal framework and a strong supervisory regime, and it is taking measures to address weaknesses identified in its financial intelligence unit. The British Virgin Islands is currently awaiting the outcome of a recent Caribbean Financial Action Task Force audit, in preparation for which new, stricter regulatory laws were introduced. Gibraltar has a robust regulatory regime to combat money laundering and complies with its EU obligations, matching, as necessary, the standards of regulatory risk applied in the UK under the Third Money Laundering Directive.

29. **We are concerned by the National Audit Office's finding that the FCO has been complacent in managing the risk of money laundering in Anguilla, Montserrat and the Turks and Caicos Islands, particularly since these Territories are those for which the UK is directly responsible for regulation and therefore most exposed to financial liabilities. We agree with the Public Accounts Committee's recent recommendation that Governors of these Territories should use their reserve powers to bring in more external investigators or prosecutors to strengthen investigative capacity.**
90. The Government does not accept that there has been any complacency in its approach to managing the risks of money laundering in these Territories. The FCO has continued close and consistent engagement with relevant agencies in these Territories to encourage and assist them to keep pace with international regulatory standards. But the Government agrees with the recommendation on the provision of external investigators where appropriate.
91. The Government's general approach has been to work with regional technical assistance providers such as the International Monetary Fund, and with Territory agencies to enhance their own systems to detect, investigate and prosecute money laundering and other suspected abuses. Examples of assistance include funding the introduction of a computerised case-management system for the Financial Crime Unit and the drafting of updated proceeds of crime legislation in the Turks and Caicos Islands, introduced in September 2007. This was based on UK provisions and included the introduction of a civil forfeiture regime. Action is in hand to produce similar legislation in Anguilla and Montserrat.
92. In line with a recommendation in the 2007 National Audit Office report, the Government is developing a financial services strategy aimed at providing targeted UK assistance to Territories where specific vulnerabilities have been identified. The Government's response will take account of the different levels of development and capacity amongst the Territories. This will complement the strategies that the Territories already have in place. For example, Bermuda has its own strategy for taking forward the recommendations of its most recent assessment.
93. Initial discussions on the strategy took place in 2008 with Whitehall partners and Governors. It is crucial that a partnership approach is developed with the Territories. Use of Governors' reserve powers to bring in external investigators would be very much a last resort. Discussions were held in April-May 2008, with Territory Attorneys General, Police Commissioners and with Territory regulators. This is being followed up with a programme of bilateral engagement with the relevant Territory agencies with the aim of drawing up detailed action plans designed to improve capacity and compliance with international standards. The FCO will discuss the strategy and action plans at the Overseas Territories Consultative Council meeting in London in October 2008.

- 30. We also recommend that the FCO should continue to work with DFID to introduce a financial services regulatory regime in St Helena that is appropriate to its local economy and development.**
94. The Government accepts the recommendation, although it notes that a regulatory regime for St Helena must be compliant with international standards. The FCO will continue to assist the St Helena Government and DFID to review the current framework to ensure that the regulatory regime takes account of the nature and scale of business being done, and is consistent with international expectations related to the management of risk, anti-money laundering and counter-terrorist financing systems.

Economic diversification in the Falkland Islands

- 31. We recommend that the FCO works with the Falklands Islands government and the Ministry of Defence to ensure that the future air service allows the Islands to develop their tourism industry. We also recommend that in its response to this Report the FCO states clearly what, if any, it considers the UK's entitlement would be in respect of potential oil and gas revenue from the Falkland Islands and from other Overseas Territories.**
95. The Government fully supports the ambitions of the Falkland Islands Government to diversify its economy and expand the tourism sector. The primary task of the airbridge is to provide a safe, reliable service between the UK and the Falkland Islands in support of the British Forces in the Falklands and South Atlantic. But both the FCO and the Ministry of Defence (MOD) recognise the airbridge's importance to the social and economic development of the Falkland Islands and to the other South Atlantic Overseas Territories.
96. The National Audit Office (in November 2007) and the Public Accounts Committee (in May 2008) both recommended that the Falkland Islands should take on a greater share of the costs and risks, as well as the rewards of the airbridge service.
97. There are currently three return airbridge flights a fortnight to the Falklands from the United Kingdom, with a guaranteed number of economy seats for non-MOD personnel. With effect from 1 October 2008, this will increase to four flights a fortnight. The MOD continues to be willing to provide a service that better meets the requirements of the Governments of the Falkland Islands and Ascension Island. For example, since October 2007, premium economy seats have been available for civilian use. The MOD is also negotiating with the FCO on the future service. The FCO has ensured that the Governments of the Falkland Islands and Ascension Island are both involved in the negotiations. These negotiations are addressing, amongst other things, seat costs, the advance payment and booking mechanisms and the MOD's contract for 2008-2011.

98. The Government continues to support the Falkland Islands' right to develop their hydrocarbons resources. Hydrocarbons prospecting within the waters around the Falklands is currently in its exploratory phase. The draft new Falkland Islands constitution, which is currently being discussed with Falkland Islands elected representatives and is the subject of public consultation in the Falkland Islands, makes clear (as does the current constitution) that the people of the Falklands Islands have the right to dispose of their natural wealth and resources. In their "Battle Day Letter" of 8 December 1994 to the then Foreign Secretary, Douglas Hurd, the Falkland Islands Government offered to pay a proportion of any potential hydrocarbons revenue towards the defence costs of the Islands. Should hydrocarbons be discovered in commercially viable quantities in the waters around the Falkland Islands, the Government will want to resume discussions with the Falkland Island Government on the whole issue of the use of revenues.
- 32. We conclude that there are a number of issues to be considered, including cost, practicability, safety and environmental impact, before a decision can be taken on whether to carry out de-mining in the Falkland Islands. We therefore welcome the Government's announcement that it has sought an extension of the deadline to meet the UK's obligations under the Ottawa Convention. We recommend that the Government should discuss the results of its recent feasibility study with Falkland Islanders before coming to any decision about landmine clearance.**
99. The Government is grateful for the Committee's support for an extension to the UK's March 2009 deadline to de-mine in the Falkland Islands. The Government agrees that there are a number of issues that need to be carefully considered before any decision is taken on the way forward. As the Government's extension request made clear, the Falkland Islands residents were regularly consulted while the feasibility study was being carried out and any future decisions on de-mining in the Falkland Islands will be made in consultation with the Falkland Islands Government.

Budgetary aid

- 33. We conclude that the building of an airport and related infrastructure on St Helena could be a significant step towards self-sufficiency for the Territory. However, we are concerned about the potential capital and maintenance costs of the project and we recommend that in its response to this Report the Government provides us with figures to demonstrate that it has selected the most cost-effective option for bringing St Helena off dependency on aid. We also recommend that the Government encourages St Helena's government to include affordable housing in its Sustainable Development Programme and that it sets out in its response what action it has taken with regard to allegations of poaching in St Helena's territorial waters.**

100. The Government notes the Committee's request for figures to demonstrate that it has selected the most cost-effective option for bringing St Helena off dependency on aid. The Government has provided more than £200 million in financial and technical assistance to the St Helena government over the last 20 years. Over that same period, capital, operation and maintenance costs of providing sea access through the RMS St Helena have exceeded £100 million in current prices. The annual subsidy to the ship, before the recent increases in global fuel prices is currently around £3 million, and total annual aid to St Helena is currently around £17 million. In terms of access alone, sea access would be the least cost option to the Government in the medium term. However the island's dependence on UK aid would continue indefinitely.
101. Figures for the airport must remain commercial in confidence until the Government has completed negotiations for its design, construction and operation. The airport represents a substantial investment, and in terms of access alone it is not the least cost option. However, providing air access opens up significant opportunities for economic development on the island. Based on experience in other islands which have benefited from improved access, tourism has the potential to kick start the economy and move St Helena towards self-sufficiency and end its dependence on aid. The Government has carried out extensive financial and economic analysis to confirm that the development of air access represents the best value for money. The business case has been reviewed by the Office of Government Commerce and is subject to Treasury scrutiny. Based on the actual bids received for the airport, the project has an expected benefit to cost ratio of 1.98, and an internal rate of return of 8.5%. While the airport is a higher cost option than sea access, in terms of the projected benefits to St Helena the airport is the most cost effective option for the Government over the long term.
102. The St Helena Government recognises that housing issues need to be addressed prior to the introduction of air access. The St Helena Sustainable Development Plan (October 2007), the strategic framework for all St Helena Government policy and resource allocation, includes the need to review social housing provision and the way in which this is targeted, as well as the need for policies to govern the acquisition of land by newcomers to mitigate the impact on house price inflation. The Government provides funding for a Social Development Planner, who has been working with St Helena Government's Employment and Social Services Department to achieve the social housing objective from its 2007- 2010 Business Plan: 'Availability of quality social housing meets demand from people in genuine housing need and supports economic growth and well-being on the island'. Tasks to deliver this outcome include a review of social housing and the development and implementation of a housing policy.

103. The Government notes the request to set out what action it has taken with regard to allegations of poaching in St Helena's territorial waters. The St Helena Government is responsible for the development of the fishing industry on St Helena and for instituting protection measures within its territorial waters. However, the Government does represent St Helena's interests within the regional fisheries management organization, the International Commission for the Conservation of Atlantic Tunas. Member states of the International Commission for the Conservation of Atlantic Tunas are committed to eliminating illegal and unregulated fishing. This was demonstrated recently by the Government's action on behalf of Ascension Island, a dependency of St Helena, against a Chinese Taipei fishing vessel identified as being involved in illegal fishing within Ascension Island waters.

34. We recommend that the Government should focus funding on infrastructure in Montserrat on those areas that are most likely to assist the development of tourism on the island.

104. The Government agrees with the Committee that tourism is central to the development of Montserrat. It forms a key focus of the Sustainable Development Plan 2008 – 2010 elaborated by the Government of Montserrat following extensive consultation, including with DFID. Economic development is one of the plan's five strategic objectives that has as its first priority, "the development of adequate port and other infrastructure as well as transportation facilities that will encourage tourism development, international trade and national well being."

105. Notwithstanding the importance of tourism, in agreeing to provide funding for the Sustainable Development Plan, the Government recognises that support for infrastructure development across the full range of governmental responsibilities including education, health, housing and disaster management is necessary if Montserrat is to thrive.

106. In return for its support of the Sustainable Development Plan, the Government expects the Government of Montserrat to meet a series of benchmarks including on good governance and project delivery. The benchmarks are kept under regular review and an element of future funding is conditional on targets being met.

35. We recommend that the Government should ensure that Pitcairn residents are informed and consulted on proposals for the Island's economic development.

107. The Government agrees with the Committee that there needs to be full consultation with the Pitcairn community on proposals for the island's economic development. We see partnership between the UK Government and the island as essential to ensuring development on Pitcairn is sustainable.

108. We are currently undertaking thorough consultation on the island with regards to two major development projects, funded by DFID and the EU – provision of wind power and harbour development. The Governor's office in Wellington is keeping the island fully informed about the improvements to the shipping service the Committee notes in its report. The Government welcomes the community's input into these developments as they are vital to the shared goal of moving Pitcairn out of budgetary aid.
- 36. We welcome the Government's swift provision of emergency assistance to Tristan da Cunha following harbour damage and an outbreak of illness on the Island. We recommend that the Government continues to provide funding for projects on Tristan da Cunha, focusing on projects that will promote greater self-sufficiency. We also recommend that the FCO makes representations to China to try to open UK-China trade agreements to the sale of Tristan lobster.**
109. The Government agrees with the Committee's recommendation that it provide funding for projects focusing on promoting Tristan da Cunha's self-sufficiency. A review of Tristan da Cunha Government's budget and economic diversification in 2008, funded by DFID, highlighted a number of key areas which the FCO and DFID are working closely with the island community to address, with the aim of maintaining the island's long-term self-sufficiency.
110. Following the Administrator's austerity measures, introduced on the island in June 2008 to increase the Tristan da Cunha Government's income, the Government is funding a number of projects and government positions in line with the review's recommendations. DFID agreed to fund two expatriate Tristan da Cunha Government employees – a Director of Education and a Director of Public Works. The FCO has agreed funding for the National School of Government to visit the island and investigate possible public sector reform. There are also plans for an FCO-funded consultant to work with the island community to produce a Sustainable Development Plan. The aim of the Plan will be to provide the Tristan da Cunha Government with a clear path for the island's future and ensure the changes Tristan and the UK introduce are sustainable. DFID-funded rehabilitation work on Calshot Harbour is due to continue in January 2009, building on the excellent work that the MOD Joint Task Force completed in March 2008.

111. We note the Committee's recommendation that the FCO makes representations to China to try to open up UK-China trade agreements to the sale of Tristan lobster. We recognise that the development of Tristan da Cunha's fisheries is essential to the island's development and the FCO is working with a number of agencies and bodies including the Tristan da Cunha Government, St Helena Government, the European Commission and Ovenstone Agencies to gain accreditation for Tristan lobster to be exported to EU markets. DFID have furthermore agreed to fund hygiene training to help with the process of getting Tristan's laboratory certified to EU standards.
112. Tristan da Cunha is not covered by the UK/EU's membership of the World Trade Organisation. As a result it does not benefit from the Most Favoured Nation tariff treatment accorded by China to trade from the UK/EU. Whilst it would be possible in principle for the UK to negotiate a bilateral preferential trade agreement with China on behalf of Tristan da Cunha, it is difficult to see what Tristan da Cunha could offer the Chinese in exchange for improved market access for its lobsters. For this reason, the Government judges that it would be more advantageous in the first instance to work with the Tristan da Cunha, St. Helena and European authorities to secure improved market access for Tristan da Cunha lobsters in the EU.

Illegal immigration

37. **We recognise that immigration policy is a matter devolved to the Turks and Caicos Islands (TCI), but we conclude that given the scale of illegal immigration of Haitians into the Territory the FCO should accept greater responsibility for tackling the issue. We recommend that the FCO should provide a regular Royal Navy presence in TCI's coastal waters to assist with patrols and that it should consider with the Haitian government what further measures could be taken by the Haitian and UK governments in cooperation with each other to prevent Haitians leaving by boat to enter TCI illegally.**
113. As the Committee acknowledges, immigration policy is devolved to the Turks and Caicos Islands Government. We remain concerned about the continuing tragic trade in illegal migrants from Haiti to the Turks and Caicos Islands. However we do not share the Committee's view that the Government should accept greater responsibility for illegal migration in the Turks and Caicos Islands or the Committee's recommendation for increased Royal Navy patrols in the Territory waters.

114. The Turks and Caicos Islands already receives more visits by Royal Navy vessels than any other Overseas Territory. Any further increase in visits to the Turks and Caicos Islands would risk undermining the deterrent effect and the flexibility of patrols to respond to urgent operational requirements elsewhere in the region. It would also risk undermining the ability of Atlantic Patrol Task (North) to provide security for all Caribbean and Bermuda Overseas Territories, and in certain circumstances to provide a military response to a natural disaster within its tasking area. The Royal Navy does not have the legal authority, capability or responsibility to deal with illegal migration.
115. We continue to work closely with the Turks and Caicos Islands Government on this issue. The Government supports a programme of co-operation at both official and Ministerial level between the Turks and Caicos Islands Government and the Government of Haiti, which we hope will soon be formalised by a Memorandum of Understanding. This will focus on the need to improve the interdiction of illegal migrants and other areas of mutual interest including promoting trade, closer political co-operation and the sharing of intelligence on the smuggling of drugs and firearms from Haiti. The British Ambassador in Santo Domingo also raised this issue during a meeting with the Haitian Foreign Minister in January 2008.
116. On the scale of the problem, the Turks and Caicos Islands' Immigration Department has provided figures that show that 2028 illegal migrants were detected in 2006 and that the numbers had decreased to 856 in 2007. There are no details available for illegal migrants who have entered the Territory undetected (any estimates of total numbers must be treated with caution).

Regulation of civil aviation

38. **We agree with the Public Accounts Committee that the UK Government should not fund aviation regulation in Territories that are able to pay for this service. However, we recommend that the FCO must ensure that it responds to Territory government criticisms of the designated regulator before moving to charging for the service.**

117. Air Safety Support International, a subsidiary of the UK Civil Aviation Authority, is funded by the Department for Transport to support the development of civil aviation safety regulation in the Territories. The Government agrees that those Territories that are able to do so should fund their own aviation safety regulation. Bermuda and the Cayman Islands already meet the full costs of aviation regulation in their Territories themselves. They receive no assistance from Air Safety Support International other than in the implementation of common requirements and the development of common procedures. The British Virgin Islands has agreed to contribute \$US 644,000 per annum for the next two years (from 1 August 2008) for the regulatory services it receives from Air Safety Support International, this arrangement to be extended thereafter by mutual agreement. In other Territories, the level of regulatory assistance and advice to local Departments of Civil Aviation provided by Air Safety Support International depends on the specific requirements of each Territory. The Government will ensure that Air Safety Support International responds to Territory criticisms as they arise.
118. The Committee's report notes Falklands Islands Government concerns about Air Safety Support International. Measures have been put in place by Air Safety Support International to further improve the level of service provided to the Falkland Islands.

Sovereignty disputes

Falkland Islands

39. **We conclude that when the visit by President Kirchner to the UK is rearranged the Government must use this opportunity to raise issues of concern to the Falkland Islands. In particular we recommend that the Prime Minister calls for an end to Argentina's obstruction in relation to use of its airspace and that he also highlight potential logistical issues if Argentine families are allowed to fly in to visit graves. We also recommend that the Prime Minister should press the Argentine President to agree to the establishment of a Regional Fisheries Management Organisation for the South West Atlantic and reiterate the Islands' right to develop a hydrocarbon industry.**

119. The Government will continue to raise issues of concern about the Falkland Islands in its bilateral contacts with Argentina. The most recent ministerial contact was when the FCO Minister of State, Dr Howells, met Argentine Foreign Minister Taiana in the margins of the EU-Latin America and Caribbean summit in Lima in May 2008. Dr Howells explained that the UK wanted to make progress on flights, hydrocarbons and co-operation in the South Atlantic. But the Minister stressed that the Government's position on sovereignty and the rights of the Falkland Islanders was clear. The Government has no doubt about British sovereignty over the Falkland Islands, South Georgia and the South Sandwich Islands and the surrounding maritime areas. The principle of self-determination, enshrined in the Charter of the United Nations, underlies the Government's position. There can be no negotiation on the sovereignty of the Falkland Islands unless and until such time as the Falkland Islanders so wish.
120. The Government's position on flights to the Islands was last set out by Foreign Office Minister Meg Munn in her letter to the Argentine Deputy Foreign Minister in September 2007 in which she pointed to Argentina's objection since 2003 to charter flights to the Falkland Islands and the UK's willingness to discuss charter flights between the Islands and South America, including by Argentine carriers.
121. The Argentine government is fully aware that the Falkland Islands Government favours the Argentine Families Commission visiting the Islands by ship. There are immense logistical difficulties in organising a visit for between 600-800 people by plane to a small Territory with limited accommodation facilities. The British Embassy in Buenos Aires continues to work closely with the Argentine Families Commission to make this visit happen.
122. The Government notes the Committee's recommendation that the Prime Minister should press the Argentine President to agree to the establishment of a Regional Fisheries Management Organisation for the South West Atlantic. The Government has been pressing this issue with Argentina through the South Atlantic Fisheries Commission, since that bilateral framework was established through a Joint Statement in July 1990. Between 1999 and 2005 the issue of a high seas agreement was on the agenda of the South Atlantic Fisheries Commission several times at UK request, with the Government presenting proposals for discussion. However, in response to the decision of the Falkland Islands Government to pass new fisheries legislation in 2005, which changes the management of the Falklands fishery from a short-term licensing regime to a long-term rights-based approach, Argentina suspended the South Atlantic Fisheries Commission, pending the outcome of talks on the mandate of the Commission. These talks are ongoing. The Government is, however, continuing to press Argentina on the importance of developing a comprehensive multilateral framework, such as a Regional Fisheries Management Organisation, for the conservation and sustainable management of the fish stocks of the South West Atlantic. We will continue to do so at every appropriate opportunity.

- 123 The Government continues to support the Falkland Islands' right to develop their hydrocarbons resources within Falkland Islands jurisdictional waters. This has been made clear to the Government of Argentina.
124. There are many opportunities for co-operation with Argentina in the South Atlantic under the "Sovereignty Umbrella" established in the United Kingdom-Argentina Joint Statement of 19 October 1989, which would be of mutual benefit. The Government has made a number of recent proposals in this respect (including proposing dates for the next South Atlantic Fisheries Commission meeting, as well as continuing unilaterally to send scientific fisheries data to Argentina) and remains keen to foster a constructive relationship with Argentina and to promote practical co-operation in the South Atlantic.

Gibraltar

40. **We welcome the Cordoba Agreement and the progress being made on cooperation between Gibraltar, Spain and the UK in the Trilateral Forum. We note that the pensions settlement which was part of the Agreement was costly for the UK, but we welcome an end to the "pensions scam" and the removal of other potential liabilities on the UK. We recommend that the Government continues making strong representations to Spain and within NATO at the highest level about the unacceptability of Spain's continuing restrictions on direct naval, army and airforce movements or military communications between Spain and Gibraltar. We further recommend that the Government continues to make strong representations to Spain about its failure to recognise Gibraltar's territorial waters and its objections to international conventions being extended to Gibraltar.**
125. The Government welcomes the Committee's observations on the Trilateral Process. As we have already noted, the Cordoba agreements are on track and working well. In particular, the pensions settlement provided a full, final and equitable resolution to the long-running issue of pensions paid to former Spanish workers in Gibraltar. As the Committee notes, it removed a substantial financial liability from the UK taxpayer. Moreover, the Trilateral Process continues to make good progress. The Foreign Secretary hosted the second Ministerial meeting of the Trilateral Forum in London on 2 July 2008. Ministers agreed the broad objectives of the future agenda, which will include co-operation on the environment, financial services and taxation, judicial, customs and police co-operation, education, maritime communications and visa-related issues with a view to reaching agreements by July 2009.

126. We believe the imposition of Spanish restrictions in relation to military movements between Spain and Gibraltar is inappropriate. We therefore support the Committee's recommendation and have made representations to Spain to address the issue. We also work closely with Spain as a NATO ally and will, in this context, continue to engage with Spain to find a constructive solution.
127. We note the Committee's recommendation that the Government should continue to make strong representations to Spain about its failure to recognise Gibraltar's territorial waters. As we have made clear, the United Kingdom Government is fully confident of its sovereignty over Gibraltar's territorial waters and will continue to make this clear to Spain whenever appropriate.
128. As the Foreign Secretary set out in a Written Ministerial Statement in December 2007, we have, with the agreement of the Government of Gibraltar, concluded arrangements with Spain which provide for a system of 'post-boxing' for communications between Spanish and Gibraltar authorities under EU mixed competence conventions and other international treaties. In relation to the Committee's observation on International Conventions, we do not believe that Spain has objected to the extension to Gibraltar of any international agreement since these arrangements were concluded. Spain does, however, now make a unilateral declaration when mixed competence and other international treaties are extended to Gibraltar. These declarations, which set out the Spanish position on the nature of Gibraltar's authorities, do not have any legal force and do not affect the extension of the treaty in question to Gibraltar.

British Indian Ocean Territory

- 41. We conclude that any resolution to the UK's sovereignty dispute with Mauritius over the British Indian Ocean Territory must take Chagossians' wishes into account.**
129. The Government has no doubts about the UK's sovereignty over the Territory which was ceded to Britain in 1814 and has been a British dependency ever since. The Mauritius Government claims sovereignty over the Territory. We do not accept that this claim is valid but we have undertaken to cede the Territory to Mauritius when it is no longer required for defence purposes.
130. Any discussions about the cession of the Territory would be between the sovereign states concerned ie, UK and Mauritius. However, the views of other interested parties would be welcomed.

Seabed claims

42. **We conclude that the Government was right to submit a claim to the UN Commission for the Limits of the Continental Shelf for the seabed around Ascension Island. We recommend that the Government should submit a similar claim for the continental shelf around the Falkland Islands and South Georgia and the South Sandwich Islands. We also recommend that the Government should in its response to this Report state its current policy on seabed claims in relation to the continental shelf around the British Antarctic Territory.**
131. We are grateful for the Committee's support for the Government's decision to submit a claim to the UN Commission for the Limits of the Continental Shelf for the seabed around Ascension Island.
132. On 9 May 2008 the UK formally notified the UN Commission for the Limits of the Continental Shelf that it was not making a full submission to define the area of continental shelf beyond 200 miles in the British Antarctic Territory, but that it reserves the right to do so in the future. This is the same approach as taken by New Zealand in 2006 in respect of the Ross Dependency.
133. In respect of the Falkland Islands, South Georgia and the South Sandwich Islands, the Government is considering its approach to the UN Commission for the Limits of the Continental Shelf. The Government's plans for submission have not been finalised. The deadline for submission to the Commission for the Limits of the Continental Shelf is May 2009 and the Government will of course meet this deadline.

HMG's overall approach to the Overseas Territories

43. **We conclude that the Government has acted decisively in some Overseas Territories, for example in the investigations and prosecutions that took place on the Pitcairn Islands. However, in other cases which should also cause grave concern, in particular, allegations of corruption on the Turks and Caicos Islands, its approach has been too hands off. The Government must take its oversight responsibility for the Overseas Territories more seriously – consulting across all Overseas Territories more on the one hand while demonstrating a greater willingness to step in and use reserve powers when necessary on the other.**
134. The Government takes its oversight responsibility for the Overseas Territories very seriously and does not accept that it has been too hands off in its approach. It has responded separately in this Command Paper (paragraphs 59-62) to the Committee's conclusions and recommendations about allegations of corruption in the Turks and Caicos Islands.

135. The Government has set out its overall approach to the Territories in the introductory paragraphs of this Paper.
- 44. We also conclude that the choice of Governor for a Territory, and the levels of training and support they are given, are crucial. We welcome the recent upgrading of the Governor post in the Turks and Caicos Islands. We recommend that the FCO should give consideration to opening up appointments of Governors more frequently to candidates outside the diplomatic service. We also recommend that the Director of the Overseas Territories Directorate should become a more senior post.**
136. The Government agrees with the Committee about the importance of identifying individuals with the right experience and skills for appointment as Governors. We also agree that they should be trained and briefed to enable them to carry out their roles effectively. It is equally important for Governors to receive the full support of the Government in the exercise of their duties and for the Government to continue to monitor the levels of support needed on an on-going basis throughout Governors' postings.
137. Before taking up a posting, Governors and their staff undergo training in the key areas of importance to their Territory and spend time with relevant FCO and Whitehall departments and UK agencies. Training needs are considered throughout Governors' postings and additional training provided where appropriate, for example in areas such as financial services. Governors and Heads of their Offices also now undergo specialist pre-posting disaster management training. The FCO is currently looking into how to enhance training for Governors. Governors are also encouraged and expected to use their experience in other previous roles, whether as diplomats, aid policy officials, politicians or military officers to aid them in their roles.
138. Governors are appointed following a careful selection process. Since September 2007, all Governor positions have been advertised to all members of the Diplomatic Service and to Home Civil Servants through the Civil Service Gateway, which is also open to employees of Non-Departmental Government Bodies. The FCO considers that the post of Director of Overseas Territories is appropriately graded for the level of responsibilities.
- 45. Finally, the Committee concludes it is deplorable and totally unacceptable for any individual who has assisted the Committee with its inquiry to be subjected to threats, intimidation, or personal sanctions or violence in any form. If the Committee is informed of any such retaliatory measures being taken against any person who has submitted formal or informal evidence to this inquiry, it will take all appropriate steps within its powers.**

139. The Government strongly agrees with the Committee. It will investigate any claims that are made of threats, intimidation, personal sanctions or violence against individuals who have co-operated with the Committee's inquiry, and will pursue cases vigorously where such evidence is produced.

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