

**INDEPENDENT ANALYSIS FOR PUBLIC CONSULTATION ON  
THE OVERSEAS TERRITORIES**

FEBRUARY 2012

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## KEY FINDINGS

The consultation respondents included a wide range of stakeholders, including private individuals and diaspora from 11 British Overseas Territories, inhabitants of the UK as well as Territory governments and non-governmental organisations. From 284 submissions, 517 responses were gathered to the six areas of inquiry.

Due to their comparatively large populations, the majority (64.9%) of responses were from Territories in the Caribbean and Bermuda. Inhabitants from the United Kingdom accounted for 15.9% of responses.

Most responses were received privately via email (55.9%), followed by comments submitted via the Overseas Territory Consultation website (31.0%).

Overall, respondents expressed a number of challenges that are both overarching, and Territory-specific. Stakeholders generally express the need for the UK to facilitate and guide processes to overcome challenges raised. Specific issues are listed below, based on consultation responses and related to the consultation's six areas of inquiry:

### Challenges:

- The greatest challenges to economic development include economic diversification, infrastructure needs and the global financial crisis.
- With regards to everyday life, the Territories are most challenged by crime, cost of living, and unemployment.
- Corruption and election franchising prove most difficult for Territories when dealing with politics and government.

### Cooperation with the UK:

- Territories identified law enforcement, defence/security, and the Spanish threat to Gibraltar as the most significant areas for cooperation with the UK.
- In addition to policing, greater collaboration should occur with regards to law enforcement, poor education standards, and economic diversification.
- The UK could strengthen cooperation and partnerships with the Territories via audits, policing and constitutional reform.

### Governance, financial management and economic planning:

- Transparency, poor planning and corruption were the most prominent issues raised in relation to good governance. These issues were also highlighted as priorities for improvement.
- To strengthen these areas, suggestions for UK involvement included provision of audits and advice.

### External Support:

- Respondents claim that existing sources of external support are beset by limited access or eligibility to assistance from the EU. Poor communication was also noted as an issue.
- Requests for the UK involvement include improved communication on available support, and greater access to EU assistance.

### Cooperation between Territories:

- Assistance following natural disasters, improved skills and knowledge sharing, and policing represents the greatest areas for increased inter-Territory cooperation.
- Respondents claim that the greatest levels of support amongst Territories are evident following natural disasters. Three respondents noted that minimal support is offered overall.

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### **Global Profile of the Territories:**

- Respondents noted that Territory successes are currently promoted via tourism promotion, through use of an established reputation, and via self-marketing efforts.
- International profiles of the Territories could be advanced through expansion of Territory diplomatic responsibility and greater awareness of the Territories in the UK. Territory inhabitants believe that both these ideas would be facilitated by UK support.

## **METHODOLOGY**

### **Scope of the consultation**

The Foreign and Commonwealth Office explained:

“This consultation is a part of a wider effort by the Foreign and Commonwealth Office (FCO) to bolster the relationship between the United Kingdom (UK) and the British Overseas Territories. It is understood that each of these relationships must be tailored to the unique issues and local challenges faced by each Territory. Thus, this consultation specifically aims to gather and analyse views and opinions from a variety of stakeholders (including UK citizens, inhabitants of the Territories and relevant non-governmental organisations) in relation to the Territories, to assist the development of relations between each Territory and the UK.”

### **How the consultation was carried out**

The consultation was launched on 27 September 2011 and concluded on 31 December 2011 and was widely publicised via local media and through various websites. The deadline was extended in Gibraltar until 20 January 2012. During the consultation period responses were submitted via the [Overseas Territories Consultation website](#), email to the FCO or by post. Responses sent via email or by post were deemed private unless otherwise stated.

Comments posted to the website were deemed public; public commentary as well as the name and location of respondents were published to the website following their compliance with FCO moderation policy. There were 7,993 visits to the website from 6,262 unique visitors, according to Google Analytics. A complete list of respondents submitting comments publicly can be found in the appendix.

Web respondents were not required to answer every consultation question; and a section entitled “Additional comments” was provided on the consultation website for respondents to submit commentary they felt was unrelated to the six areas of inquiry (or 16 pre-determined questions). Only comments relating to furthering the goals of the Territory strategy were included.

A number of responses referenced the sovereignty of Gibraltar and the Falkland Islands. The FCO on 14 October intervened by stipulating on the web platform that “the consultation platform was established for discussion on how to progress the three policy aims of the new Overseas Territories Strategy, and not a consultation on the sovereignty of the Territories”. Therefore such responses were deemed to be outside the scope of the consultation and have been excluded from this analysis.

Email and post responses could be submitted in free form, but most structured their responses by utilising the areas of inquiry and consultation questions as headings.

In addition, individual residents of the crown dependencies (namely, Jersey, Guernsey and the Isle of Man) contributed responses – all of which were read and included where relevant to this report.

## Trufflenet Methodology

A Trufflenet analyst read each consultation *submission* (285 total, excluding three local/parallel consultations from the Cayman Islands, the British Virgin Islands and Gibraltar) and noted all issues raised by respondents when relevant to one of the 16 consultation questions. Areas of each submission deemed relevant to a consultation question constituted a *response*. Submissions were applied as responses to as many of the questions canvassed in this report as possible (where relevant) in order to most thoroughly analyse the range of views and opinions available. Thus, 285 submissions resulted in a total of 517 responses across the 16 consultation questions – a ratio of 1.81 responses per submission. In a small number of cases, submissions were deemed irrelevant to the consultation's area of inquiry and thus did not contribute any responses.

A level of duplication existed among respondents, as some individuals responded multiple times via the same channel or submitted through different channels in order to thoroughly represent their views. As the consultation process was a qualitative exercise, use of all submissions from a single respondent was seen to enhance, rather than exaggerate, the insight gleaned.

The charts in this report aggregate the range of issues and ideas expressed by consultation respondents. Each issue is listed alongside the volume of responses that raised the issue ('frequency of mentions'); and in most cases, the total volume of mentions is larger than the total number of responses, as each response typically raised more than one issue.

The report only draws on issues raised in the submissions. Where statements are made, or organisations are referred to it should be assumed that this was the opinion of the respondent(s) and not that of the FCO or Trufflenet.

## BREAKDOWN OF REPONSES BY TERRITORY

| <b>Territory/Location</b> | <b>Number of responses</b> | <b>% out of number of responses</b> |
|---------------------------|----------------------------|-------------------------------------|
| Cayman Islands            | 182                        | 35.20%                              |
| British Virgin Islands    | 104                        | 20.12%                              |
| United Kingdom            | 82                         | 15.86%                              |
| Bermuda                   | 50                         | 9.67%                               |
| Anguilla                  | 23                         | 4.45%                               |
| Saint Helena              | 19                         | 3.68%                               |
| Gibraltar                 | 14                         | 2.71%                               |
| Montserrat                | 11                         | 2.13%                               |
| Falkland Islands          | 10                         | 1.93%                               |
| Turks and Caicos          | 7                          | 1.35%                               |
| Rest of the world         | 7                          | 1.35%                               |
| Pitcairn Islands          | 6                          | 1.16%                               |
| No location disclosed     | 2                          | 0.39%                               |
|                           | 517                        | 100.00%<br>n=517                    |

## BREAKDOWN OF RESPONSES BY SUBMISSION TYPE

| <b>Submission type</b>         | <b>Number of responses</b> | <b>% out of number responses</b> |
|--------------------------------|----------------------------|----------------------------------|
| Email                          | 289                        | 55.90%                           |
| Website submission             | 160                        | 30.95%                           |
| Official government submission | 55                         | 10.64%                           |
| Post                           | 13                         | 2.51%                            |
|                                | 517                        | 100.00%<br>n=517                 |

## SUMMARY OF RESPONSES

### 1. CHALLENGES

#### 1a. What are the main challenges facing your Territory / the Territories in relation to economic development?

This question generated the greatest volume of discussion topics. In total, 41 different issues were raised. The main concerns were the need for economic diversification and improvement of infrastructure, each mentioned 16 times.

##### A. Economic diversification

The need for a diversified economy was one of the two most commonly cited challenges inhibiting economic development in the British Overseas Territories. Twenty per cent of the responses to this question mentioned this topic. For some, the main concern was identifying alternatives to tourism, mentioned directly in 11 responses to this question. The official submission of the Premier of the British Virgin Islands – which drew on a local consultation exercise – noted that the contraction of tourism and financial services has had “multiplier effects across all sectors of the society”.

The topic was also raised prominently in the official response by the government of the Cayman Islands and by individuals – often based in the Caribbean and Bermuda. As a member of the Anguillan diaspora said, the:

*“Economy is too dependent on the tourism sector, and as a consequence is at the mercy of the global economy. It is crucial that Anguilla develops a long-term economic plan and a more diverse economy to enable the economy to withstand future global economic downturns.”*

The Government of Gibraltar reflected that it previously had been encouraged by the UK government to diversify its economy and had tried to do so. However, it expressed concern that strategies to diversify towards financial services, and then online gaming had been undermined by the Treasury.

Economic diversification was raised by a wide variety of respondents to the consultation. It was a concern for residents of the UK (12.5%) of as well as the Overseas Territories. The official submissions by the governments of the Cayman Islands, Falkland Islands, the British Virgin Islands and Anguilla expressed concern, as well as Non-Governmental Organisations (NGOs).

##### B. Infrastructure

Concern about poor quality, or lack of sufficient infrastructure also attracted a significant volume of discussion – mentioned 16 times - one in five responses to this question. The Saint Helena Tourism Association highlighted the importance of funding projects to protect the “extraordinarily rich” historical sites of “global significance”, and the need to maximise the opportunities provided by the construction of an airport. The Government of Anguilla, like a third (37.5%) of all the responses which noted infrastructure as a challenge, linked infrastructure to challenges facing the tourism market and called for support to build an airlift on the island.



Submissions from seven Territories noted infrastructure as a challenge; the majority of these came from the British Virgin Islands, Saint Helena and the Cayman Islands.

### C. Challenges for government

A number of responses mentioned specific challenges facing the governments of the Overseas Territories, and the UK government, in relation to improving Territorial economic circumstances. Concerns over the global financial crisis were raised in 11 submissions, whilst a further seven suggested that they were facing long term economic decline. Three submissions raised concerns about high unemployment whilst others discussed the weakness of the financial sector.

The cost of living in the Territories was raised in four submissions and the cost of petrol was raised twice. In a comment posted on the website, one respondent listed the challenges as she saw them related to each other:

*“...high (increased) cost of living, low wages compared to cost of living. No employment available for school leavers due to people over 60 still holding post. “*

Some respondents considered that governments faced particular challenges in good governance, which added to the economic difficulties for the Territories. Eight responses suggested that the governments of the Overseas Territories were overspending. A private submission drew attention to a number of allegations against the governments of the Caribbean Territories and Bermuda, but believed that these accusations were based more on rumour than fact. Five comments suggested that an absence of good planning by government was a barrier to economic development.

A small number of responses highlighted the challenges presented by trade relationships for the Territories. The cost of importing goods was mentioned as a barrier to economic improvement by four respondents; and two others highlighted the challenge of improving economic performance whilst neighbouring countries were also suffering problems.

### D. Public services

A number of submissions drew attention to problems in public service delivery and the impact of these issues on economic development. Specifically, five private individuals mentioned poor education standards, whilst a further three were concerned about poor healthcare in the Overseas Territories. The British Red Cross, in its submission, drew particular attention to the “the increasing prevalence of non-communicable diseases”, the challenge of HIV in Caribbean Overseas Territories and Bermuda, and the risk of an outbreak of cholera in a Territory such as the Turks and Caicos Islands. The NGO believed:

*“Although consideration has been given to managing a cholera outbreak in this Territory, practical actions to prepare for such an eventuality are less evident.”*

### E. Structural challenges

Structural challenges were prominently discussed in a number of responses. Sixteen responses highlighted issues concerning the demographic or population profile of the Territories. Six respondents in the Caribbean and Bermuda raised concerns about high

levels of immigration into the islands, with a particular focus on older British citizens who were considered a financial burden due to welfare payments.

For other Territories a low or shrinking population was the concern. For example, the Mayor of Pitcairn Islands suggested that without remedial action the population would decrease to a level where the islands would be uninhabitable. He warned that the UK would “lose a culture, a language, a unique way of life”.

Environmental issues were raised in three responses. The British Red Cross highlighted the risks of natural disasters facing the Caribbean Territories and Bermuda in particular. The UK Overseas Territories Conservation Forum called for specific attention to be given “to environment and biodiversity conservation, given the general recognition of the global and local importance of the rich but vulnerable biodiversity of the UKOTs”. Furthermore, the forum suggested that the Overseas Territories were of “much greater global significance for biodiversity” than the UK mainland, but had previously not been regarded as a priority in government policy.

For some of the respondents, the challenges were structural because they were inherently associated with the nature of being an island. Six responses drew attention to their Territories’ geographic isolation, whilst three were keen to point out that their Territories’ were entirely dependant on the outside world for economic survival and assistance. A few responses which called for greater diversification of Territories’ economies also promoted the idea of improved or more extensive farming in order to achieve a greater level of self-sufficiency.

## Conclusion

The global economic downturn was cited as an underlying factor in a number of submissions, but many issues appeared to be more structural. A large portion of economic concerns related to problems that required long-term solutions, and highlighted the need for diversification of the economy, or improved infrastructure to support a new economy. This was particularly important for those who noted demographic challenges – both from immigration and an ageing population. Although some responses raised issues that were unique to particular Territories, many respondents’ concerns were closely mirrored in submissions from other Territories.

| <b>Challenges to economic development</b> | <b>Frequency of mentions</b> |
|---|------------------------------|
| Economic diversification                  | 16                           |
| Lack of/ poor Infrastructure              | 16                           |
| Global financial Crisis                   | 11                           |
| Weak tourism sector                       | 11                           |
| Territory government overspending         | 8                            |
| Economic decline                          | 7                            |
| Need fiscal regulation                    | 6                            |
| Geographical isolation                    | 6                            |
| High immigration                          | 6                            |
| Weak financial sector                     | 6                            |

|   |     |
|---|-----|
| Lack of/poor government planning              | 5   |
| Poor education standards                      | 5   |
| Cost of living                                | 4   |
| Import costs                                  | 4   |
| Low/shrinking population                      | 4   |
| Ageing population                             | 3   |
| High unemployment                             | 3   |
| Dependant on outside world                    | 3   |
| Poor healthcare standards                     | 3   |
| Business overheads                            | 3   |
| Overpopulation                                | 3   |
| Money taken out of Territories by individuals | 3   |
| Social segregation                            | 2   |
| Cost of fuel                                  | 2   |
| Tarnished by tax haven image                  | 2   |
| Poor trade in the Caribbean and Bermuda       | 2   |
| Environmental degradation                     | 2   |
| Extraterritoriality legislation by US/EU      | 2   |
| Climate change                                | 2   |
| Blanket UK policies                           | 2   |
| Competition from other countries              | 2   |
| Need financial infrastructure                 | 1   |
| Foreign contracts                             | 1   |
| UK/US protectionism                           | 1   |
| Natural disaster                              | 1   |
| Argentine economic threat                     | 1   |
| Low wages                                     | 1   |
| Corruption                                    | 1   |
| Fiscal regulation by UK                       | 1   |
| Losing tax advantage                          | 1   |
| Internet access                               | 1   |
|   | 164 |

## **1b. What are the main challenges facing your Territory / the Territories in relation to everyday life?**

There were 65 responses that could be loosely organised into three key areas: quality of life issues, economic challenges and public services.

### **A. High crime rate**

A high crime rate in various Territories was discussed more frequently than any other issue, mentioned within 41 of responses to this question. However, over half of the concerns regarding crime were raised in submissions from the Cayman Islands. The Cayman Islands Government, which conducted its own parallel consultation, highlighted public safety and the rise of crime as a significant challenge, and advocated the development of a long term strategic plan to tackle this, and other issues faced by the Islands. Many responses which identified crime as an issue also did so with particular reference to either violent, gang or organised types.

The Bermuda Industrial Union considered violent crime a short term challenge. However, another Bermudan resident commenting on the website expressed concern that:

*“The Bermuda Government is not doing enough and I fear there is only more to come if drastic measures are not taken now. No proud Bermudian wants our home to become another Jamaica.”*

### **B. Cost of living**

The cost of living was the second most frequently discussed issue, mentioned in 24 of the responses to this question. This issue concerned stakeholders in a variety of Territories. The official response from the Government of Anguilla and Falkland Islands residents highlighted the high cost of food, which was associated with the lack of local produce.

For some respondents, the cost of living was about equity. One comment on the website read:

*“The cost of living is way too high. The Cayman Islands is a world leading financial center (sic) and a global player. There is no level playing field where every day living is concerned.”*

### **C. Other economic issues**

High unemployment was raised in 11 responses. In a private submission, an NGO in the Caribbean Territories and Bermuda suggested that employment prospects had been worsening for some time, leading to the closure of shops, and other negative impacts on tourism. Half of all submissions that mentioned unemployment also suggested that the issue was a contributor to high crime rates in the Territories.

The third most frequently mentioned economic issue was the fear that ex-patriot workers were undercutting the pay of local workers. A total of eight submissions, largely from residents of the Cayman Islands, mentioned this concern and two respondents from the Cayman Islands proposed the introduction of a minimum wage to combat the problem. The official response from the Government of the Cayman Islands noted:

*“Striking the appropriate balance between attracting qualified and expert labour from overseas and, in the process of so doing, not obstructing the progress and development of the local workforce remains an elusive task and one that would seem to be central to any successful economic planning in the Cayman Islands.”*

#### D. Public services

A large number of submissions considered that poor quality public services were a key challenge negatively affecting everyday life in the Territories. Low standards of education and healthcare were each mentioned in seven of the responses to this question. The Tristan Island Council and Chief Islander stated:

*“Tristan is likely to need, for some time, technical assistance in the school (there are no teachers trained to current UK standards); in the hospital (no nurses trained to current UK standards)”.*

However, low standards in public services were not just related to the difficulties in identifying sufficient numbers of high quality staff. A submission from the Cayman Islands suggested:

*“The Cayman Islands Government (CIG) should revamp the way that scholarship funding is awarded to students who want to further their studies.”*

The Government of the British Virgin Islands’ consultation identified the need for education reform and the utilisation of modern classroom technologies.

Four responses called for better infrastructure to improve everyday life such as water and sewerage systems, (mentioned in two private submissions) electricity, and roads. These concerns were particularly prominent amongst comments from residents of the British Virgin Islands. This was echoed in the government’s submission which pointed out:

*“A serious technical and vocational component to education is required that would lead to trade certification in needed areas”.*

#### E. Other quality of life issues

Perceived social segregation was of interest to eight respondents to this question. A Bermudan NGO suggested that racism was a short term challenge; and in a private submission, a resident of the British Virgin Islands expressed a belief that xenophobia was increasing.

Welfare support and poor quality housing were issues mentioned within a small number of responses. Although these topics were not raised in high volume, they nevertheless reflect the broad range of issues faced in relation to everyday life in the Territories.

#### Conclusion

The high crime rate was raised as a concern for the more populous Territories, particularly in the Caribbean and Bermuda; with some associating the issue with the economic challenges facing the Territories. The cost of living and high unemployment were cited as the greatest challenges to everyday life, whilst smaller Territories also shared concerns around public services – though these were not unique to less populous islands.

| <b>Challenges to everyday life</b>                            | <b>Frequency of mentions</b> |
|---|------------------------------|
| High crime rate   | 41                           |
| Cost of living  | 24                           |
| High unemployment   | 11                           |
| Ex-pats undercutting local workers' pay                       | 8                            |
| Social segregation  | 8                            |
| Poor healthcare standards                                     | 7                            |
| Poor education standards                                      | 7                            |
| Infrastructure  | 4                            |
| Environment   | 3                            |
| Communications infrastructure                                 | 3                            |
| Need media regulation/misuse                                  | 1                            |
| Poor services generally                                       | 1                            |
| Lack of welfare   | 1                            |
| Difficulty in attaining Territory citizenship for UK citizens | 1                            |
| Poor housing  | 1                            |
| Overpopulation  | 1                            |
| Weak defence/security   | 1                            |
| Lack of constitution  | 1                            |
|   | 124                          |

### **1c. What are the main challenges facing your Territory / the Territories in relation to politics and government?**

#### **A. Corruption**

Corruption was the main challenge to politics and government, cited in 28 responses. In that group, half did not mention any additional challenge. Of those that did mention another challenge, lack of transparency was most frequently associated - highlighted in ten submissions.

NGO Transparency International called on the UK government to do more work with the Territories to tackle corruption. It warned that failure to do so could mean that the Territories “continue to be vulnerable to corruption and also become complicit in exacerbating corruption in other parts of the world.”

Seven private responses raised general concerns about political cronyism, whilst the same number of respondents believed that party politics had damaged the governance of the country. A submission from the Anguillian Diaspora suggested that “the political climate is particularly vicious at present”.

## B. British Indian Ocean Territory

The eviction of former Chagos Islanders was the second most mentioned issue in response to this question, cited in 13 different responses. Where a location could be identified, these responses were from UK residents, none of which mentioned any other issue in response to the consultation.

Two NGOs raised concerns about the British Indian Ocean Territory, with one suggesting:

*“...that a viable resettlement is possible but will require limited government support and funding. We in the UKChSA, believe that an initial ecologically sustainable community could be established as a 'bridgehead' on the outer islands.”*

## C. Citizenship-related issues

A number of submissions raised unique issues which were broadly related to citizenship. These included the lack of a sense of nationhood, and difficulties for residents of the Cayman Islands in obtaining UK citizenship.

Franchise issues were raised in 12 submissions – the third most prominently discussed issue. They were largely centred on the eligibility of Territory residents to vote in a range of elections. Half of these responses expressed a strong opinion for or against the extension of voting rights. Four were in favour of offering voting rights to long term residents whilst two believed that the franchise should be limited to ‘natives’.

Threats to Territory sovereignty were raised among four respondents. Two responses noted Argentinian threats to the Falkland Islands, while two was concerned with Spanish claims to Gibraltar.

## D. Transparency

Eleven responses discussed the need for greater transparency within Territory government systems. In a private submission, a resident of Anguilla believed that politicians paid themselves undisclosed sums in salaries and allowances. However, a second Anguillan resident believed that the failure of previous UK governments to tackle corruption meant that the local government should be given more powers to do so.

## E. Ineffective government administration

Nine responses expressed concerns regarding an absence of effective planning by governments in Overseas Territories. The Government of the Cayman Islands echoed concern raised during its parallel consultation that the failure to produce audited accounts in a timely manner had been a problem, and continued:

“Despite recent improvements in Government’s performance in this regard, this remained an issue and was, for some, a contributory factor to problematic economic planning”

Similarly, a private submission from the Cayman Islands suggested that the government was “extraordinarily profligate” and believed that a disproportionate number of voters employed in government jobs were a contributory factor in the lack of effective administration.

The government of Anguilla drew attention to the “apparent dysfunctional working relationship” between itself and the UK government, as well as between particular ministers.

## Conclusion

The most discussed challenge facing political systems and governments of Territories was corruption. Specific allegations were not mentioned in any volume, but an absence of transparency exacerbated the sense that governments were not working effectively.

| <b>Challenges related to politics and government</b>       | <b>Frequency of mentions</b> |
|--|------------------------------|
| Corruption   | 28                           |
| Former Chagos islanders                                    | 13                           |
| Electoral franchise  | 12                           |
| Transparency   | 11                           |
| Unclear/poor constitutional arrangement                    | 10                           |
| Lack of/poor government planning                           | 9                            |
| Negative effects of party politics                         | 7                            |
| Political cronyism   | 7                            |
| Government overspending                                    | 4                            |
| Argentine threat (Falklands)                               | 2                            |
| Blanket UK policies inappropriate for Territory situations | 2                            |
| Territory citizenship difficulties                         | 2                            |
| Poor education standard                                    | 2                            |
| Lack of notion of nationhood                               | 2                            |
| UK interference with government positions                  | 2                            |
| Spanish threat (Gibraltar)                                 | 2                            |
| High crime rate  | 1                            |
| Dysfunctional UK/Territory relationship                    | 1                            |
| Environmental degradation                                  | 1                            |
| Foreign contractors used by Territory governments          | 1                            |
| Saint Helena transport infrastructure                      | 1                            |
| Poor justice system  | 1                            |
| Military capacity  | 1                            |
| Need welfare system  | 1                            |
| Overpopulation   | 1                            |
| Social segregation   | 1                            |
|  | 125                          |



## **2. COOPERATION WITH THE UK**

### **2a. What are the most important areas of cooperation between your Territory / the Territories and the UK?**

There was little agreement within responses raising the most important areas of cooperation between the Territories and the UK. In total, 26 different areas were mentioned and none were mentioned on more than nine occasions.

#### **A. Law enforcement**

Law enforcement was considered the most important area of cooperation, raised in nine submissions. However, all of these submissions came from residents of the Cayman Islands and British Virgin Islands, with one private submission from the British Virgin Islands suggesting the UK strengthen its cooperation with local police as recent events on the island had caused an increase of crime which local authorities were incapable of handling. The submission from the Premier of the British Virgin Islands noted that the police force's "clearance rate" was below norms in other countries. A private submission from the Cayman Islands expressed a similar opinion, noting that "skills related to the gathering and effective protection of solid evidence is lacking."

#### **B. Defence and security issues**

Six submissions considered cooperation on defence and security issues particularly important. Although governments, namely those of Anguilla, Bermuda, and the Cayman Islands, were in favour of cooperation, few submissions suggested particular means for strengthening partnerships in this area, in the respective submissions. However, The Government of Bermuda set out five particular areas where it suggested the Bermuda Regiment would wish to strengthen support: training courses, equipment, ammunition and pyrotechnics, increasing the number of operations / attachments and hosting British military units.

A further six submissions discussed the Spanish threat to the sovereignty of Gibraltar, with one in particular expressing a "wish the UK would be more vociferous and vigorous in getting Spain to renounce all of its anachronistic claims on Gibraltar". The Government of Gibraltar stated that it wished to see the UK taking a "more robust" position towards Spain. The Committee of 'Integration with Britain Movement' and 'Association for Autonomy and Representation at Westminster' stated that only "a visible and apparent perpetual and unbreakable 'link' between Gibraltar and the UK" would secure Gibraltar's long-term security and stability.

An opportunity for cooperation between the UK and Overseas Territories on diplomatic representation was cited in four submissions. One of which was a resident of the British Virgin Islands, who suggested the islands needed support and guidance from the UK to help its international relations. The Falkland Islands Government suggested that political assistance and "much diplomatic effort" would be required to ensure that communications and logistical supply lines are not disrupted.

#### **C. Environmental degradation**

The fourth most frequently mentioned area for cooperation was environmental protection. The official submission by the Tristan Island Council and Chief Islander noted that after “many years of neglect” the Island was now receiving support from the UK government, and praised the role of NGOs such as the Royal Society for the Protection of Birds (RSPB) in helping tackle environmental threats.

In its submission the RSPB suggested that environmental governance could be strengthened through the engagement of the Department for Environment Food and Rural Affairs (DEFRA) in developing the Overseas Territories’ Biodiversity Strategy and Governors. The Society also advocated greater co-operation between the Territories to share best practice and drew attention to the role for a strong civic society to ensure continued good governance.

These comments were echoed in the submission from the UK Overseas Territories Conservation Forum which pointed out that “the FCO thus has a dual role both in providing support and in making sure that appropriate support is provided by other government departments and by NGOs.”

The UKOTCF recognised the UK’s assistance to Ascension and Henderson Islands had helped tackle invasive species but called for “regular funding be made available to meet this aspect of HMG’s global responsibilities for biodiversity conservation, and that HMG also support work in the UKOTs on prevention of arrival of invasive species.”

#### D. Administrative support

A number of respondents suggested the UK government could make greater efforts to provide support for running good quality public services, echoing responses to previous questions. Four suggested help specifically for the education provision whilst three advocated wider skills and knowledge sharing between the Territories and officials in the UK government. The Government of Bermuda suggested that the UK government could help the Territory to reform the civil service whilst the International Financial Centres Forum proposed the UK government conduct impact assessments to inform policy formation in the Overseas Territories.

Softer, diplomatic support was requested from a small number of submissions. A private respondent from Bermuda expressed a belief that the UK was not representing Bermuda’s financial interests sufficiently – particularly in relation to its low tax regime, whilst another believed that the UK could do more to promote tourism to the area.

#### Conclusion

The areas that were identified as important for cooperation were often specific to the circumstances of an individual Territory, such as law enforcement in particular Caribbean Territories and Bermuda. However, what many of the submissions had in common was a recognition that the expertise of the UK government could assist the Territories in tackling some of their challenges – whether in public service delivery or wider government administration.

| Important areas of cooperation | Frequency of mentions |
|--------------------------------|-----------------------|
|--------------------------------|-----------------------|

|  |    |
|--|----|
| Law enforcement                              | 9  |
| Defence/security                             | 6  |
| Spanish threat (Gibraltar)                   | 6  |
| Environmental degradation                    | 5  |
| UK citizenship rights for Territory citizens | 5  |
| Diplomatic representation                    | 4  |
| Education                                    | 4  |
| Finance                                      | 4  |
| Trade  | 4  |
| Skills and knowledge                         | 3  |
| Communications infrastructure                | 2  |
| Constitution                                 | 2  |
| Economy                                      | 2  |
| Immigration                                  | 2  |
| Tourism                                      | 2  |
| Natural disaster relief                      | 2  |
| Access to UK institutions                    | 1  |
| Advice/guidance                              | 1  |
| Argentine threat to the Falkland Islands     | 1  |
| Financial auditing                           | 1  |
| Civil service reform                         | 1  |
| Culture                                      | 1  |
| Customs (import/export)                      | 1  |
| Relationship with DFID                       | 1  |
| Economic diversification                     | 1  |
| Media cooperation                            | 1  |
|  | 72 |

**2b. In what areas would you like to see greater engagement and interaction between the UK and your Territory/the Territories?**

Areas for greater engagement between the Territories and the government could be identified in responses to previous questions. There were 28 unique areas mentioned in the 63 responses received to this question.

**A. Law enforcement**

Twelve responses suggested that law enforcement provided an opportunity for greater interaction between the UK and the Overseas Territories. The majority of those requesting greater collaboration were private individuals rather than official submissions. One private submission, received from the Cayman Islands, suggested that the UK Government was not currently meeting its obligations tackling drug smuggling or training police, and needed to focus more heavily on training local police as opposed to relocating them from other countries. In a similar spirit, a private submission from Bermuda suggested that the Governor could do more to take responsibility for the police force on the island.

## B. Improving public services

The opportunity to improve education services was the second most mentioned area for greater engagement and interaction (11 total responses). Requests for greater engagement came from a variety of parties, including private individuals from the Cayman Islands (45.4%), the British Virgin Islands (27.3%) and the UK (9.1%) as well as the Chief Islander of Tristan da Cunha and the Government of Bermuda. Many of these responses expressed a desire for services in the Territories to match the quality of those found in the UK.

A response on the website suggested that support for young people was a particular priority and mentioned the role of community centres in providing such support. Another online submission suggested that residents of the Overseas Territories could have the right to be educated in “any part of the British country (sic)”.

Six responses mentioned scope for further cooperation in providing health services. A private submission suggested that health insurance for residents of the Territories is integrated so that the benefit scheme matches provisions to citizens in the UK.

The Government of Bermuda also suggested that alongside the support it could provide for public services, the UK government could also provide specific advice for the rehabilitation of offenders – an issue not mentioned in other submissions.

## C. Economic diversification

The Mayor of Pitcairn’s response was one of seven which suggested that the UK government could do more to assist the Territories in diversifying their economies. In his formal submission, the Mayor wrote:

*“We need increased training in mentoring, capacity building . . . in the areas of economic and business development (in both the public and private sectors)”.*

A response on the website suggested that greater cooperation between all parties could assist the economic development of the Territories and suggested “sharing of studies undertaken (often at considerable public expense), [and] alignment of Economic Development Strategies”, whilst another proposed “sector growth through industry diversification and also introduction of new industries eg light industries”.

## D. Citizenship

Six responses called for unified citizenship across the UK and the Overseas Territories. A response on the website suggested “the “you” and “us” mentality (on all sides) is what keeps the relationships between all our regions so “archaic”. Another response suggested that the Virgin Islands and the United Kingdom integrate to one nationality. The Chairman of the All Party Parliamentary Group on the Overseas Territories called for all flags of the Overseas Territories to be displayed for the Trooping the Colour ceremony and all appropriate state occasions. Two respondents suggested that the relationship between France and its Territories could serve as a model for the UK.

## E. Transparency in the relationship between the UK and Overseas Territories

Six responses advocated greater transparency in the relationship between the UK and the Overseas Territories. For Christian Aid, a participating NGO, transparency was one of the critical issues for ensuring the effectiveness of the financial sector in the Overseas

Territories. It called many of the Territories “high secrecy jurisdictions” and suggested that by “signing the Multilateral Convention on Mutual Assistance in Tax Matters, Territories could reduce the reputational risk of maintaining financial secrecy, as well as provide information that would be effective in reducing tax dodging elsewhere.” In summary, the NGO believed that greater transparency would enhance the credibility of the financial services sector in the Territories.

Four responses suggested that the UK should focus on auditing the accounts of Overseas Territories, with one respondent suggesting that the UK’s role as auditor was more important than the UK involvement in advising the Territories.

## Conclusion

Areas identified as being priorities for greater engagement and interaction were not necessarily those which had previously been identified as the most important areas of cooperation. Whilst many of the issues could be understood as appeals for greater assistance from the UK government, there were also areas where respondents wanted the UK to show more leadership – on issues such as unified citizenship and promoting transparency in the Territories.

| <b>Areas for greater engagement and interaction</b> | <b>Frequency of mentions</b> |
|---|------------------------------|
| Law enforcement                                     | 12                           |
| Poor education standards                            | 11                           |
| Economic diversification                            | 7                            |
| Unified citizenship                                 | 6                            |
| Poor healthcare standards                           | 6                            |
| Transparency in UK/Territory relationship           | 6                            |
| Audit   | 4                            |
| Environment   | 4                            |
| Constitutional reform                               | 4                            |
| Defence   | 3                            |
| Territory media service                             | 3                            |
| Greater BOT involvement in FCO decision making      | 3                            |
| Tourism   | 3                            |
| Infrastructure                                      | 3                            |
| Do more within current mandate                      | 2                            |
| Access to UK institutions/expertise                 | 2                            |
| Skills and knowledge                                | 2                            |
| Lack of equal treatment of Territories by UK        | 1                            |
| Counter tax haven image                             | 1                            |
| Natural disaster relief                             | 1                            |
| Combat tax evasion                                  | 1                            |
| Corruption  | 1                            |
| Diplomatic representation                           | 1                            |

|                     |    |
|---------------------|----|
| Trade               | 1  |
| Diplomatic autonomy | 1  |
| Anti-segregation    | 1  |
| Economy             | 1  |
| Healthcare          | 1  |
|                     | 92 |

## 2c. How can the UK and your Territory / the Territories strengthen cooperation and build more effective partnerships?

Among 52 responses to this question, respondents mentioned 30 different issues. There were 34 responses from residents of the Territories and the UK which mentioned issues connected with sovereignty. There were a range of views expressed, none of which were mentioned in more than a quarter of responses. Half were split between those in support of either full integration or total opposition to independence. The remainder expressed interest in maintaining the status quo, or providing the Territories greater autonomy or representation.

### A. Effective audit and regulation

Twelve responses mentioned the importance of the UK government regulating and auditing Territory government – the most discussed issue in response to this question. The issue was raised, mainly in private submissions, by residents of the Cayman Islands (6 responses) the British Virgin Islands (4) and Montserrat (1). One Cayman resident asked how the Caymans could be a major financial centre without audited accounts and why the UK “appears to condone this?”

Five responses that drew attention to the role that transparency could play in strengthening cooperation and building more effective partnerships. In its submission, Transparency International proposed that:

*“The UK Government should continue to work with other vulnerable OTs to ensure that each has a regulatory capacity that is commensurate with its financial centre operations; and that practical training and technical assistance are provided for this purpose.”*

However, a minority of submissions expressed concern at implementing tighter auditing or greater transparency. Gerry Farara QC argued in his delivery of the 24<sup>th</sup> Frederick Pickering Memorial Lecture (the text of which was provided as a submission) that the UK government should aim to assist and strengthen the institutions of the Territories rather than take decisions on their behalf.

Three responses mentioned that the UK was attacking the low tax status of Overseas Territories which were largely reliant on the financial services sector for their economic well-being. One private respondent even stated that regulation in the Overseas Territories was “way better than anything done in London” and that the UK should realise it was a success story.

### B. Law enforcement

The opportunity for cooperation in law enforcement was again noted as an important issue – mentioned in six responses, thus making it the second most discussed issue (alongside

constitutional reform) in this section. One private respondent, who lived in the Cayman Islands, was concerned that the current model of cooperation between the UK and the Cayman Islands Police Service was failing, and that recent visits and consultations had not yielded satisfactory results. In particular, respondents focussed on up-skilling the existing workforce – in areas such as forensic science – in order to ensure that the Island could provide services to other Territories in the Caribbean and Bermuda.

#### C. Advice and support

Christian Aid thought that the UK government could do more to provide advice and support to the Overseas Territories. It advocated the formation of “multilateral information exchange agreements” would help develop revenue services in the Territories, a point supported by four additional respondents who saw this as a means to strengthen cooperation and partnership. In a private submission a resident from the British Virgin Islands suggested that the UK government could do more to help the island’s international relations by using its seat at diplomatic meetings to “promote the BVI as a ‘good’ place to do business”.

#### D. Citizenship issues

There were a number of responses that raised citizenship issues which did not require major constitutional change. Two respondents called for full citizenship rights for UK citizens in the Overseas Territories, with one respondent asking on the website:

*“Why should UK citizens not have equal rights to those of Overseas Territory Citizens? An OT Citizen has full rights to a UK Passport but as a UK Citizen it is quite difficult for me to settle long-term or permanently in some of the OT’s.”*

Two further responses called for reform of driving licences. For example, a private respondent drew attention to what he saw as an inconsistency of approach where UK residents residing in the Caymans are able to exchange their licences but only a few Overseas Territories have a reciprocal agreement with the UK for the exchange of licences.

#### E. Specific suggestions

A small number of respondents made very specific suggestions which, by their nature, were not reflected in volume but could nevertheless strengthen cooperation between the UK and the Overseas Territories. One advocated more official visits, whilst a second called for a student exchange programme with the UK.

The Saint Helena Tourism Association and the Falkland Islands Government both expressly supported an extension of the National Lottery to the Overseas Territories in order to enable the ‘good causes’ grant to fund key strategic priorities in the Territories; and two responses called for improvements to media services for the Overseas Territories.

#### Conclusion

Having the UK act as an auditor for the Overseas Territories was particularly important to respondents in the Caribbean Territories and Bermuda. Transparency was closely connected to this issue, although a minority were concerned that too much transparency would undermine a competitive edge for the Territories. Law enforcement continued to be raised as an opportunity for strengthening the relationship, as it was in answers to previous questions.

| What the UK can do to strengthen cooperation | Frequency of |
|--|--------------|
|--|--------------|



|  | <b>mentions</b> |
|--|-----------------|
| Audit  | 12              |
| Law enforcement  | 6               |
| Constitutional reform  | 6               |
| Advice   | 5               |
| Transparency   | 5               |
| Do more within current mandate   | 4               |
| Cease attacks on low tax status of Territories reliant on financial services | 3               |
| Education  | 3               |
| Territory citizenship rights for UK citizens                                 | 2               |
| Greater involvement in decision making                                       | 2               |
| Remove BA monopoly   | 2               |
| Funding  | 2               |
| Territory media service  | 2               |
| Tourism  | 2               |
| Driving licence policy reform  | 2               |
| Support economic diversification   | 2               |
| More education about Territories in UK                                       | 1               |
| Transparency laws  | 1               |
| Official visits  | 1               |
| Clear structure  | 1               |
| Student exchange   | 1               |
| Student loans  | 1               |
| Extend national lottery to Territories                                       | 1               |
| Natural disaster relief  | 1               |
| Healthcare   | 1               |
| Combat tax evasion   | 1               |
| Other UK departments engage  | 1               |
| Anti-corruption  | 1               |
| Give greater diplomatic autonomy to Territories                              | 1               |
| Provide infrastructure   | 1               |
|  | 74              |



### 3. GOVERNANCE, FINANCIAL MANAGEMENT AND ECONOMIC PLANNING

A total of 56 responses to this question were collected, with the largest proportion from the Cayman Islands (20). Approximately two thirds of responses were private email submissions in which some respondents expressed particular concern for their personal privacy.

#### **3a. How do you assess the quality of good governance, public financial management and economic planning in your Territory / the Territories?**

Most respondents appear to have interpreted the question as an invitation to assess the quality of good governance rather than suggesting means (or a framework) by which the quality could be assessed.

##### **A. Transparency and accountability**

The issue most frequently mentioned (22 total responses) in response to this question was the need for transparency and accountability within the governance structure of the Overseas Territories. Many respondents saw this as a failure of systems rather than the fault of particular individuals. In a private submission from the British Virgin Islands, one respondent suggested that poor management of records makes it harder to manage public spending and thereby decreases accountability and transparency.

The Government of the Cayman Islands echoed concerns heard from residents in its local consultation; specifically that “the sentiment most often expressed and which came through prominently in the feedback was a desire for greater transparency and accountability throughout Government.”

A small volume of respondents implied that these issues had improved in recent years. However, a comment on the website from a resident of the Cayman Islands noted “we still have some work to do in this area, primarily because the system of accountability does not work effectively or efficiently within government”.

Difficulty experienced regarding transparency and accountability was not considered to be identical in each Overseas Territory. One respondent suggested that the Government of Anguilla had promised, and failed to deliver, a freedom of information law. However, the same respondent also suggested that the equivalent law in the Cayman Islands could prove as a model and that assistance could be sought from that Territory.

Two responses mentioned that the challenge of transparency was not solely confined to the public sector. A response on the consultation website called for a reform of Company Law to make clear the identity of directors.

##### **B. Poor planning**

The second most discussed issue was poor planning, generating 18 total responses. An environmental body suggested that good governance of the environment was hampered by a “[l]ack of appropriate project/plan assessment and approval processes which create inconsistencies in decision making”. This was echoed in a private submission also from the Cayman Islands, from a person who believed that politicians often began projects that were scrapped by new administrations, at significant cost to the taxpayer. The challenge of

planning for effective environmental management was also mentioned in the submission by the UKOTCF.

In another private submission, a respondent suggested that the lack of a national economic plan for a Territory hampered its prospects of economic growth. Others, including the Government of Anguilla, drew attention to the absence of planning in the short tenures served by senior civil servants.

### C. Corruption

Eight responses, mostly contained to the Caribbean Territories and Bermuda, expressed concern about corruption. One respondent suggested that local politicians should be banned from dealing in property whilst serving in public office and another advocated a ban on politicians simultaneously drawing a salary as well as a pension. There were very few allegations of corruption against specific individuals and these were brought to the attention of the relevant officials at the Foreign and Commonwealth Office.

One response suggested a high level of political cronyism currently exists, while another thought that there was inadequate leadership in the Territories. Two further responses believed that corruption allegations were the result of a lack of trust towards the governments in the British Overseas Territories.

### D. Overspending

There was concern amongst six respondents that the governments of the Overseas Territories were overspending. A submission from a group in Bermuda highlighted the absence of clear understanding regarding the levels of debt in the country, and suggests that the Government had been overspending for a decade. A private submission from the British Virgin Islands noted similar concerns in relation to overspending, allied to an absence of transparency.

### E. Good governance

Whilst most of the responses to this question considered the quality of governance to be poor this was not the case universally. Five submissions identified a good overall standard of governance; for example, a Bermudan NGO thought that the country was performing 'as well as could be expected'.

The Government of the Falkland Islands recorded that, following recent constitutional revisions in 2010, the Islands had worked with the UK government to improve good governance, public financial management and economic planning, whilst recognising that it was a continual process and there was more to be done.

Three additional respondents suggested that the UK government could do more to assist the Territories with good governance. One suggested that there was a lack of consultation by the UK government, whilst the other suggested that the autonomy of the islands was not respected.

### Conclusion

The majority of respondents used this question to criticise the administration of the Overseas Territories, drawing attention to what they believed to be an absence of transparency and accountability. Perceptions of corruption and cronyism were more prevalent than specific allegations, but such assertions lent themselves to a prevailing sense that Territory governments struggled to plan adequately for the future.

| <b>Issues mentioned in relation to assessment of good governance, public financial management and economic planning</b> | <b>Frequency of mentions</b> |
|---|------------------------------|
| Transparency/accountability   | 22                           |
| Poor planning   | 18                           |
| Corruption  | 8                            |
| Overspending  | 6                            |
| Good overall standard of governance   | 5                            |
| Constitution  | 3                            |
| Education   | 2                            |
| Lack of trust towards Territory governments   | 2                            |
| Need UK advice/guidance   | 1                            |
| Political cronyism  | 1                            |
| Good relationship with DFID CEO (Tristan da Cunha)  | 1                            |
| Direct contact with officials*  | 1                            |
| Environmental degradation   | 1                            |
| Inadequate Territory leadership   | 1                            |
| Infrastructure  | 1                            |
| Lack of common settlement/policy  | 1                            |
| Lack of consultation by UK  | 1                            |
| Lack of respect from UK   | 1                            |
| Website*  | 1                            |
|   | 77                           |

### **3b. What are the priorities for improvement?**

This question prompted fewer responses than the previous one, with 32 responses in total. However, the three most mentioned priorities reflected the agenda described in the previous question, namely better planning, greater transparency and a focus on tackling corruption. In total, there were 21 different issues highlighted in response, most of which were mentioned by less than three respondents.

#### **A. Planning**

This was the top priority for improvement mentioned in ten responses to this question. The Government of Anguilla believed that “the institutional and legal framework and mechanism needs to be further developed to achieve more effective interdepartmental and interdisciplinary human development planning, including strengthened arrangements for the inclusion of the private sector and civil society in the process.” A private submission asserted that effective planning required the government to outline its annual budget for approval by parliament and have quarterly statements as well as annual audits.

#### **B. Transparency and corruption**

Nine responses considered transparency a priority for improvement in governance whilst four mentioned the need to tackle corruption. The majority of those discussing such a need saw transparency as a key mechanism for achieving this.

A private submission from the British Virgin Islands called for the UK to take a closer look at the administration of the island. It expressed concern that a continuation of current practices could lead to the UK government needing to intervene directly, as it had in the Turks and Caicos Islands.

### C. Economic improvement

A number of submissions were about disparate issues, but they all, in essence, related to economic improvement. Two respondents mentioned the need for greater economic diversification whilst a further two called for improved trade within the region (the Caribbean and Bermuda). A private submission from the UK called for greater financial education in the Territories to ensure fiscal stability.

### Conclusion

The three most discussed priorities for improvement matched the three areas that were of most concern in relation to good governance, namely planning, transparency and corruption. However, there was also a collection of responses that highlighted the importance of economic improvement.

| <b>Priorities for improvement</b>  | <b>Frequency of mentions</b> |
|------------------------------------|------------------------------|
| Planning                           | 10                           |
| Transparency                       | 9                            |
| Corruption                         | 4                            |
| Diversification                    | 2                            |
| Constitution                       | 2                            |
| Education                          | 2                            |
| Expand electoral franchise         | 2                            |
| Overspending                       | 2                            |
| Trade                              | 2                            |
| Advice/guidance                    | 1                            |
| Common settlement policy           | 1                            |
| Crime                              | 1                            |
| Environmental degradation          | 1                            |
| Economic growth                    | 1                            |
| Healthcare                         | 1                            |
| Infrastructure                     | 1                            |
| More government services provision | 1                            |

|                              |    |
|------------------------------|----|
| Need fiscal self sufficiency | 1  |
| Revenue generation           | 1  |
| Support for small business   | 1  |
| Give citizens a voice        | 1  |
|                              | 47 |

### 3c. How can the UK best work with your Territory / the Territories to strengthen these areas?

Among 24 responses to this question, ten areas that could be strengthened by UK involvement were identified. Whilst there was some overlap between answers to this question and previous answers, more specific ideas were recommended for cooperation with the UK government.

#### A. Advice and guidance

The submissions from the governments of the Territories favoured advice and guidance from the UK government, rather than a formal auditing role. There were concerns that the Territories lacked the administrative capacity to adhere to best practice. The Cayman Islands government noted that:

*“...the difficulties that the Civil Service has had in adjusting to the demands of the Public Management and Finance Law and the provision of accurate and timely financial reports, which were regularly cited as a concern”.*

#### B. Financial auditing / transparency

Eight responses suggested that the UK government should play a role in the financial auditing of the Territories. Private responses received from the British Virgin Islands accounted for three quarters of these responses, followed by Bermuda and the Cayman Islands. Many of these responses suggested that citizens lacked sufficient power to hold their governments to account and considered the UK government more powerful or effective in this regard.

However, two responses suggested that the UK government might not be best-placed to undertake such a task, with one respondent suggested that the FCO had failed to tackle a previous case of corruption on the Falkland Islands. One of the private responses subsequently offered an alternative solution – that the UK government should appoint a board of independent directors to scrutinise public expenditure in the Overseas Territories. In the respondent’s opinion this would provide greater expertise and credibility than civil servants in the UK or the Territories being given responsibility for auditing.

Three submissions suggested greater transparency, which could be interpreted as an alternative means of ensuring good governance. One of these submissions, from the Government of the Cayman Islands, suggested “the focus should be that even the perception of corruption” – because any perception of corruption would be damaging. The Government advocated a package of reforms including the development of a Statement of Good Governance Principles, annual audits of accounts and independent voices on the Public Accounts Committee.

### C. Subsidiary issues

A number of NGO representatives signed a single response that advocated the FCO having a greater role in conducting due diligence on private sector partners with the Overseas Territories, whilst expressing concern:

*“...about the potential use of Foreign and Commonwealth Office-linked secrecy jurisdictions such as the British Virgin Islands, the Cayman Islands, and others to process the proceeds of criminal activity in the natural resource sector.”*

A private submission believed that a different choice of governors would lead to better governance, whilst another suggested the UK government could be more effective in its advocacy for Overseas Territories when it engaged with supranational bodies.

### Conclusion

Many responses considered audits to be the most useful contribution by the UK government. However, a similar number of respondents favoured a softer approach with the UK government solely providing advice and guidance.

| Areas for UK involvement                                  | Frequency of mentions |
|---|-----------------------|
| Advice/guidance   | 9                     |
| Financial auditing of Territories                         | 8                     |
| Transparency  | 3                     |
| Trade   | 1                     |
| Conduct due diligence into Overseas Territories' partners | 1                     |
| Infrastructure  | 1                     |
| Advocacy in international organisations                   | 1                     |
| Appoint better governors                                  | 1                     |
| Engagement  | 1                     |
| Common settlement/policy                                  | 1                     |
|   | 27                    |

#### 4. EXTERNAL SUPPORT

##### **4a. What do you think of the quality and range of external support (i.e. support other than from the UK) available to your Territory / the Territories, including from regional bodies, the Commonwealth and the European Union?**

This question attracted the fewest number of responses of any question thus far in the consultation, generating a total of 24.

Overall, the eight different issues raised show that there is either a lack of awareness or understanding of external support opportunities, or that current support arrangements are poor.

Seven responses discussed the Overseas Territories' relationship with the European Union (EU), amongst which four highlighted the importance of the EU and called for further assistance. The official submission from the Tristan Island Council and Chief Islander noted that "Tristan is encouraged by the response of the EU to certification of the fish factory and its product and would like to see progress speeded up. Tristan would welcome a visit by EC/EU officials to see the island and experience the effect of its unique situation and isolation."

The Mayor of Pitcairn suggested that bureaucracy within the EU was hampering Island growth and, in particular, was delaying the development of a new harbour. The Mayor was concerned that:

*"When we have started dealing with these external bodies the Islanders expectations have been raised only for their aspirations to turn to cynicism because of bureaucratic delays".*

In addition to two government responses, residents of the Cayman Islands (2 mentions), Gibraltar (1 mention) and the UK (1 mention) in particular felt as though the British Overseas Territories received minimal levels of support. This sentiment was also supported in responses from the Cayman Department of Environment and the Government of Anguilla.

Despite recognition of CARICOM support by the Cayman Islands (three responses) and the British Virgin Islands (two responses), most expressed negative sentiment toward the organisation's efforts.

Only two submissions suggested that support from external organisations was not required. For one in particular, this notion was more a matter of priorities than cynicism about the usefulness of such support. The respondent suggested that until the administration of the British Virgin Islands had been reformed, the external assistance would be wasted.

#### Conclusion

A lack of awareness of the existing support, or a perception that such support was of little value, meant that many respondents may not have been able to answer the question directly. Due to the fact that poor communication was cited as a challenge in six responses, it was clear that any additional support would need to win the confidence of residents of the Overseas Territories.



| Quality and range of external support | Frequency of mentions |
|---------------------------------------|-----------------------|
| EU Access/Eligibility                 | 7                     |
| Poor communication                    | 6                     |
| Minimal support provided              | 6                     |
| CARICOM                               | 5                     |
| Poor UK commitment                    | 3                     |
| Support not needed                    | 2                     |
| CDB and Canada                        | 1                     |
| Poor BBC access                       | 1                     |
|                                       | 31                    |

#### 4b. What can the UK best do to help Territories access external support?

A total of 27 responses were gathered for this question, which generated 12 different suggestions for UK support in this area.

##### A. Improved communication

The most frequently mentioned area in which respondents believed the UK could assist the Territories was improved communication regarding support, thereby reinforcing opinions in the previous question – that communication was currently poor. The submission by the Anguillan Diaspora suggested:

*“The UK can better support Territories to access external support by providing timely advice on the availability of such support, and the technical assistance where possible to access that support.”*

The need to improve communication was raised by eight respondents, usually in private submissions, from the Cayman Islands, the British Virgin Islands and Anguilla.

##### B. Access to international bodies

The second most mentioned area (five total responses) was access to the EU. The Government of Anguilla called for the UK to “facilitate relationships between the Government of Anguilla and other regional, international and EU bodies”. A website response from a resident of the Falkland Islands suggested that there was a lack of support from the EU, asking: “Why doesn't the EU say more in support of the Falkland Islanders and the people of Gibraltar?”

Three responses suggested the UK could also help by providing access to other government bodies. An online comment from a resident of Saint Helena, Ascension and Tristan da Cunha suggested “Access to external support is something that is hampered in Saint Helena by simple things such as not having a formally (internationally) recognised postal code”.

Three responses called for the UK to assist by providing a greater level of advocacy in international organisations. A Bermudan NGO suggested that “there are times when global interest groups (eg OECD) place standards on Bermuda that may not be justified or that are difficult to fulfil. The UK can be our advocate/facilitator in this regard helping to determine



and voice what is reasonable for our jurisdiction.” The National Oceanography Centre also drew attention to the role of UNESCO’s Intergovernmental Oceanographic Commission in supporting the Territories’ development of ocean governance and better management of resources.

Access to services provided by the Commonwealth was suggested in two further responses. More specifically, a private submission from the UK mentioned that the Overseas Territories “should have the chance to send a representative to any gathering of Commonwealth leaders”. A further two noted that access to wider diplomacy networks of the UK government would be preferable. The Government of Bermuda suggested:

*“Bermudians could benefit from being able to have opportunities available to work directly amongst professional staff of diplomats and work within an international network of embassies, high commissions and consulates to look after our own interests and those travelling to Bermuda.”*

### C. National Lottery

There were three responses which supported the extension of the National Lottery to the British Overseas Territories – as previously noted from the submission by the Saint Helena Tourism Association. An online comment from a resident of Anguilla noted:

*“A number of us, in various OTs in the Caribbean and South Atlantic, are very supportive of Mr. Bellingham’s comments about the Heritage Lottery Fund. How can we use pan-OT support to encourage his efforts on our behalf on this issue?”*

### Conclusion

Whilst there were a small number of answers to this question, a significant area of common ground existed between the responses. Respondents looked to the UK government to increase communication and access to international bodies, as a means of leveraging greater support for the Overseas Territories.

| <b>UK assistance for external support</b> | <b>Frequency of mentions</b> |
|---|------------------------------|
| Improve communication about support       | 8                            |
| Access to EU                              | 5                            |
| Extend National Lottery to Territories    | 3                            |
| Access to other government bodies         | 3                            |
| Advocacy in international organisations   | 3                            |
| Exposure to diplomacy                     | 2                            |
| Access to Commonwealth services           | 2                            |
| Access to UK government services          | 1                            |
| Greater representation                    | 1                            |
| Stop claiming EU will give grants         | 1                            |
| Natural disaster                          | 1                            |
| BBC access                                | 1                            |
|   | 31                           |

## 5. COOPERATION BETWEEN TERRITORIES

### 5a. What potential do you see for increased cooperation and partnership between Territories?

From a total of 38 responses, respondents mentioned 23 different opportunities for increased cooperation and partnership. However, four respondents (two from the Cayman Islands and two from the British Virgin Islands) believed that further partnership between the Territories was not necessary.

#### A. Natural disasters

Response to natural disaster was the most frequently mentioned area for increased cooperation and partnership. This issue was particularly important for respondents from the Cayman Islands and the British Virgin Islands. The Government of the Cayman Islands acknowledged that previously there had been a reluctance to seek external support but also asserted that more help should have been forthcoming in the wake of Hurricane Ivan. One respondent from Anguilla also expressed the need to extend greater natural disaster support, specifically to the British Virgin Islands.

#### B. Skills and knowledge

Seven respondents placed importance on skills and knowledge sharing between the Territories. The Bermuda Industrial Union suggested “there is room for cooperation between Bermuda and the Territories in terms of important technical and professional expertise. Currently Bermuda imports a large proportion of its professional and technical labour force. This could be increased between Bermuda and the other territories.”

#### C. Policing

A further five responses suggested policing could be an area for increased cooperation and partnership. This was consistent with responses to earlier questions which highlighted the need to reduce crime – but respondents suggested that external support would be necessary to achieve this. Additionally, a private response from the Cayman Islands suggested a formal process for cooperation between Territories in similar regions.

#### D. Education

Co-operation and partnership in education was deemed important among four responses. A private submission from the Cayman Islands suggested that CARICOM efforts had failed and there needed to be more direct cooperation on education. A private submission from the Cayman Islands advocated “the development of exchange programmes and sharing of knowledge and resources”, whilst the Cayman Government suggested the establishment of Overseas Territory Committees, facilitated by the UK.

#### E. Tourism

The need for co-operation on tourism was highlighted in four responses. A response on the website suggested that the islands tended to cooperate best on issues, like tourism, where there was no direct competition. A private response from Bermuda also suggested that partnerships could be developed within the Caribbean and Bermuda to promote tourism.

## F. Immigration / workforce

Scope existed for cooperation on immigration and workforce issues, according to four responses. A private comment also suggested that this should include a 'one flag policy' which would enable citizens to travel between Territories freely and offer job transfers without losing benefits.

### Conclusion

Respondents believed that Territories could cooperate most in areas where they shared a common (rather than competitive) interest, particularly managing natural disasters, sharing skills and knowledge and tackling administrative challenges, such as education, policing and immigration, and workforce issues. Despite a perception that CARICOM efforts were unsuccessful, respondents still indicated a preference for formal bodies.

| <b>Increased cooperation and partnership between Territories</b> | <b>Frequency of mentions</b> |
|--|------------------------------|
| Natural disaster   | 9                            |
| Skills and knowledge sharing                                     | 7                            |
| Policing   | 5                            |
| Education  | 4                            |
| Not needed   | 4                            |
| Tourism  | 4                            |
| Immigration/workforce  | 4                            |
| Trade  | 4                            |
| Environment  | 3                            |
| Joint representation in UK Parliament                            | 3                            |
| Finance  | 2                            |
| Regional organisations needed                                    | 2                            |
| Territory magazine   | 1                            |
| Common settlement/travel   | 1                            |
| Customs (import/export)  | 1                            |
| Economic development   | 1                            |
| Fishing  | 1                            |
| Governance   | 1                            |
| Healthcare   | 1                            |
| Need plan for further cooperation                                | 1                            |
| One flag policy (total integration between Territories)          | 1                            |
| Opening up of Ascension  | 1                            |
| Security   | 1                            |
| UK Overseas Territories  | 1                            |

|             |    |
|-------------|----|
| Association |    |
|             | 63 |

**5b. In which areas does your Territory / the Territories provide support to other Territories? How might this be expanded?**

Eleven different areas for increased cooperation and partnership were recommended among 15 total responses.

Management of natural disasters was mentioned most often (11 total responses). The Government of Bermuda pointed out that it had assisted in disaster relief operations in Grenada, Montserrat and Turks and Caicos Islands; however, it also noted that the Bermudan Regiment required assistance for the movement of personnel and stores. The submission from that Government suggested that more assistance could be provided if funds allowed.

Three responses suggested that minimal cooperation was currently taking place. One Cayman resident lamented that residents were not sufficiently informed about the nature of the current relationships.

A private submission from the Cayman Islands recommended that sharing of police officers in response to a natural disaster was of particular benefit, whilst a second suggested that this process could be more closely coordinated and managed. Cooperation on policing was mentioned directly in two responses, and the Government of the Cayman Islands touched on policing in the context of a wider criminal justice agenda, which listed the importance of cooperation on prison facilities and judicial expertise.

There were a number of areas mentioned just once in response to the question. Many of these drew on ideas and suggestions made in response to previous questions, such as skills and knowledge sharing, trade and education.

**Conclusion**

Most of the responses to this question focussed on the cooperation required for managing natural disasters. However, few suggested ways in which the support could be expanded, as any of the responses to previous questions had already highlighted possibilities.

| <b>Increased cooperation and partnership between Territories</b> | <b>Frequency of mentions</b> |
|--|------------------------------|
| Natural disasters  | 11                           |
| Minimal cooperation taking place                                 | 3                            |
| Policing   | 2                            |
| Customs  | 1                            |
| Trade  | 1                            |
| Skills and knowledge   | 1                            |
| Receiver of natural disaster aid (Montserrat)                    | 1                            |
| Moral support  | 1                            |

|                               |    |
|-------------------------------|----|
| Security                      | 1  |
| Membership of regional bodies | 1  |
| Education                     | 1  |
|                               | 24 |

## 6. GLOBAL PROFILE OF THE TERRITORIES

### Q6a: How does your Territory / the Territories promote its successes?

The 26 responses to this question highlighted nine means by which Territories promoted their successes. Overseas Territories in the Caribbean and Bermuda accounted for over three quarters of these responses.

One of the most commonly mentioned means by which Territories publicise success was tourism promotion which was raised in seven responses. The Government of Anguilla suggested that promotion of the island centred on tourism and is administered by government and statutory bodies working through tourism partners internationally. According to a response on the website, there was a similar approach in the British Virgin Islands.

The importance of reputation was also highlighted in seven responses. One private submission believed that the image of the Cayman Islands was being harmed by its reputation as a tax haven. The Government of Gibraltar pointed out that it had made “great efforts” to comply with international initiatives on taxation and transparency but remained on many countries’ black lists of tax havens whilst the Mayor of Pitcairn highlighted the challenge of promoting the island given the legacy of the child sex abuse prosecutions on the island.

Self-promotion was raised in six responses. A resident of the British Virgin Islands believed that Territory had been pro-active in promoting its financial sector, but the tourism sector could do much better. The Government of Bermuda set out that its marketing was delivered through the use of overseas offices in Washington and London as well as partnerships with the private sector, such as Business Bermuda. Trade fairs and conferences were also cited as means of self-promotion.

The role of sport in promoting the Overseas Territories was mentioned in four responses, although none mentioned specific activities or icons.

Four respondents believed there has been minimal promotion of success in the Overseas Territories. More specifically, a private submission from the UK suggested there was “little meaningful external support for media in the Territories”. This was echoed by a Cayman resident who believed there was no strategic plan to promote the successes of the Island.

### Conclusion

The most frequently mentioned means of promoting the Territories was through traditional marketing techniques. Foreign offices, attendance at trade fairs and advertising were all cited as existing routes used by the Territories. The image of the Territories was also considered important as a means of attracting tourism or boosting trade.

| Promotion of Territory successes   | Frequency of mentions |
|--|-----------------------|
| Tourism promotion  | 7                     |
| Through established reputation (eg reputation for financial services, historic prestige) | 7                     |

|   |    |
|---|----|
| Self-marketing                                | 6  |
| Minimal promotion of success                  | 4  |
| Sports  | 4  |
| Website                                       | 1  |
| Strategic importance                          | 1  |
| Culture                                       | 1  |
| Difficult due to child sex tarnish (Pitcairn) | 1  |
|   | 32 |

#### **6b: What more could be done to raise Territories' profiles internationally?**

There were 21 responses to this question that mentioned 14 different ways to increase the profile of the Overseas Territories.

The most frequently raised idea was to expand the diplomatic responsibility of the British Overseas Territories, specifically mentioned six times by respondents from Bermuda, the British Virgin Islands and the Cayman Islands. The Bermudan Government, in particular, called for Ministers and officials to “have their unique voice internationally at global events / conferences without seeking the authority of the UK”. This was broadly supported by a Bermudan NGO which requested the creation of a Foreign Affairs Liaison Ministry within the local government.

Four respondents suggested raising awareness of the British Overseas Territories within the UK, with one drawing upon personal experiences: “As a UK national, now living in Saint Helena, I didn't even know where the Falklands was until the 1982 conflict and then only found out that Saint Helena existed as a result of meeting Saints working in the Falklands in 1986”.

A Cayman resident called on the UK government to act as a ‘cheerleader’, suggesting that the Islands are “left to do this on its own, or (worse yet) in competition with London”. The All Party Parliamentary Group on the British Overseas Territories went further and recommended that the history and contemporary context of the Territories be included in the national curriculum.

Three responses from the Cayman Islands discussed the ‘tax haven’ image of the Islands. A comment on the website suggested that “the media and authors do not help to improve our image, in almost every movie or television series when a criminal is hiding funds it is in the Cayman Islands”.

There were a number of ideas that were expressed in separate responses but which could be understood to involve cultural promotion. One response called for the UK government to support local culture, whilst two more suggested promotion of tourism and trade. Another response promoted the idea of a student exchange programme between the Territories and the British mainland.

#### **Conclusion**

Some respondents believed that if the Overseas Territories had more responsibility for promoting themselves diplomatically, this would help increase their profile. Representation at

the EU, or on UN bodies would enable them to better present their case. Others suggested that the Territories would draw strength from closer networks with the UK. A number considered that the image of their Island was an impediment to boosting their profile.

| <b>Raise international profiles of Territories</b>            | <b>Frequency of mentions</b> |
|---|------------------------------|
| Expand Territory diplomatic responsibility                    | 6                            |
| Raise awareness of Territories in UK                          | 4                            |
| Lose tax haven image  | 3                            |
| Internet/social media engagement                              | 2                            |
| Media services  | 1                            |
| Infrastructure  | 1                            |
| Support local culture   | 1                            |
| Tourism promotion   | 1                            |
| Trade promotion   | 1                            |
| Funding   | 1                            |
| Student exchange  | 1                            |
| Catch 22" - Can't discuss problems for fear of damaging image | 1                            |
| Crime reduction   | 1                            |
| Remove child sex tarnish (Pitcairn Islands)                   | 1                            |
|   | 25                           |

#### **6c. How can the UK best support this?**

Across 36 responses to this question, 13 different suggestions were made about how the UK could contribute to an increased profile. More respondents answered this question than any other in the section. The answers were broadly similar to the ideas raised in response to the previous two questions concerning the international profiles of the Territories.

##### **A. Raise awareness of the Overseas Territories in the UK**

The most frequently mentioned suggestion was to raise awareness of the Overseas Territories in the UK – raised in ten responses. This was important for residents of the Cayman Islands, Saint Helena and the British Virgin Islands. A response from Pitcairn suggested that the UK identify specific opportunities to raise the profile of the Island and specifically “for the FCO to have a better understanding of Pitcairn – raising Pitcairn’s profile internally”.

##### **B. Expand Overseas Territories’ diplomatic responsibility**

The second most frequently raised suggestion was for the UK to enable the Overseas Territories to assume greater responsibility for representing their interests on diplomatic bodies. A private response from Bermuda recommended that the Island be able to represent itself to the Organisation for Economic Cooperation and Development (OECD) and other world bodies, and suggested that because the UK was currently critical of the island, it was not best placed to advance the interests of Bermuda. An alternative approach advocated a single voice for the Territories that represented their combined interests, such as combined observer status at the United Nations.

##### **C. Promotion of tourism**



Seven responses suggested that the UK should help promote tourism to the Overseas Territories. A resident of the Turks and Caicos Islands suggested that UK government Ministers make the Overseas Territories their destination of choice for vacation and that the accompanying publicity would help promote tourism to others. Another suggested the UK's expertise could help develop the tourism 'product' for the British Virgin Islands.

#### D. Challenge tax haven image

Five responses suggested that the UK should challenge the image of particular islands as tax havens. In particular, Christian Aid believed that the image was a "serious reputational risk" which could mean the Territories were associated with the financial crisis, and that if the Territories' governments "continue with their current policies then their international profile as facilitators of corruptions and tax evasion will increase".

The need to address image problems was also raised in submissions from the Turks and Caicos Islands and Pitcairn, albeit in relation to different challenges.

#### E. Additional issues

There were a small number of suggestions for how the UK could help raise the profile of the Territories through cultural programmes. As previously noted, these included better media services on the Territories (mentioned twice), support for local culture, trade promotion and student exchange programmes.

One submission from the Falkland Islands discussed the importance of the UK adopting a robust approach towards the threat from Argentina, as perceived by the respondent.

#### Conclusion

Answers to this question were consistent with the views expressed in answer to the other questions in this section. Many suggested that the profile of the Territories could be strengthened through greater awareness of the Territories in the UK, whilst others suggested that the Territories could be given more responsibility for their diplomatic relationships.

| <b>UK means of support</b>                   | <b>Frequency of mentions</b> |
|--|------------------------------|
| Raise awareness of Territories in the UK     | 10                           |
| Expand Territory diplomatic responsibility   | 9                            |
| Tourism promotion                            | 7                            |
| Counter tax haven image                      | 5                            |
| Greater engagement                           | 3                            |
| Facilitate media services                    | 2                            |
| Support local culture                        | 1                            |
| Trade promotion                              | 1                            |
| Increase funding                             | 1                            |
| Student exchange                             | 1                            |
| Mend reputation (Turks and Caicos)           | 1                            |
| Champion Argentine threat (Falkland Islands) | 1                            |
| Internet/social media                        | 1                            |
|  | 43                           |

## **APPENDIX – list of participants who consented to their identities being revealed**

### **Website respondents**

#### **Full names disclosed:**

Alex McCoy  
Avon Carty  
Brian Riches  
Chris Johnson  
Christian von der Ropp  
Christine Roehrer  
Clifford Masters  
Corey Cross  
David Roberts  
E.George (VI)  
Ernest Falquero  
Florence Goring-Nozza  
Gus Reid  
Hazel Neal  
Ian Ward  
Ivana Regina Couto de Brito  
J. Payne  
J.Smith

John Phillips  
John Tanner MIRC  
Julian Ignacio Rios  
Ken Ruiz  
M. Alson Ebanks  
Malcolm Saunders  
Margaret Mitchell  
Mark Fitzsimons  
Marvel Angelita Ebanks  
Michael Hardy  
Natalio Wheatley  
Oliver deFanta  
R. Walters  
Robert Midwinter  
Samuel I. Johnston  
Stephanie Fried  
Thomas Mahoney  
Tracy Thomas

#### **User screen names disclosed:**

Adam  
Anguillian  
British citizen living in Cayman  
CAYMANIAN  
Caymanian - The Bad and the Good  
Chris46  
Claire

Firery  
John  
Jonathan  
Krys  
Montserratian  
Valley Girl  
Young Caymanian

#### **Contributing Non-governmental organisations:**

Voters Rights Association of Bermuda  
Saint Helena Tourism Association  
UK Overseas Territory  
Conservation Forum  
Christian Aid  
Transparency International  
UK Chagos Association  
Committee of 'Integration with  
Britain Movement' and 'Association for  
Autonomy and Representation at  
Westminster'  
One Bermuda Alliance  
ULU Foundation  
Global Witness & Tax Justice Network  
Pew Environment Group  
National Oceanographic Centre

RSPB  
International Financial Centres Forum  
The BVI Beacon  
Falklands Conservation  
British Red Cross  
Andrew Rosindell MP, Chairman of the  
British Overseas Territories All Party  
Parliamentary Group  
Bermudan NGO  
Bermuda Industrial Union  
All Party Parliamentary Group – Chagos  
Islands

**Contributing government  
organisations:**

Government of Anguilla

Government of the Cayman Islands –

Tristan Island Council and Chief Islander

Office of the Mayor of Pitcairn, Henderson,

Ducie and Oeno Islands.

Falklands Islands Government

Government of Bermuda

Government of the British Virgin Islands

Government of Gibraltar

Cayman Islands Department of

Environment