

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

June 2012

Why we work in the British Overseas Territories

The UK has 14 Overseas Territories (OT), 11 of which are permanently inhabited. The UK is generally responsible for the defense, security, international relations and overall good governance of the Territories and the well-being of their citizens. All Territory citizens have automatic right to British citizenship. Each Territory has its own constitution. 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.

Three OTs have long term financial dependency, with substantial budget deficits due to a combination of physical inaccessibility, undiversified economies and declining populations. Another OT, the Turks and Caicos Islands (TCI), 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 the OTs are not members of the IMF or World Bank and are ineligible for other funding from international organisations, such as UN climate funds.

What we will achieve

- Reduce 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 a percentage to be agreed¹ by 2014/15. In St. Helena, we expect this contribution to fall from 58% to 50% over the same period.
- Increase the number of students passing GCSE English and Maths by 17% in Montserrat.
- Increase the proportion of diabetes patients in St Helena with blood glucose levels under control from 56% to 70%.
- Construction of an airport on St Helena to improve air access.
- Agree a way forward for the construction of a new town and port in Montserrat to improve sea access and generate tourism.



The St. Helena capital, Jamestown, 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.

What's our approach?

Priorities for the Overseas Territories are:

¹ The economic assumptions underlying the previous target have not been realised (IMF report 2011). We will revise the target when growth forecasts and the likely impact on planned investments on the economy are clearer (By end March 2013)

- *To meet the reasonable assistance needs of OT citizens cost effectively.* Interventions will maintain physical access to the islands; strengthen 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, which will over time 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 and 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' underachieving in school 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 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 FCO is the lead Department coordinating UK Government policy for the OTs, but the territories are a UK Government-wide responsibility. The FCO is working with all Government Departments on a new strategy to underpin this Government's approach to the Overseas Territories, which was approved by the National Security Council in 2011. A new OT White Paper was published in June 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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