

Summary of DFID's work in The British Overseas Territories 2011-2015

May 2011

Why we work in The British Overseas Territories

The UK has 14 Overseas Territories (OTs), 11 of which are permanently inhabited. The UK is responsible for the defence, security, international relations and good governance of the Territories and for the well-being of their citizens. While each Territory has its own constitution all citizens have the right to British citizenship. Successive White Papers since the 1970s have committed the UK Government to meet the reasonable assistance needs of the OTs as a 'first call' on the aid budget, but through our programmes we are aiming to their dependency on aid.

Due to a combination of physical inaccessibility, undiversified economies and declining populations three of the Territories, St Helena, Pitcairn and Montserrat, have long-term financial dependency, with substantial budget deficits. Another OT, the Turks and Caicos Islands, graduated from financial support as recently as 2003 but has recently suffered from an acute short-term fiscal crisis. With the exception of the European Union, the UK Government is the only source of grant funding for our OTs. OTs in the Caribbean region can borrow from the Caribbean Development Bank, but as the Territories are not members of the IMF or the World Bank they are not eligible for any other multilateral funding, such as UN climate funds.

What we expect to achieve

- A reduction of aid dependency by reducing DFID's contribution to total OT Government revenues: in Montserrat, we expect DFID's contribution to total Government revenues to fall from 60% in 2010/11 to 38% by 2014/15; in St Helena, we expect this contribution to fall from 58% to 50% over the same period.
- An airport contract for St Helena which secures value for money for the UK Government and is tied to reforms aimed at making St Helena more attractive for investors and tourists.
- A way forward for the construction of a new town and port in Montserrat to improve sea access and generate tourism is agreed.



Jamestown, the capital of St Helena, is built at the bottom of a steep sided valley and is regularly hit by falling rocks. UK funding has reduced the risk of severe damage or serious injury through the erection of fences and netting along both sides of the valley above the town. The most recent works have provided increased protection to the hospital and primary school.

Our programmes will also improve education and health provision. For example in Montserrat our support will help increase the number of students passing the GCSE equivalent in English and Maths by 17%. In St Helena, diabetes is a significant health problem. Currently, around 50% of diabetes patients have their blood glucose levels under control. The target is to raise this to 80% by 2014/15.

The British Overseas Territories are:

Anguilla; British Antarctic Territory; Bermuda; British Indian Ocean Territory; British Virgin Islands; Cayman Islands; Falkland Islands; Gibraltar; Montserrat; Pitcairn Island; St Helena, Ascension Island and Tristan da Cunha; South Georgia and South Sandwich Islands; Sovereign Base Areas on Cyprus; Turks and Caicos Islands.

What's our approach?

Priorities for our work in the Overseas Territories are:

- *To meet the reasonable assistance needs of OT citizens cost-effectively:* Interventions will maintain physical access to the islands; strengthen human capacity to deliver public services effectively, including health and education provision; and produce efficiency savings.
- *To accelerate aid-dependent OTs towards self-sufficiency:* Future interventions will enable private sector-driven economic growth. This will reduce aid dependency over time.
- *To manage the UK Government's financial liability for non-aided Caribbean OTs in crisis:* DFID will be working with the Foreign & Commonwealth Office (FCO) to closely monitor economic performance and strengthen public financial management in the non-aided OTs.
- *Gender can be an important factor in OT development:* Montserrat shares many of the gender differences that exist elsewhere in the Caribbean such as boys' underachievement in formal education and an increasing economic and social burden on women. Our support to the aided OTs addresses gender equality issues. Gender inequalities were also likely to have been a factor in the sexual exploitation of children on Pitcairn. Our child protection work aims to bring about a fundamental shift in behaviour.



The capital of Montserrat, Plymouth, was destroyed by a series of volcanic eruptions during the 1990s. Plymouth was not only the island's administrative and social capital, but also home to the airport and the island's only wharf. Its loss devastated the lives of many Montserratians and crushed the island's tourism industry, which until then had been the backbone of the economy. DFID is working with the Government of Montserrat to develop a new capital at Little Bay in the north of the island. This development of the new town will improve the economic and social well-being of islanders and increase the longer term prospects for reducing Montserrat's dependency on UK financial aid.

With whom we will work

The Territories are a UK Government-wide responsibility. The Foreign and Commonwealth Office (FCO), which coordinates government policy for the Territories, is working with all UK Government Departments to set out this government's approach to the Overseas Territories. A new strategy, expected to be agreed in 2011, will lead to a new White Paper, planned for publication in 2012.

How we will work

In the current financial climate, we have a particular responsibility to show that we are achieving value for money in everything we do. Results, transparency and accountability will be our watchwords and we are determined to get value for money for every hard-earned taxpayer pound spent on development.

- **Value for Money:** to ensure this DFID will minimise the cost of our OT obligations. We will continue to work closely with economic and planning units in OTs to use evidence in the design, monitoring and evaluation of policies and programmes.
- **Transparency:** DFID regards transparency as fundamental to improving its accountability to both the UK and OTs citizens. We will publish clear, concise information about our programmes, providing the opportunity for those affected by our projects to provide feedback.

More information

For a more detailed breakdown of The Overseas Territories' Operational Plan, please visit: www.dfid.gov.uk/overseasterritories
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