

DRAFT TERMS OF REFERENCE

For a new Feasibility Study into the resettlement of the British Indian Ocean Territory (BIOT)

November 2013
Foreign & Commonwealth Office

OBJECTIVE

1. To advise on the feasibility of different options for the resettlement of the British Indian Ocean Territory (BIOT), estimating their likely costs and risks. To address all relevant issues, including financial, legal, environmental, social, economic and defence.

THE RECIPIENT

2. The BIOT Administration.

THE SCOPE

What is included:

3. The **Feasibility Study** will consider a range of **options** for the resettlement of BIOT, **differentiated by factors**, including:
 - The location, which would include consideration of the outer islands (Salomon, Peros Banhos) and of Diego Garcia.
 - The scale of possible resettlement and sustainable socio-economic development options in the short, medium and long-term, including livelihood opportunities.
 - The type of possible resettlement.
 - The environmental carrying capacity of the proposed locations, including inhabitation (access to water, energy, etc). The environmental feasibility will take into account future models and scenarios of climate change and sea level rise.
 - When considering the options, the Study will address the following questions:
 - What would be the cost to the UK of establishing and maintaining a settlement over 5, 10 and 20 years?
 - Could a settlement be self-sustaining and if so within what time period and under what conditions?

- The Study will factor in the suggestions made in the initial consultation on the review of resettlement of BIOT and propose which specific options will be considered. The options to be analysed will form part of the Inception Report. The Study will take account of the suggestions made during the consultation on the type of resettlement. These suggestions include: a modern lifestyle; a subsistence lifestyle; an eco-village; a pilot resettlement with some employment on the Diego Garcia military base; a scientific station.

What is excluded:

4. Proposals or suggestions not directly relating to the feasibility of resettlement are outside the scope of this study. This includes any issues relating to sovereignty or nationality, and historical compensation payments.
5. This work is undertaken without prejudice to any on-going litigation.

REQUIREMENTS

6. The options should be developed using multi-disciplinary expertise. Drawing on experts will be essential, inter alia, in the fields of livelihoods and social development, economics, defence, industrial development, anthropology, environment, climate change, science and conservation.
7. The Feasibility Study would need to analyse each option, in a neutral way. It should include analysis of the factors below, but could use an alternative framework to the PESTLE one suggested. The framework must be specified in the Inception Report.
 - **Political** factors, including how the US military facility on Diego Garcia could impact resettlement options.
 - **Economic** factors, including the full “lifecycle” cost of any resettlement option to the UK. All options should consider the development of a sustainable local economy, social and livelihoods development and income generation for any resettled individuals and the infrastructure and other requirements for this. It should assess, with reference to other UK Overseas Territories and other low-lying small island states, the likelihood of the economy being financially self-sufficient and meeting prudential financial guidelines, and the timescale if this were to happen. See below for a fuller analysis of potential cost implications. It should explore economic opportunities through models of eco-tourism for example.

- **Social** factors, including the practical aspects of life in a remote location and the extent of public service provision (including health, education, law enforcement and housing provision at a scale appropriate for each option) and population levels in view of the options in question and of “basic social needs”. Consider the standards in the Millennium Development Goals.
 - **Technological** factors, including the need to establish and maintain access to the islands, both by the resident population and for goods and services; the development of infrastructure (including running water and waste management), transport, communications.
 - **Legal factors:** BIOT ordinances and the BIOT Marine Protected Area (MPA) can be amended. In considering options, the extent to which existing provisions, in Ordinances and the MPA, would be impacted will need to be highlighted, along with any possible new legal implications. Human rights considerations should also be taken into account.
 - **Environmental** factors: The study should assess:
 - Environmental factors which would affect habitation: for example, Carrying capacity assessments to examine the potential natural resources *in situ* which support life (potable water, food, energy) and the viability of economic activities such as tourism development, fishing, and industrial development . A climate change and variability assessment looking at future scenarios and how these might affect life on the island. This should include sea level rise models, coastal erosion and hurricane/storm event frequency and intensity. Possibilities for the island’s natural resources to promote economic activities should also be examined, for example, fishing (deep sea/game fishing), coral reefs, endemic species of high eco-tourism value.
 - Impact of resettlement on the environment: including change in land use, waste management and economic activities. **Costs** associated with each of the options should be considered, including initial capital costs, running costs and contingent liabilities, including from the UK’s legal obligations
 - The costs of mitigating risks, in the event of a resettlement, should also be considered. The options should be cognisant of the 2012 HMG White Paper on the Overseas Territories which restates UK policy and obligations, including the policy that their “reasonable assistance needs, where financial self-sufficiency is not possible, are a first call on the aid budget”.
8. The 2000-2002 Feasibility Study will be made available for its conclusions to be considered as part of this study. Other background material relevant to the

Study, including, all peer reviews relating to the 2002 Feasibility Study (Jenass, Sheppard, Kench) , independent studies on resettlement (Dr Howell's paper) and the extensive documentation gathered as part of the initial consultations of stakeholders in July 2013 will also be made available for consideration.

Reporting requirements:

9. The following are essential:

- An Inception report. This should specify the different options for resettlement to be considered as part of the Study, and the framework for the analysis, including how risk and cost will be evaluated. It should explain the methodology to be used. It should provide project management information:
 - a standard format for the monthly update reports;
 - a risk management plan for the project; and
 - a proposed timeframe for delivery and reporting, including monthly milestones.

The BIOT Administration will consult stakeholders on this document before it is finalised.

- Monthly update reports should provide information about progress against the monthly milestones, and include a forward planning timetable. Monthly reports should be kept brief to retain the focus on producing the main study. These reports may be used to inform and consult stakeholders, by the BIOT Administration.
- Exception reports as necessary to bring issues or risks to the attention of the Recipient, including problems with delivery, or proposed amendments to the project.
- A Final Report setting out the different options for resettlement of BIOT and analysis of the feasibility each option. The BIOT Administration is committed to publishing the full factual feasibility study by the consultants, without revision.

Performance requirements:

12. Attention to detail and a sound and agreed quality assurance process is essential. The study will seek input from Chagossians and interested parties throughout the review. There should be clarity about how this input relates in process terms to the analysis of the Feasibility Study, and clear parameters on transparency and confidentiality.

Security requirements:

13. Consultants contracted to deliver the review will need to comply with contractual security requirements, including compliance with the requirements of the Official Secrets Act.

Information management and reporting:

14. The outputs of the Study and the rights to the material collated in the process of conducting the Study will be the property of the BIOT Administration. An information management system should be agreed at the start of the process, including the disclosure of any documents, as per contractual requirements.

Risk and issue management:

15. The consultants should have a robust risk management procedure, including appropriate, agreed mechanisms for internal escalation, and an understanding of when such mechanisms will be invoked.

TIMEFRAME

16. The Inception Report should be agreed, taking account of input from the stakeholders within 4 weeks of project initiation. The analysis of the feasibility and costs of the options for the resettlement of BIOT should be completed within 12 months. Extensions/amendments to this timeline subject to unforeseen circumstances and requirements of the project shall be agreed by the recipient at least one calendar month in advance.

COMPETITON CRITERIA

17. We aim to conduct the competition using HMG Consultancy One framework agreement and the evaluation rules which relate to it. Typically we will be looking for a provider who is credible, impartial and can deliver value for money.