

Operational Plan 2011-2015

DFID OVERSEAS TERRITORIES DEPARTMENT

Updated June 2012

This plan will be refreshed at least annually

Contents:		
Section 1:	Introduction	1
Section 2:	Context	2
Section 3:	Alignment to DFID and wider UK Government priorities	3
Section 4:	Results	4-5
Section 5:	Delivery and Resources	6-8
Section 6:	Delivering Value for Money	9
Section 7:	Monitoring and Evaluation	10
Section 8:	Transparency	11
Annex 1:	Results Progress	

Introduction

The UK Government is determined to help reduce the inequalities of opportunity we see around the world today. We believe that promoting global prosperity is both a moral duty and in the UK's national interest. Aid is only ever a means to an end, never an end in itself. It is wealth creation and sustainable growth that will help people to lift themselves out of poverty.

In May 2010, the International Development Secretary, Andrew Mitchell, commissioned the Bilateral Aid Review to take a comprehensive and ambitious look at the countries in which DFID works through our direct country and regional programmes. The review focussed on the best ways for the UK to tackle extreme poverty, ensuring that we make the greatest impact with every pound we spend. In parallel, through the Multilateral Aid Review, DFID assessed how effective the international organisations we fund are at tackling poverty.

On the 1st March 2011, the key outcomes of the reviews were announced, including the results that UK aid will deliver for the world's poorest people over the next four years. The Bilateral Aid Review has refocused the aid programme in fewer countries so that we can target our support where it will make the biggest difference and where the need is greatest. The Multilateral Aid Review findings enable us to put more money behind effective international organisations which are critical to delivering the UK's development priorities. In addition the independent Humanitarian Emergency Response Review looked at how the UK can build on its strengths in responding impartially to humanitarian needs and help ensure future disaster responses can be better prepared and coordinated.

DFID is committed to being a global leader on transparency. In the current financial climate, we have a particular duty to show that we are achieving value for every pound of UK taxpayers' money that we spend on development. Results, transparency and accountability are our watchwords and guide everything we do. DFID regards transparency as fundamental to improving its accountability to UK citizens and to improving accountability to citizens in the countries in which it works. Transparency will also help us achieve more Value for Money in the programmes we deliver and will improve the effectiveness of aid in reducing poverty.

The UK Aid Transparency Guarantee commits DFID to making our aid fully transparent to citizens in both the UK and developing countries. As part of this commitment we are publishing Operational Plans for country programmes. The Operational Plans set out the vision, priorities and results that will be delivered in each of our country programmes.

We will concentrate our efforts on supporting achievement of the Millennium Development Goals, creating wealth in poor countries, strengthening their governance and security and tackling climate change. In addition we will fulfil our obligations to the Overseas Territories. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.

2) Context

The UK has 14 Overseas Territories, 11 of which are permanently inhabited. The UK is generally responsible for the defence, security, international relations and overall good governance of the Territories and the well-being of their citizens. All Territory citizens have automatic right to British citizenship. Each Territory has its own constitution. Unlike DFID's country aid relationships, **our support to the territories is not discretionary** and so we have limited scope to 'choose' to provide our support to one area or another. DFID's OT Department work is therefore significantly different from the rest of DFID's work.

FCO is the lead Department coordinating UK Government policy for the OTs, but the territories are an HMG-wide responsibility. The FCO is working with all Government Departments on a new strategy to underpin this Government's approach to the Overseas Territories, which was approved by the National Security Council in 2011. A new White Paper was published in June 2012.

Successive White Papers since the 1970s have committed the UK Government to meet the reasonable assistance needs of the OTs as a first call on the aid budget. The International Development Act 2002 specifically exempts aid to the OTs from the poverty reduction criteria that apply to the rest of the DFID aid budget. Three OTs have **long term financial dependency, with substantial budget deficits** due to a combination of physical inaccessibility, undiversified economies, declining populations (for example the Montserrat volcanic eruptions of 1995 to 1997 reduced the population by about two-thirds) and other severe problems (such as Pitcairn sex abuse cases). *Another, the Turks and Caicos Islands (TCI), graduated from financial support as recently as 2003 but has suffered a recent acute short term fiscal crisis. We have now entered a five year financial relationship with TCI through guaranteeing commercial bank lending.*

Three other EU member states (France, Netherlands and Denmark) have Overseas Countries and Territories (OCTs), and all but the wealthier OCTs have access to specifically earmarked European Development Fund (EDF) support. With the exception of the EU, the UK Government is the only source of grant funding for our OTs. OTs in the Caribbean region can borrow from the Caribbean Development Bank, but the OTs are not members of the IMF or World Bank and are ineligible for any other multilateral funding, such as UN climate funds.

The Government's ambitions for the OTs are set out in a White Paper "The Overseas Territories: Security, Success and Sustainability" which was published in June 2012. The White Paper conveys the Government's aspirations to see the OTs as flourishing assets that are proud of their British heritage and connections. It stresses three objectives: economic growth and development; sound management of public finances; and stronger technical support, drawing on the full range of Whitehall Departments. For DFID, Ministers have signalled a willingness to "spend to save" in OTs where conditions are right. This means considering investments that have the best chance of attracting investment and stimulating private sector-led growth in the Territories. Any significant capital investments that are made in the Overseas Territories will be based on a hard-headed assessment of the costs and benefits to the British taxpayer. In return for any major investment, OT Governments will be expected to do everything they can to reduce and eventually eliminate their dependence on UK subsidies. This thinking has informed the Government's decision to build an airport on St. Helena and will drive future decisions on investment in other Territories.

OTD also carries the **risk of contingent liability** in other, currently unaided OTs. The liability could be crystallised through natural disaster (Caribbean Territories are prone to hurricanes, and Montserrat's volcano remains active), as well as global events (the global economic downturn has especially weakened the economies of Caribbean OTs). This can lead to aid that is not oda-eligible. Of the 14 OTs, only 4 are currently oda-eligible.

Limited human capacity in the small populations of many OTs presents a significant challenge, and the UK Government is increasingly called upon to supplement this. However ultimate operating risk is considerably lower in the OTs than in DFID aided countries. OT Governments are headed by a Governor recruited by the FCO.

3) Alignment to DFID and wider UK Government priorities

Our overall vision is of flourishing and vibrant Territories freer from financial dependence on Whitehall, proudly retaining their British identity and generating wider opportunities for their people.” (One World Conservatism Green Paper). The standard DFID BAR pillars do not apply to the OTs. Instead, the priorities are as follows.

Pillar 1: To meet the reasonable assistance needs of OT citizens cost effectively

Interventions will maintain physical access to the islands, strengthen human capacity to deliver public services effectively, including health and education provision, and produce efficiency savings. We will help to reduce fiduciary risk and increase transparency and accountability of all our support.

Pillar 2: To accelerate aid-dependent OTs towards self-sufficiency

Future interventions, if approved, will provide the physical and human capital to create an economic and social hub for Montserrat and improved access for St Helena, enabling private sector-driven economic growth which will reduce aid dependency over time. Such strategic investments, which go beyond simply meeting reasonable needs, are unlikely to be appropriate for a small OT such as Pitcairn with little prospect of self-sufficiency.

Pillar 3: To manage the UK Government’s financial liability for non-aided Caribbean OTs in crisis

DFID will work with the FCO to improve fiscal management in the Caribbean OTs; strengthen public financial management and administration capacity and systems; and reduce the risk of future fiscal crises.

We will minimise the cost of our OT obligations. Options include whether or not to make a large upfront investment as described above. In St Helena and Montserrat the upfront option may make sense. In Pitcairn, which has limited revenue potential, we will continue to meet the islanders’ annual reasonable needs cost effectively, focussing our support on sea access and key workers. We will seek to broaden support OTs receive: from within the UK Government, the Caribbean region and the EU.

Gender can be an important factor in OT development. Montserrat shares many of the gender differences that exist elsewhere in the Caribbean such as boys’ underachievement in formal education and an increasing economic and social burden on women. There is a high level of female-headed households on St Helena as a result of labour migration which has split up families. Currently around 25% of children living in St Helena have one or more parents living abroad. Gender inequalities are also a likely factor in the sexual exploitation of children on Pitcairn. Our child protection work in that Territory aims to bring about a fundamental shift in behaviour. Our support to the aided OTs addresses gender equality issues, particularly through human development technical assistance.

Alignment to DFID and wider UK Government priorities

A major priority in the DFID Structural Reform Plan 2011-2015 is to *deliver on obligations to the Overseas Territories: help to provide an improved environment for economic and social development and promote self-sustainability*. The new UK Government strategy, designed to reinvigorate the relationship towards the OTs, was approved by the National Security Council (NSC) in July 2011. A new White Paper will be launched in June 2012. DFID will work with the FCO to manage its contingent liabilities in the Territories effectively, drawing on residual powers where necessary.

What we will stop doing

We will stop negotiating our financial assistance annually in Montserrat and St Helena, making our relationship a longer-term partnership with a larger part of our funding disbursed through the budget and based on joint commitments to self-sufficiency by an agreed date. This will give the OTs more flexibility and control over their budgets.

4) Results

Pillar/ Strategic Priority	Indicator	Baseline (including year)	Expected Results (including year)
To meet the reasonable assistance needs of OT citizens cost effectively	DFID Contribution of total Government Revenue	2010/11: Montserrat 60% St Helena 58 % Pitcairn >95%	2014/15: Montserrat to be agreed* St Helena 50% Pitcairn <= baseline
To meet the reasonable assistance needs of OT citizens cost effectively	% students in Montserrat passing 5 CXC -CSEC subjects (grades 1-III), including English and Maths	20010/11: 23%	2014/15: 40%
To meet the reasonable assistance needs of OT citizens cost effectively	% of diabetes patients in St Helena < 65 years of age with blood glucose levels under control (HBA1C ≤ 7.5)	2010/11: 56%	2014/15: 70%
To accelerate aid-dependent OTs towards self-sufficiency	St Helena: Construction of an airport	2010/11: Four conditions not met	2014/15 Airport embankment and concrete runway complete; terminal building 80% complete by March 2015.
To accelerate aid-dependent OTs towards self-sufficiency	Montserrat: New town and port facilities at Little Bay and Carr's Bay. Geothermal energy available for domestic consumption.	2010/11: Way forward on town and port developments, and geothermal, unclear	Ministerial decisions on public funding for Carr's Bay/Little Bay by March 2013. Results of geothermal drilling by June 2013
To ensure that DFID's \$260m guarantee for TCI Government borrowing has no cost for the UK taxpayer and ends in 2016.	TCI budget deficit/surplus before capital, debt repayments. (Deficits bracketed)	2010/11: TCI US\$ (59.4m) / £(39.6m)	2014/15: TCI US\$40.3m / £25.2m
To manage the UK Government's contingent financial liability for non-aided Caribbean OTs in crisis	Number of non-aided Territories requiring financial support from DFID.	2010/11: DFID only involved in TCI	2014/15: DFID still only involved in TCI

***Under review:** Economic assumptions underlying the previous target have not been realised (IMF report 2011). We will revise the target when growth forecasts and the likely ⁴ impact on planned investments on the economy are clearer (By end March 2013).

4) Results (continued)

Evidence supporting results

The Overseas Territories have minimal statistical capacity, with very limited qualitative and quantitative data available. However, to the extent it is possible, we will work with OT strategic economic and planning units to use evidence in the design, monitoring and evaluation of policies and programmes.

In budget aid negotiations to Montserrat, St Helena and Pitcairn, DFID and its partners will consider the following evidence to underpin its support (next to be agreed March - May 2011): statement of progress in the implementation of strategic plans; the budget outturn for the three prior financial years; macroeconomic and social statistics (GDP, GNP, Inflation), remittance data and the findings of recent Household Income Expenditure Surveys; data on public sector remuneration (likely to include supporting evidence such as pay and grading analysis, review of staffing levels, key posts and potential skills gaps); tax and non tax data (tax base, tax receipts, sea access income, expenditure and balance).

Monitoring and evaluation systems are built into OTD's technical assistance programmes, particularly on health and education.

DFID funded evidence suggests that St Helena has been suffering economic and social decline, with increasing levels of outwards migration and GDP per capita decreasing to around £3900. An airport is the best way to bring new financial opportunities to the island, not least an increase in tourism. The airport should eventually make the island financially independent. Supporting evidence includes: Atkins Feasibility Study (2004); Catherine Leech St Helena Tourism Development Plan 2010-2015 (2009); Economic Appraisal of Access Options (2010, 2011) The evidence base for an airport is strong and helped to inform the International Development Secretary's approval for St Helena Government to sign a contract in November 2011 with Basil Read (Pty) Ltd for the Design, Construction and Operation of the airport.

Value for Money (VfM) rationale

For each currently financially dependent OT, the single most important VfM issue is the choice mentioned above, between giving a relatively small amount of money each year or a much larger amount of money up front to buy out the future annual needs. Should the proposed "up front" approach, via relatively large infrastructure investments go ahead on Montserrat we will need to ensure that they are economical, efficient and effective. This has been the case for the St Helena Airport where we went to great lengths to get the least cost and least risk construction option and ensuring that the Saints take on their responsibility to develop tourism.

In TCI our scheme potentially delivers an extreme example of Value for Money. It would have been normal for DFID to have provided grant funding at a cost of £160m, probably spread over several years. Instead, the approach keeps the pressure on TCIG to deliver a fiscal surplus quickly and so save the UK taxpayer £160m.

5) Delivery and Resources

The department is located in Abercrombie House, East Kilbride (although 3 project staff and the Deputy Director remain in London). There are also DFID representatives on St Helena and Montserrat.

DFID is committed to helping aid-dependent territories, wherever possible, achieve self sufficiency and graduation from aid. Montserrat, St Helena and Pitcairn need aid to balance their budgets, guarantee reliable access to the islands and develop their economies. There are also threats to the fiscal stability of some Caribbean Territories including TCI and Anguilla. The geographical spread (Caribbean, South Atlantic and South Pacific) and the size of the Overseas Territories portfolio (£50.5m in 2009/10) does not justify programmes being managed from the islands themselves. OTD's internal programme structure is built around three programme teams: Southern Oceans; Montserrat; and Caribbean Overseas Territories At Risk, with advisory staff providing specialist inputs across the whole programme.

DFID's **programme funding** to the aid-dependent OTs is largely delivered as **budget aid** to help balance their budgets. This is currently negotiated annually, based on a DFID assessment of reasonable needs. In addition, DFID provides **technical assistance** to improve governance and public financial management, improve the quality of basic services such as health and education, foster economic growth and address critical staff gaps. The constrained labour markets and limited human capacity in the OTs present a significant challenge. OTD continues to explore innovative ways to broaden the resource pool from which our partners can draw. The proposed capital investments in Montserrat and St Helena in particular – and to a lesser extent the governance reforms in the Caribbean OTs - will require considerable imported human capital. Our current **capital funding** is provided for maintenance and expansion of essential infrastructure, including roads, water, power, waste and buildings. We have traditionally provided capital funding in the form of **discrete projects**, however we recently agreed with St Helena Government to provide capital funding through **budget aid** to give them greater flexibility and control to deliver their strategic infrastructure plan. We intend to do the same with Montserrat and work is underway on a physical development plan. Work has now begun on the construction of an airport on St Helena. Montserrat has signalled its intention to request additional DFID funding for the development of a new capital and port at Little Bay, however this project has yet to be fully developed and appraised. The EU is another important financier of capital projects in both the oda and non-oda eligible OTs, through funds specifically earmarked within EDF.

We will engage with partners to broaden the support OTs can receive. We will: strengthen the OT involvement of regional bodies such as the IMF-funded Caribbean Regional Technical Assistance Centre (CARTAC), the East Caribbean Central Bank and the Caribbean Development Bank; and will work to get the best deal for OTs from the EC's review of the 2001 Overseas Association Decision. Where OTs are ineligible for international funding (for example for climate change) due to their constitutional relationship with the UK, we will ensure they receive appropriate UK assistance, including access to the UK Government's International Climate Fund for the oda-eligible OTs.

DFID carries the risk of contingent liability in the OTs. This can lead to unexpected calls on DFID's budget, including from OTs that are not oda-eligible. Of those territories that DFID does not currently aid only Anguilla is oda-eligible. So aiding any other OTs will present DFID with a major funding problem. We have averted this in the case of TCI through the use of a loan guarantee. This will appear as a footnote on DFID accounts as a contingent liability but needs no budget.

5) Delivery and Resources (continued)

Overseas Territory	2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL	
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000
TOTAL	45,000	13,887	45,000	57,594	45,000	90,101	45,000	62,200	45,000	45,200	180,000	255,095

Operating Costs

	2010/11	2011/12	2012/13	2013/14	2014/15	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Frontline staff costs - Pay	240	1,270	1,703	1,321	1,348	5,642
Frontline staff costs - Non Pay	100	280	297	280	280	1,137
Administrative Costs - Pay	1,400	120	101	125	127	473
Administrative Costs - Non Pay	618	190	27	190	190	597
Total	2,358	1,860	2,128	1,916	1,945	7,849

(1) Given the UK Government's obligations towards to Overseas Territories, DFID might be asked to pay for costs which can not be easily predicted.

5) Delivery and Resources (continued)

Efficiency savings

Administrative Cost Savings Initiative	2011/12		2012/13		2013/14		2014/15	
	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000
Reduction in Consultancy Payments	240		240		240		240	
Reduction in Travel		150		150		150		150
Reduction in Training								
Reduction in Estates & Property Costs								
Reduction in costs - Office Restructuring	108		81		52		23	
Other Reductions								
Total	348	150	321	150	292	150	263	150

1. In addition, OTD has made significant savings on accommodation overheads by relocating to Abercrombie House, however these benefits will accrue to DFID centrally and are not reflected in the table.

6) Delivering Value for Money

Drawing on our own skills & expertise, and that available centrally within the Division, in economics, procurement, results & statistics, and working closely with the FCO, we will develop a comprehensive VfM strategy during 2012.

In TCI we have developed what is, for DFID, a highly innovative approach to getting VfM. Instead of a grant we have guaranteed bank lending. We have therefore kept TCIG in touch with commercial borrowing markets to which they will be able to return once they have a sustainable fiscal surplus. This approach tackles the problem of a potential dependency relationship and could save the UK taxpayer £160m or more.

Build our own capacity for VfM delivery

Identify VfM roles, related core skills and individual skills deficits across the OTD teams.

Identify tailored VfM training as appropriate for staff according to role and skill gaps.

Identify VfM success criteria, according to role, that can be used in staff performance management forms.

Conduct a VfM review and forward look annually.

We will harness Corporate and Divisional financial improvement strategies and tools to ensure we have the correct systems, procedures and practice in place to drive continued improvement in financial management. This includes the DFO and Corporate Manager working more closely with the divisional accountant, ensuring programme managers and advisers are involved in setting quality base forecast and monthly budget discussions with programme managers and HoD

Strengthen our VfM analysis

OTD will continue to structure its VfM analysis around the Treasury's and National Audit Office's concept of the "3 Es" – Economy, Efficiency and Effectiveness

- Economy** – ensuring that we source inputs at the lowest possible price. Expenditure on capital projects is an important aspect of OTD's work. We are ensuring that capital project inputs of the correct specification and quality are procured at the lowest possible price. For instance, the St Helena access project has been the subject of an OGC Gateway Review. Amongst other areas, this looked at the procurement plan, and suggested some improvements.

- Efficiency** – ensuring that the ratio between inputs and outputs is as low as possible. OTD's project preparation is already delivering efficiency indicators that can be used for monitoring purposes during project implementation. In addition, we are working on a standard set of social and cost indicators to ensure the reasonable needs of OT citizens are being met at least cost to UK taxpayers.

- Effectiveness** – the relationship between inputs and the achievement of desired impacts. Although external influences mean that OTD does not have direct control over the achievement of its strategic objectives, OTD's careful use of option, design and risk appraisal during project conception and preparation mean that the chance of successfully achieving ultimate Value for Money is greater, and that the generated benefits justify their costs. OTD is ensuring that its economists have the required appraisal skills, and if necessary, is requiring their attendance on DFID's appraisal course. Furthermore, OTD is spreading awareness of appraisal to admin and non-economist advisers through seminars and on-the-job training. The link with evidence generated by post-project evaluation evidence is essential in influencing maximum effectiveness. As more evaluation becomes available, OTD will be careful to feed it back into subsequent appraisals.

Promote VfM when working with others

OTD will continue to partner with organisations that have procurement expertise to deliver VfM. A strategic partnership with the Caribbean Development Bank is currently being pursued in the financing and procurement of new power generation capacity for Montserrat to get the best VfM on the overall funding package.

7) Monitoring and Evaluation

Monitoring

How – The OTD Operational Plan and Results Framework will be monitored through our programme monitoring and evaluation systems. Each programme has a logical framework with robust quantifiable indicators and targets which are sex-disaggregated where appropriate.

Who – Responsibility for monitoring lies with OTD staff and programme partners, sourcing independent reviewers for our larger and more complex programmes. To facilitate lesson learning we will ensure teams undertaking reviews of projects over £1 million include at least one member from another OT team to build structured lesson learning. We will also seek participation in project reviews from other staff across the Division.

When – Programme level monitoring will be through continuous annual reviews.

What action results – Poorly performing projects will continue to have an improvement plan in place within 8 weeks of review. Projects with consecutive scores of 3 or less will be considered for closure. All reviews will be published on the DFID website. A strategic programme review in 2010 assessed the extent to which current OTD investments are at risk from climate change; these recommendations are being turned into actions during 2012.

Evaluation

Drawing on our own skills & expertise, and that available centrally within the Division, in economics, evaluation, results & statistics, we will develop a comprehensive Evaluation Plan during 2012. This will establish a systematic decision making process and agree criteria to determine priorities with an indicative schedule. This could include:

- Our two major possible investments, St. Helena airport and Montserrat Little Bay, which will have substantive M&E components built into their design.
- An OTD wide evaluation of budget aid (50% of our expenditure), or a joint evaluation with our partner governments of the efficiency and effectiveness of public expenditure as a whole.
- Thematic evaluations of OTD Education, Health and Public Sector Reform portfolios to strengthen the evidence of their effectiveness in meeting reasonable needs and improving public service delivery.
- The new programmatic approach to infrastructure maintenance that we introduced in St Helena in 2009/10 and will look to replicate this in Montserrat. An evaluation of the effectiveness, efficiency and impact of this shift in St Helena could be evaluated in 1+ year from now.
- Our overall support to Pitcairn, or our refurbishment of Tristan da Cunha's harbour.
- Our regional programmes on a case by case basis, perhaps jointly with our implementing partners.

Building capacity of partners

We will work with partner OTs to develop their capacity in monitoring and evaluation, informed by a needs assessment to be carried out during 2012. This will include offering technical assistance and training where needed. We will continue to use and support the development of M & E systems within the territories, to use these systems as the basis for our own performance reporting and to plan and implement our evaluations as joint exercises – making all results publicly available. We will consider establishing a partnership with the University of the West Indies to provide a platform for technical assistance, training and support to OTs in the region, and seek other ways to pool lesson learning and encourage knowledge transfer between the South Atlantic territories.

8) Transparency

Transparency is one of the top priorities for the UK Government. We will ensure that we continue to meet our commitments under the UK Aid Transparency Guarantee including publishing detailed information about DFID projects, including programme documents and all spend above £500. We will continue to ensure that information is accessible, comparable, accurate, timely and in a common standard with other donors and that we provide opportunities for those directly affected by our projects to provide feedback.

Publication of information

- We will meet the commitments made by DFID in the UK Aid Transparency Guarantee by publishing detailed information of all new programmes on the DFID website, as well as details of all programme and admin spend over the £500 threshold.
- We will continue to ensure that all project performance reviews and evaluations will be published on the DFID website from 1 April 2011, except where there is a compelling reason to withhold it (for example the St Helena air access project is highly commercially sensitive during the tender period). In the latter case we will find other forms of independent verification, such as the NAO, to satisfy the government's transparency commitments
- We will ensure that all information in the public domain is comprehensive, accessible, accurate and timely.
- We will publish a summary of this Operational Plan on the DFID website.

Supporting transparency in our work

- We will increase opportunities for those directly affected by our projects to provide feedback on the performance of those programmes. We will do this through the project review process.

Supporting transparency in others

- We will work with Overseas Territory partner governments and implementing partners of co-funded projects to improve their standards of transparency in continuation of the objectives of the Aid Transparency Guarantee.
- We will influence Territory governments, through our engagement on public financial management, to provide their citizens with a greater range of budget documents in a more timely and user-friendly manner, including the publication of programme-based budgets linked to medium-term policy and planning documents.
- We will also encourage and support Territory governments to:
 - meet their own commitments for delivering greater transparency in procurement, through full advertising, declarations of interest and publication of contracts awarded;
 - support production of timely and published audit reports, including Value for Money audits;
 - promote strengthening integrity systems, for example declaration of assets;
 - encourage, where appropriate, compliance with international standards on tax transparency.

Air Access for St Helena

In preparation for the development of air access for St Helena, DFID and the St Helena Government agreed a Memorandum of Understanding (MoU) in December 2010 setting out reforms required to open up St Helena's economy and increase tourism. Key to this are: (i) increased transparency in land development, immigration and investment policies and procedures; and (ii) improved communications and information sharing with the public and private sectors on proposed reforms and the benefits of air access and economic growth. DFID agreed through the MoU to support the St Helena Government to deliver these commitments. In September 2011, we judged that significant progress had been made. In 2012/13 and beyond, DFID technical co-operation will continue to support this transparency agenda.

Annex 1: Results Progress

Progress towards headline results – one year on*

Indicator	Baseline (including year)	Progress towards results (including year)	Expected Results (including year)
DFID contribution to total government revenue	Montserrat 60% St Helena 58% Pitcairn > 95% (2010/11)	Montserrat: Economic assumptions underlying the previous target have not been realised (IMF report 2011). Target to be revised when growth forecasts and the likely impact on planned investments on the economy are clearer (By end March 2013). St Helena: 54% Pitcairn: On track ALL (2011/12)	Montserrat target to be confirmed St Helena : 50% (2014/15) Pitcairn < baseline (2014/15)
Percentage of students in Montserrat passing five CXC-CSEC subjects (grades 1-III)	23% (2010/11)	26% passed 5 CXC –CSEC subjects (grades 1-III), including English and Maths (2011/12)	40% (2014/15)
Percentage of diabetes patients in St Helena below 65 years of age with blood glucose levels under control (HBA1C<7.5)	56% (2009/10)	Gradual improvements observed in diabetes related health statistics (2010/11)	70% (2014/15)
Construction of an airport on St Helena	No airport (2010/11)	On track: a contract to design, construct and operate an airport was signed in November 2011	Airport embankment and concrete runway complete; terminal building 80% complete by March 2015
New town and port facilities in Montserrat Geothermal energy available for public consumption	Way forward on town and port developments and geothermal unclear	Good progress: In April 2012 the Government of Montserrat signed a Memorandum of Understanding, which sets out planned reforms	Ministerial decision on public funding for Carr's Bay and Little Bay taken by March 2013. Results of geothermal drilling by June 2013
TCI budget deficit/surplus before capital, debt repayments (deficits in brackets)	US\$ (59.4m)/£(39.6m) (2010/11)	TCI remains on track to achieve a fiscal surplus in 2012/13 despite worse than expected budget performance in 2011/12	US\$40.3m/£25.2m (2014/15)
Number of non-aided Territories requiring financial support from DFID	DFID only involved in TCI (201/11)	On track: TCI remains the only one of the four "At Risk" Overseas Territories where DFID is involved	DFID still only involved in TCI (2014/15)

* These results may not be directly aggregatable with other country results due to different measurement methodologies