

Foreign Affairs Committee

Oral evidence: The Future of the UK Overseas Territories, HC 1464

Tuesday 18 Dec 2018

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Members present: Tom Tugendhat (Chair); Ian Austin; Chris Bryant; Ann Clwyd; Mike Gapes; Stephen Gethins; Ian Murray; Andrew Rosindell; Mr Bob Seely; Royston Smith.

Questions 221-298

Witnesses

I: Lord Ahmad of Wimbledon, Minister of State for the Commonwealth and UN, and Ben Merrick, Director, Overseas Territories, Foreign and Commonwealth Office.

Written evidence from witnesses:

[Foreign and Commonwealth Office](#) 16/10/18

[Foreign and Commonwealth Office](#) 18/12/18

Examination of witnesses

Witnesses: Lord Ahmad and Ben Merrick.

Chair: Thank you very much to Lord Ahmad for joining us for this Foreign Affairs Committee session on the Overseas Territories. Thank you, Mr Merrick, for joining us as FCO Director of Overseas Territories. Mike Gapes has the first question.

Q221 Mike Gapes: Before I ask a question and welcome you, I declare my interest as Chair of the Anguilla all-party parliamentary group. I will ask some questions about the Sanctions and Anti-Money Laundering Act 2018. Minister, as you know, this has been a bit controversial with some of the Overseas Territories. It requires them to publish registers of beneficial ownership by the end of 2020, or, if they have not done so, they will be forced to do so, by the UK Government using legislation—Orders in Council, presumably—to bring that about. How many Overseas Territories have published registers of beneficial ownership and which have yet to do so?

Lord Ahmad: First of all, thank you. In terms of the legislation, the obligation is on Her Majesty's Government to produce an Order in Council, if a territory does not have a public register by 2020. In terms of those that are targeted to have a register by 2020, Gibraltar, for example, is one such territory. It is our intention—during the Joint Ministerial Council we made it very clear—to work with the territories themselves. It is our intention that if by 2020 there is no public register, for whatever territory, we will then issue an Order in Council, which will then have a requirement for an operational public register by 2023.

SAMLA is quite specific on the obligation on the Government to produce an Order in Council on those territories that don't have a public register by 2020. We have made it clear to all the Overseas Territories that attended the JMC—I am in the process of confirming this to them in writing—that they will then be obligated to produce an operational public register by 2023. That is the current timetable.

Q222 Mike Gapes: Getting back to my question, how many of the Overseas Territories have yet to publish those registers?

Lord Ahmad: The only one that I am aware will have one by 2020 is Gibraltar, but all of them will be required to do so. None have public registers.

Mike Gapes: None have yet.

Ben Merrick: None have yet. We will be working through technical and legislative means to help them, in terms of getting those registers.

Q223 **Mike Gapes:** When you say technical means, what technical means is that?

Ben Merrick: For example, that includes the technology in terms of public registers. The UK has already been through the process of getting our own register available, so it is about ensuring that the information is centrally held and publicly available, and so on. Those are the kinds of technical things we will be working towards.

Q224 **Mike Gapes:** This is computer IT technology predominantly.

Ben Merrick: Potentially, yes. It depends exactly how the registers will work. We have already done quite a bit of work with the territories in terms of the beneficial ownership agreements around law enforcement co-operation, to make sure that the information is actually available for law enforcement purposes, so it is building on that.

Q225 **Mike Gapes:** You also said legislative means. What would that involve?

Ben Merrick: That is making sure that the necessary laws are drafted and passed, so that the registers are established and made available. Clearly that will build on our own experience. We have colleagues in other Departments who worked on that—in BEIS. Part of it is the basic drafting, to ensure that all of this is done properly. We provide quite a lot of legislative drafting support in a number of other areas, so it builds on that as well.

Q226 **Chair:** Can I just ask for a point of clarification? You said 2023; I thought the law said 2021.

Lord Ahmad: In the legislation—the Act—the obligation is on Her Majesty's Government to produce an Order in Council by the end of 2020 on those Overseas Territories that do not have public registers. We are working through the mechanics of that. There is no specified date when public registers must be operational.

Q227 **Mike Gapes:** To be clear, to follow that up, you would allow them a further three years to comply with the legislation.

Lord Ahmad: First, as I said, the obligation is on the Government to produce the legislation. Some may comply anyway. It is our view, from our discussions, that, for example, Gibraltar will have a public register by 2020. On the other reason, if I may, I will build on a couple of points that Mr Merrick made. First, on the point of already having arrangements in place, one of the contentious issues during the workings of the Bill, which then became the Act, was the fact that many—in particular, the likes of the BVI and the Cayman Islands—had working exchange of notes practices that fulfilled, certainly from a Government's perspective, the requirement to allow tax authorities as well as law enforcement agencies access to the registers. A lot of the technical work has already been enhanced. The other point is that we have made it clear to every territory that, whatever



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support they need in terms of technical support and resourcing, we will assist them in setting up committees between ourselves and each territory to ensure that they are ready.

Q228 Mike Gapes: I know that the Anguillan Government have said that they have no problem with doing this and they are working with you to get the technical means to make that possible, but we have had evidence to our Committee from some of the other Overseas Territories' representatives, for example from the British Virgin Islands, whose representative was robust in making clear the position of the BVI Government. They are on the record, in fact. Their Deputy Premier, Mr Kedrick Pickering, told a crowded demonstration in May that "We recognise that while we stand here today we have declared open war against the UK". How is that war going and where are we now?

Lord Ahmad: First, there is no war as such. Emotive statements were made at the time. I have spoken to Mr Pickering twice since that statement. It would be fair to say that, through the visit that I made to the BVI, he has certainly found the attitude of the British Government constructive subsequent to that legislation passing. It would be fair to say there is no war, but equally, there are strong sentiments in the British Virgin Islands. If I may, Mr Gapes, what I have sought to do on that is not only to engage directly with the Government, but to sit down with the financial services industry to ensure that its views are reflected in the public register.

In terms of the requirements, we have also been very clear that the law has been passed and there is a requirement now for public registers in all our Overseas Territories. We have outlined the steps that the British Government will be taking to ensure that we fulfil our obligations in that respect.

Q229 Mike Gapes: Do you expect the British Virgin Islands to comply with the law?

Lord Ahmad: I would expect every Overseas Territory to comply with the law.

Ben Merrick: To add to the Minister's point, I was in the BVI in early November and I spoke to the Cabinet and to BVI Finance—the industry grouping. While, as you say, people back in May were unhappy with what had happened, I detected a reasonably constructive tone. People still wanted to find out what the situation would be, but certainly BVI Finance was thinking through what it would mean for industry and so on. As the Minister said, we will work with all the territories on how to take it forward.

Q230 Mike Gapes: Can I go on to one other territory, which is Cayman? The Cayman Islands Government have said that the Act "offended the longstanding constitutional conventions". In a written submission to our inquiry, they say that they wish to discuss sanctions against Members of



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Parliament, Committees or all-party parliamentary groups that malign the Cayman Islands. What is your response to that?

Lord Ahmad: First, I would argue that our relationship with the Cayman Islands—and I hope Premier Alden McLaughlin would reflect the same sentiment—is very positive and constructive. Indeed, on a separate issue, which resulted from the passing of the legislation, we have had very constructive discussions, most recently at the Foreign Office with a team from the Cayman Islands, including the Premier, on issues of the constitution.

In terms of where we stand currently with the Cayman Islands, there is an active “exchange of notes” process and procedure under way, whereby, as I said earlier, any law enforcement agency or tax authority has access within the space of 24 to 72 hours—

Q231 **Mike Gapes:** But that is not public registers.

Lord Ahmad: No, it is not public registers, but our point is very clear in all discussions. I want to be very clear, as I have been with the Committee at all times: when this legislation was being passed, as the Minister who took the legislation through the House of Lords and as the Minister for the Overseas Territories, it was very clear that I believed that the exchange of notes that was operating—particularly with those territories that are directly impacted by this legislation—was working. There was a good, sound, constructive relationship.

However, it was clear to the Government that the sentiments in the House of Commons were not reflective of ensuring that legislation, or the Government’s position, would carry. That is how this particular amendment was made to the sanctions Bill. However, we have to respect the authority of Parliament. That point has been made clear to the territories, and I think they are also respectful of the constructive attitude we have taken in discussions with them on ensuring that these public registers are operational, but also on allowing time for these registers to become operative.

Q232 **Mike Gapes:** But not in 2020. It is not until 2023.

Lord Ahmad: As I said, if there is a territory that chooses to have a public register by 2020, that is all for the good, but the obligation is on the UK Government, at the end of December 2020, to produce an Order in Council. I would also add that there are differences with constitutions: for example, in Bermuda, there is a legal issue, whereby the Order in Council may well have to be instituted by the territory itself. There are different constitutional arrangements as well, but the obligation is on the Government to produce the Order in Council.

In terms of the timelines set, and I may be pre-empting a further question, which is “Why 2023?”, under Mr Cameron’s Government, that was the date that was set as our priority for ensuring worldwide obligations on adhering to public registers across the globe, and we feel the 2023 deadline provides an appropriate target date.



Q233 **Mike Gapes:** But we are not waiting for a worldwide agreement.

Lord Ahmad: No. We have made clear that we will continue to lobby through all our representatives—be it representations through the G20, the G7 or any opportunity we have—for global standards, but we have also made it clear that there is an obligation on Her Majesty's Government to produce an Order in Council, and we expect all Overseas Territories to have public registers by the end of 2023.

Q234 **Andrew Rosindell:** I declare my own interests on Overseas Territories generally, which are registered in the Register of Members' Financial Interests. Minister, I realise this is now the law and that Government have to enact the will of Parliament on this, but are you satisfied that the new rules coming in, which will directly affect Overseas Territories, create a level playing field for all parts of the British family? Is the United Kingdom following the same strict public register as the Overseas Territories, and are the Crown dependencies also going to follow that? If not, is that really fair? Are we not perhaps just harming the potential for the Overseas Territories to prosper, and will business maybe go elsewhere, outside of the British family?

Lord Ahmad: On the final question, we have made it clear—for example, when I was in the BVI and the Caymans—that if there was concern about, or indeed evidence of, a flight of assets to other territories, we should be alerted to it. That has not been the case.

On your specific point about whether it is the same for the whole of the British family, first of all, we have a public register in the UK. However, your point on Crown dependencies is also correct, in that Crown dependencies are not obligated to follow these rules. As you may recall, during the passing of the legislation an amendment was suggested that this public register rule should apply to the Crown dependencies, but it did not secure support in Parliament, and that is why that element of the British family is not covered.

In terms of whether, from a global perspective, there will be a level playing field by 2023, as I said, that is an objective—an ambition we have set ourselves—but in my personal view, I do not think we will see every territory across the world having public registers by 2023.

Q235 **Andrew Rosindell:** But you are sure that the Overseas Territories are going to follow the same rules that we follow. So our rules are not going to be weaker than theirs; we are not imposing something on them that is stricter than what we ourselves are using in the United Kingdom.

Lord Ahmad: The framework of our discussions is reflective, as Mr Merrick said a few moments ago, of the fact that we have already created these mechanisms. However, we have also said to them very clearly that, if there are particular nuances to their own respective territories, respecting the fact that different territories are impacted by the legislation depending on the nature, development and size of their financial service industry, we have to reflect that. The actual framework of that legislation will reflect what we apply here in the UK.



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Ben Merrick: I would add a couple of points. This is obviously quite a new agenda globally, in terms of public registers. I was discussing with BVI Finance the scope for taking quite a leadership role in determining how best public registers can operate. As you say, we want to have a level playing field, so we would not seek to impose greater strictures than in the UK but, as this is at quite an early stage, there is scope for the Overseas Territories setting the direction for everyone.

In terms of the Crown dependencies, as the Minister says, they were not included in the legislation, but we are certainly seeking to encourage them to do these sorts of things, and we will seek to engage them in our technical working groups as well.

Q236 **Chair:** Can I follow that with a quick question? What will you do if there is asset and capital flight from the Overseas Territories?

Lord Ahmad: There is a competing challenge here. At the moment, as I said Chairman, we haven't seen evidence of that. We are obligated as a Government to fulfil the legislation that is required. Equally, on the point that Mr Rosindell made about a level playing field, I have been very up front: I do not think it will exist globally by 2023. So there is a risk that there will be some asset flow from certain territories to others that have a more liberal regime. As yet, we have not seen evidence of that.

Ben Merrick: There is certainly a broader agenda that we have around supporting the territories with economic diversification. I know quite a lot of the territories are thinking about that. A lot of them, being small societies, tend to have reasonably undiversified economies, unsurprisingly, so we are seeking anyway to help them. Now, we are obviously hoping that the scenario you set out won't happen, but we are trying to see what more we can do.

Q237 **Chair:** Can I move on to ask about a different question? In relation to same-sex marriage, your submission says that change in the five Caribbean Overseas Territories is "notably slower" than in the other Overseas Territories that have already legalised it. How long are you going to wait before intervening?

Lord Ahmad: We have been clear about where we stand. A particular case in question at the moment is Bermuda. What we are seeing there is that due process and judicial process is currently being taken. That is the right way to ensure what we have seen—the courts standing up for the rights of all citizens and the rights of the law that was originally passed. It is right that we see the outcome of that due judicial process. At the moment, there are no plans to intervene or interject or introduce an Order in Council to that effect.

Q238 **Chair:** Have you considered what will happen after the Privy Council process?

Lord Ahmad: On the Privy Council appeal, I think we will consider what will happen after that Privy Council process. Just to add, when I met the Premier of Bermuda, I made my own views and the position of the



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Government very clear—that we do expect progress on this issue. His response was very clear that it is now subject to a judicial process, and they, as a Government, are awaiting the outcome of that.

In terms of the other territories, equally, in all our bilateral meetings, at official or ministerial level, we have made that point regularly and consistently. Their view—they may also have extended this opinion—is that they feel it is an issue that they wish to reflect and move on, respecting the opinions of their own citizens. That is something that they have repeatedly expressed to me. I do not know if Mr Merrick wants to add anything.

Ben Merrick: I agree with the Minister.

Q239 **Chris Bryant:** What I find difficult about Bermuda is that it has gone to such lengths. It has lost repeatedly in the courts, and now it is trying another two gos, first with the right to appeal and then the judicial committee of the Privy Council. That seems an extraordinary amount of energy just to stop people marrying, doesn't it?

Lord Ahmad: I agree with you.

Q240 **Chris Bryant:** Is it your take that they don't mind being forced to do it in the end, but they will have to be forced?

Lord Ahmad: I think it varies from territory to territory. The one strong opinion I get is that—coming back to a point we discussed earlier, which is this whole issue of the sanctions Bill—there has been a lot of discussion on constitutional overreach, because of that particular issue. We have been clear that we would only use that particular Order for exceptional reasons, as I have also made clear, I think, on this particular issue. My view was very clear—that we should not have proceeded down that way—but the will of Parliament has ensured that we now have to fulfil that obligation.

On the issue of, “Are they just waiting to see what they can exhaust?”, I hope that the outcome will be that the judicial process—in this case, in Bermuda—will uphold the original decision, and that will act in a way as a catalyst for other territories to look long and hard at what decisions were taken, how law was upheld and how they should act in accordance with that.

Q241 **Chris Bryant:** To be clear, by “uphold the original decision” you do not mean the law that the Government tried to pass; you mean the decision of the court.

Lord Ahmad: Yes. Prior to them implementing it.

Q242 **Chair:** Can I go on to the question of belongingship, which is something that, for many people, has exercised quite a lot of thought and anxiety? That is because it appears to create—in fact, it does create, very clearly—two classes of citizen, even within a single jurisdiction, and it does appear to violate the UK's international human rights obligations and its role as a promoter of democratic values. In the 2012 OT White Paper, the FCO said that it was wrong to disenfranchise non-belongers, as they would have it.



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Is that still your position?

Lord Ahmad: The principle of the White Paper remains the case. Equally, however, the territories feel very strongly about the issue of belonger status and that it is an issue that they should be ruling on. I think we have seen some movement in certain territories where they have changed the name, so they are no longer calling themselves “belongers” and they have changed it. I think that is a technical change—

Q243 **Chair:** We’re not sure this is an argument about the name; this is an argument about the status.

Lord Ahmad: Our view has been clear, but the pushback from them is that this is a matter they should deal with domestically.

Ben Merrick: And immigration is a devolved matter in terms of the constitution, so it is similar to the previous conversation.

Q244 **Chair:** The question, though, is, as we know, not just about residency; it is actually about having civic rights, like voting. It does seem odd, in what we call the British family, to have two classes of people. Would you not agree?

Lord Ahmad: Yes.

Q245 **Chair:** Do you not think this is something that the UK should—

Lord Ahmad: My view, Mr Chairman, is that we have what I would call at times a “challenging” but constructive relationship with the Overseas Territories. I have sought to create governance structures and communication channels, which now allow us to have some of these challenging discussions in a more constructive way, and I’m hoping that we will see progress in due course. But—again, I am being very up front with you—in the exchanges we have had to date, the Overseas Territories are very clear. They feel very protective towards this; they regard it as a devolved matter, which they are responsible for, and they want the British Government to respect that. But our position in the 2012 paper hasn’t changed.

Q246 **Chair:** Will you be intervening?

Lord Ahmad: No. I have no intention of intervening in any sort of direct Order way. I believe there is great benefit to be had from having constructive progress. I believe that, and I hope that there will be progress in that respect from the territories.

Q247 **Chair:** Do you think the UK should adopt belonger status with British Overseas Territories’ citizens?

Lord Ahmad: No.

Q248 **Chair:** You don’t think we should remove their right to vote?

Lord Ahmad: If they are registered to vote here in the UK as part of the British territories—*[Interruption.]* You asked an earlier question about the



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concept: do you believe in it? And as I said, I believe in what we stated in the 2012 paper.

Q249 **Chair:** It just seems what is sauce for the goose—

Lord Ahmad: Just because there is a wrong on one side, you don't create a wrong on the other side to try and correct it.

Q250 **Chair:** So you are willing to allow it to run—

Lord Ahmad: I am willing to have a constructive discussion to address it.

Q251 **Ian Austin:** When Sir Simon McDonald came to speak to us recently, he told us that extra funding is going into governors' offices. How much will it cost and how will you judge the impact?

Ben Merrick: I am afraid I do not have the exact detail, but I can certainly provide it to you if it would be helpful. It relates to the further support we will be providing to beef up support within governors' offices. We are just finalising that now. I do not have the precise figures, but am happy to come back to you on that.

Q252 **Ian Austin:** It will be very helpful if you write to us.

Ben Merrick: Sure.

Q253 **Ian Austin:** May I ask whether the BVI accepted the Government's offer last year of a £300 million loan guarantee?

Lord Ahmad: We have been in discussions on two fronts—there was a £10 million contribution to the BVI and the £300 million loan guarantee. On both fronts, yes, that has been accepted in principle, but part of that agreement was that we required the BVI to set up a special body geared towards reconstruction—a development agency. That has been created through BVI legislation, which allows those funds to be channelled, and ensures that we addressed the concerns that certain private sector donors had for any funding that might come through. The Caribbean Development Bank also had concerns about directly providing that finance without an RDA in place.

The short answer is yes and, specifically on that, we have already seen some delivery. I visited BVI. One of the direct contributions we made was a courthouse. It is state of the art and withstands 200 mph winds, and cost \$437,000. That was well received by the BVI Government as a direct example of British assistance. I am scoping at the moment how we can apply bricks and mortar not just to the BVI, but other territories in terms of schools, shelters and housing. We do not have a perfect fix—you never know what mother nature may present—but there is scope to provide resilient buildings, which I think should be a focus of some of the direct spending.

On the £300 million loan guarantee, the RDA and the governance structures—we will be happy to provide details on how the RDA will work—will ensure that the moneys are funnelled directly towards reconstruction projects in the BVI.



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Ben Merrick: Just to add to the Minister's point, the recovery and development agency is well under way and has its plans and so on. It has taken longer than we might have liked, but the Premier was very clear from the outset that he very much valued the £300 million of loan guarantees. Technical support to set up the agency and debt advice is part of the support we have been giving, as well as the physical things on the ground. That ensures that they are planning for the long term how they will repay the loans.

Q254 **Mike Gapes:** We were asking about the belonging issue, but another issue affects a number of people who were born illegitimately, with a father from the British Overseas Territories, who have a different status from people born more recently. I know that a number of questions have been asked in the House of Lords about this, and the Joint Committee on Human Rights sent a statement report of some kind to the Government. Lord Ahmad, I wonder whether you can give us a sense of whether there is any progress on resolving that issue.

Lord Ahmad: As I said earlier to the Chairman, we are raising these issues directly with the respective Overseas Territories. On a long-term resolution, it is very clear that they want to be able to move on this at their speed and at their behest. While the matter is specific—I understand the nuance of what you asked—they regard it as a devolved matter and a matter for them to take forward directly themselves.

Q255 **Mike Gapes:** Some of these individuals are in a not very good position and their status is unclear. It has been going on for several years. Is it not time we resolved this? Did you raise it at the Joint Ministerial Council?

Lord Ahmad: It was not raised in the wider agenda, but these matters have been discussed in the bilateral meetings. There is the general agenda during the Joint Ministerial Council week, but we also have bilateral meetings with the respective territories. That is where these specific issues are raised. What I may suggest, Mr Gapes, is that if there are specific cases, I am quite happy to take them forward quite specifically. Because of the nature of the relationship that I and the officials have, I would be quite happy to follow them up, but I add the caveat that they feel very strongly that such issues constitute a devolved matter and that they should be moving on them.

Q256 **Chair:** Can I jump in for a second? The British Nationality Act 1981 is an Act of the UK Parliament. Why is it devolved? In what way is it devolved?

Lord Ahmad: On the issue of belonging status?

Chair: No, citizenship.

Lord Ahmad: On that point, you are right, as far as I cannot dispute the Act.

Chair: I think Mr Gapes was talking about citizenship by descent.



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Q257 **Mike Gapes:** I will give you a specific example. For Monserrat, you can qualify for British Overseas Territories citizenship of Monserrat if your parent is “the mother of a legitimate or illegitimate child” but only if your father is “the father of a legitimate child”. If the father is in a different position, that affects the child born in that relationship. It is therefore discriminatory. The Joint Committee on Human Rights has raised that with the Government. That relates back to the legislation, but it is interpreted within Monserrat in that way. That is the point. There are individuals who cannot get British Overseas Territories status because of an accident of birth.

Lord Ahmad: My understanding is that, you are quite right, the issue has been raised. I know that Home Office colleagues are looking at the issue, but because of the technical nature of it, if there are specific cases—

Q258 **Mike Gapes:** Perhaps you can write to us.

Lord Ahmad: I will write to you. I am aware, as I said, that it is being looked at by our colleagues in the Home Office, but I will write to you because you are talking through quite specific categorisations. I think it is best that I write in that respect.

Q259 **Mike Gapes:** I had an email from a man in New York—I am not going to give his name. At the end of his email, he says, “a child, now an adult, of descent, born out of wedlock to a British parent of Monserrat.”

Lord Ahmad: Point noted.

Mike Gapes: He asked me to raise the issue.

Lord Ahmad: I note it and we will respond.

Q260 **Royston Smith:** Lord Ahmad, can I take you to some of the other evidence that we received in our last session? The Chief Islander of Tristan da Cunha told us that a £90 million harbour is vital for its very existence. Should the UK Government pay for that?

Ben Merrick: Certainly that is something we have worked very closely on with Tristan da Cunha, and indeed a lot of the other territories, particularly where there is an ODA eligibility. There is obviously an ambition to support, but at the same time, I know that the Department for International Development, which leads on the ODA support, has been considering what the options are, because that is a significant amount of money as a proportion of the whole. They are considering what the best ways to achieve that support for Tristan would be.

Lord Ahmad: There are various capital programmes that we receive quite regularly from various Overseas Territories, including Tristan, as you pointed out. Previously and historically, it would be fair to say that we have not perhaps looked at it as a complete overall Government approach. Most recently, I have had constructive discussions with the Secretary of State for International Development to look at the whole issue of ODA funding for our Overseas Territories, and to look at longer-term capital programmes and support.



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In terms of Tristan specifically, we have extended one of the capital programme requirements for the repair and support of the current harbour. For more long-term expansion programmes, we have to look at the overall budgeting of ODA, but I can assure you that we are having quite detailed discussions, not just on Tristan, but on other territories as well, about supporting long-term capital programmes.

A good example is Monserrat. We have considered very carefully its requests over the last year or so since I have been in office, together with my colleague Lord Bates and supported by Secretary of State Penny Mordaunt, who has been very focused. Most recently, we have agreed the support of an extended port in Montserrat, and at the moment we are working through the detail of a £30 million-plus programme supporting infrastructure, as per the requirements of Montserrat. That does not mean their requirement—I think that was about £50 million. As much as we would love to provide exactly to the penny the support each territory requests, it is not always possible. Certainly, the view we are taking involves much more long-term support of capital projects in each territory.

Q261 Royston Smith: It has already had an investment of £7.8 million, which could be sunk and wasted in the event that that was spent to keep things going, but there was not investment in the harbour itself. When you decide what you are going to allocate in the future, do you take into account what you have already invested along the way?

Ben Merrick: Yes, in the context of a business case, we look at these things very carefully from an economic point of view, and obviously a developmental point of view. Yes, we need to make sure that taxpayers' money is used properly in this context, and that will be part of DFID's thinking when working through the potential options for that harbour support.

Q262 Andrew Rosindell: The reality for Tristan da Cunha is that if there isn't a harbour, you are looking at a potential catastrophe for that territory—potentially having to depopulate the island, because supplies just could not come in. Why is it taking so long? Why is there so much foot-dragging on making central decisions for the long-term existence of that island? Similar arguments could be used for Montserrat and the years it is taking to get that territory back on its feet following the volcano. Surely the FCO should be ring-fencing money from DFID to spend directly and quickly on these things, in order to let these territories survive and be self-sufficient. Surely that is a better long-term policy than to delay and delay, drag it out for years, and leave so much uncertainty, when in fact you could help the territories become self-sufficient.

Lord Ahmad: On your final point, that is the end objective. We should be looking at how we can help territories to become self-sufficient. Taking the specific example of Tristan, while there is this capital programme, as I said, that has to be looked at in terms of the overall request for capital funding that we get. The last capital programmes were finished in 2017 on the harbour. That does not preclude other investments to help their economy. We have invested moneys, for example, in their fishing patrol,



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through the Blue Belt money programme that we have allocated. That has helped not just to protect, but also to develop and strengthen their fishing capacity. I am sure that those people around the Committee who are keen lobster eaters will appreciate Tristan lobster. I assure you Mr Rosindell that the end objective is shared.

On Montserrat, for example, I alluded earlier to the £30 million capital programme. I have been very clear. I believe that when I came to this Committee, possibly a year ago, on this issue of the Overseas Territories, one of the commitments I gave—it was probably a shorter time than that—was that we were proactively looking at opportunities. In that respect, when I visited Montserrat, I took with me members of the British-Caribbean Chamber of Commerce, the Caribbean Council and a water bottling company from Yorkshire—a mid-sized family company—with an end object to build sustainable industries. Why did I do that? I will be very honest. I googled and found that Montserrat had the most natural water supply.

There is a small business, on which I recently have received an update. Because of the contact we established between the Yorkshire water company and the Montserrat water company they have now secured new contracts. Because of the facilitation through the Caribbean Council, they have new clients lining up. There is a relationship, through a bilateral meeting I held in Antigua, to seek Antigua's support for Montserrat, in terms of access. I list that as a practical example: we are offering not only capital programme support, but professional support in helping their respective industries and economies to build for the long-term. I share your objective that ultimately, if one were to say, "What do I aspire to as the Minister responsible for Overseas Territories?" it is to create economies that are self-sustaining and growing, not just to the benefit of the territory but to that of the region beyond.

Q263 Royston Smith: When the Government of Ascension Island came in last time, they told us that the island is likely to go bankrupt by 2024. Do you have any plans to do anything about that?

Lord Ahmad: First of all, we are working very closely with Ascension. You will understand that given the structure of the Ascension Government, because they do not have the status of the right to abode, that precludes them from ODA funding, but they are part of the St Helena family. Looking to the long term, I am very keen—as I have said to Ascension Island and St Helena—to look at long-term governance structures across different territories to make them sustainable.

You will be aware that because of Ascension Island's specific defence capacity, and particularly given our alliances with the United States, it has a special status. I am working very closely with Lord Bates and Mark Lancaster, the Minister of State for the Armed Forces, to see what long-term options we can build to address and counter the situation you have just raised. The first question is, "Is Ascension important to us strategically?" The short answer is yes: in terms of its long-term interests and what it actually provides, it is a strategically important island and



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facility for us and for one of our closest allies, and in my mind, it is not for me as the Overseas Territories Minister to look at it alone. We have been working quite closely on its long-term future with both DFID and the MOD, and certainly part of those discussions has been updating the islanders on progress in that respect.

Do we have a final outcome of what the future of Ascension will be? The short answer is no, but we are certainly looking to avert any kind of situation that would arise as you illustrate. We certainly do not wish the island to become bankrupt, and we are looking at various options to ensure its long-term sustainability with colleagues in both the MOD and DFID. In my mind, coming back to an earlier point, we have to be very clear about what the long-term objective of the island is, and in doing so, we have to look not only at all the interests on the island but its governance structures as well.

Ben Merrick: Just to add to the Minister's point, the US Government are an important stakeholder in this, and I met recently with my counterpart in the US Government. As the Minister says, we have been acutely conscious of the challenges in Ascension Island for a long time. It is a very important asset, and as the Minister says, it is partly about governance, partly about infrastructure, and partly about the whole fiscal framework for Ascension Island. We are absolutely clear that that has to be resolved.

Q264 **Royston Smith:** Is it your understanding that the Airbridge will go through Ascension once the runway repairs are carried out? It currently goes through Cape Verde.

Ben Merrick: Yes.

Q265 **Royston Smith:** So it is a given that when that is done, that will continue.

Ben Merrick: Yes, that is right. In fact, the Ministry of Defence are jointly funding the Wideawake airfield repairs with the US Government, and are closely involved in that at the moment.

Q266 **Royston Smith:** Minister, you talked a bit about the Blue Belt. Is it your intention to fully fund the marine protected zone around Ascension as part of the post-2020 Blue Belt programme?

Lord Ahmad: The current Blue Belt programme runs on MPAs until 2020, and the commitment we have made is for that particular funding round. What happens beyond 2020 is part of wider discussions that we will have, but it is certainly my view that whether it is about protecting natural habitat, building sustainable industries or general challenges around climate change, the MPAs—not just for Ascension, but particularly around our Overseas Territories—have been extremely successful. Some 4.3 million km of territory are now within the marine protected allocation, and we need to ensure that we work first of all with the Administrations in our Overseas Territories to see how MPAs can be applied and, importantly, also enforced. There is no point creating an MPA and not being able to enforce its operation.

Ben Merrick: To add a couple of points, as you say, marine protection is extremely important, and I think the Overseas Territories are a huge asset in that sense. It takes different forms in different places. In some places, it is the MPA; in other places it might be slightly different. However, the broad effect of seeking marine protection is very important.

On the funding point that you raise, we will be engaging very closely in the next spending review taking place, I think next year, around how we achieve long-term funding, but we want to have sustainability. Part of that is about having to make sure that that feeds into the long term, and we will be discussing with, among others, Ascension Island how best we take that into the long term as well, because, as the Minister says, it is partly about the management, the monitoring, and enforcement and so on. There are a number of strands to take into account.

Q267 **Andrew Rosindell:** Moving on to a different topic entirely, some of the Overseas Territories have spoken to us during the course of this inquiry, and from my own experience this has been discussed quite vociferously over a number of years now, about where the Overseas Territories fit in terms of Government Departments. I know that they have been admirably looked after by the FCO for a very long time, but the Minister will understand when I say that it is a throwback from the old Colonial Office. Of course, we do not have colonies anymore; they are self-governing British Overseas Territories that should really be treated equally as part of the British family.

In today's context, is the Foreign and Commonwealth Office the right Department for them going forward, bearing in mind that they are not foreign, and they are actually not Commonwealth either, because they do not have any status in the Commonwealth in their own right? Is it not time to consider whether they should fit in a different Department—maybe the Cabinet Office, or somewhere else in Government, but somewhere where they have specialist dedication to them in terms of the overall context of the UK Government, rather than as an add-on to the Foreign Office?

Lord Ahmad: Obviously you are right to say that at the moment they sit within the Foreign and Commonwealth Office, but I think that having a designated Minister for the British Overseas Territories—I would say this—is an important role. However, it has to be attached to understanding the nature of how each territory works. First of all, there is no “one size fits all” in terms of your approach.

In terms of where ultimate responsibility should sit, I think that is less important than what the approach of Her Majesty's Government is. I have sought to create a vehicle, and the JMC is reflective of this, to have very broad representation from across Government. I agree with you, Mr Rosindell, in that, for example, when we are talking about DEFRA issues, or environment issues, it is the DEFRA Minister. Brexit, which I am sure a few of you have been occupied with recently, as have we, has meant that I am very grateful to Minister Walker, who has been consistently supporting all matters relating to Brexit. Equally, Minister Chloe Smith



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came to discuss matters of the constitution. We were going to have a meeting with the Prime Minister, but regrettably events that day did not allow for it, and the same with Mr Lidington.

I outline all of that, and of course the Department for International Development and MOD also feature. That is the approach that we have taken at the Foreign and Commonwealth Office. We can have a debate about where the point person should be, but I think the overall approach of the Government should be cross-Government. Certainly we have installed that mechanism and governance structure in our dealings with the Overseas Territories.

I would also make a couple of additional points. First, has there been any benefit from having a Minister responsible in the Foreign and Commonwealth Office? Two short answers to that. I am also a Minister for the Caribbean, and for those territories that are in the Caribbean, I have been producing and working on our policy, programme and strategy for the Caribbean. I have made sure that the Overseas Territories are included within that. By sheer geographical location, that is important. I think that has been a benefit of having a focus on the Caribbean, where certain territories are, to ensure that there is also a regional focus, and that they are included within that.

You raised the issue of the Commonwealth. Certainly, as Minister for the Commonwealth, I have ensured that again this year, when we held the Commonwealth summit, the Overseas Territories had a voice, and a representative voice, through their chair at various meetings and receptions that took place as part of the Commonwealth summit. I think that was also of benefit to Premier McLoughlin, who attended, because there was scope to extend relationships through bilateral meetings with various countries of the Caribbean. I feel very strongly as a Minister—I include not just myself in this, but others too—that when we go and talk about the British family, that must be inclusive of the British Overseas Territories. Having geographical Ministers responsible for different parts of the world should complement representing the Overseas Territories' interests in respect of regions. That is the view I have.

Q268 Andrew Rosindell: I accept everything that the Minister said. I commend him, because I have witnessed over the last few years substantial changes that have made the Overseas Territories feel much more included in many areas. The Minister has played a big part in that in recent times. However, in the long term, we are talking about Global Britain and the remaining 16 former colonies that now want to stay part of the UK family. Isn't it a bit more than just putting better arrangements in place and including them in CHOGM and things of that sort, although that is very important? Shouldn't we have a more secure position for them going forward? Future Governments may not be quite as sympathetic as the Minister is to OTs. Isn't it time that we gave them a more secure location within the arms of Government to ensure they are treated properly, equally and fairly in the long term? Otherwise, there is the potential of what we have seen before—different competing interests



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have led to things like proposals for joint sovereignty over Gibraltar, which was not supported, and other issues. Isn't it time to modernise the status that they have within the UK governmental structures?

Lord Ahmad: Mr Merrick may have a perspective on this. First, I think that looking at evolving ways of doing things is helpful and healthy. If we get static and stuck in our approach, be it through policy or governance, we are not making any progress.

At the Foreign Office, for example, the Secretary of State has recently signed off a joint ministerial group that will be established as part of our relationship with the Overseas Territories. It will include all the Departments I have listed, and it will be jointly chaired—coming back to the point that Mr Smith raised about capital programmes—by the Secretary of State for International Development. It will ensure a long-term future and focus for our Overseas Territories, not just in terms of their engagement, but in ensuring that they are part and parcel of ensuring they get the right person and the right outcome for the issues they raise with us. That governance structure, internally within Government, is already under way. That is something I have been pushing, and I know that the Secretary of State has recently written in that respect to establish that as a way that HMG will engage with our British Overseas Territories.

Ultimately, if the British Overseas Territories have a view on where they feel their interests are best served, given the constructive nature of our relationship, I would certainly be willing to hear and see how they feel the relationship should be stronger. You mentioned the Cabinet Office, which is part of that intergovernmental ministerial group. DFID is part of it and the MOD will be part of it. The whole intent behind that is that, although there may be a co-ordinating point—I retain the view that it sits well in the FCO for the reasons I gave earlier—at the same time the FCO has a facilitation role in ensuring that all the other Departments engage directly with the governance structures we set up with HMG and the OTs.

Q269 **Andrew Rosindell:** One very quick final point on this subject. Would the Minister therefore explain fundamentally what is the difference between Crown dependencies and Overseas Territories? Neither are constitutionally part of the United Kingdom. They are both external to the UK, in that sense. Why aren't they both together in one Department? Why do we still treat Overseas Territories as if they are colonies—they are from the former Colonial Office? The Overseas Territories are treated in one way, but the Crown dependencies are treated completely differently. What is the logic behind that?

Lord Ahmad: Whatever the historical reasons are, from my personal perspective, I believe that the Crown dependencies and the Overseas Territories should sit within a single Department.

Q270 **Andrew Rosindell:** You think they should sit within a single Department?

Lord Ahmad: Yes, I do, because it allows for more effective co-ordination on a range of different issues, even if there are different perspectives or policies.

Q271 **Andrew Rosindell:** Does that mean Crown dependencies go to the Foreign Office or the Overseas Territories go somewhere else?

Lord Ahmad: That's a wider debate to have with other parts of Government. Mr Merrick might have a view.

Ben Merrick: Certainly, in terms of your original point about the Overseas Territories, Mr Rosindell, the Minister is absolutely right about the importance of co-ordinating the UK Government effort as a whole, and there are different ways of doing that. There are definitely some advantages about having the Foreign Office as a base for that. For example, we work with some of the territories on an international basis. The relationship between the Falklands and Argentina is very important. Also, there is the public diplomacy that we have done on behalf of the Falklands within South America. We are actually supporting the Cayman Islands to expand their business interests into Hong Kong, for example. We are able to use our embassy and consulate platform, and indeed the high commission platform, around the world to support the various requirements of the Overseas Territories.

Equally, for things like disaster management, I worked side by side with my Director, Americas, counterpart who covers the independent Caribbean. For Hurricane Irma, that was a region-wide issue. There are a number of relevant areas. When we look to work across Government on global marine protection or other issues to do with, say, financial services, it works quite well to co-ordinate the views of Government. Indeed, programme delivery, whether it is disaster management, prisons or all sorts of other things, works quite well through the Foreign Office systems. There are different ways of doing things, but it works quite well at the moment, particularly when we seek to deploy governors and their office staff to overseas locations. That is part and parcel of being in the Foreign Office in a way that isn't necessarily for other parts of Government.

Q272 **Ian Murray:** Can I ask a quick question before I move on to governors? How much ministerial time do you spend on Overseas Territories?

Lord Ahmad: It depends. It can be issue-driven. Obviously, when the hurricanes hit last year, it involved a substantial amount of my time and other Ministers' time. I seek to have regular conference calls with them. I try to speak to every Overseas Territories Premier at least once every two months, and I try to have a proactive agenda on issues that they want to raise. Of course, you saw the Chief Islander when he visited and I am sure he told you about the logistical challenges of visiting each particular territory. With all the best intentions in the world and as much as one would want to do that, it is not possible, so engagement and communication is important. In the normal course of business, that is what I seek to do. On every visit an Overseas Territories Premier makes to the UK, we always allocate time in advance of that. The time could



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constitute a meeting of an hour or two where we discuss issues of substance. As a specific example, I mentioned the Cayman Islands and the constitution earlier. I made sure that, notwithstanding other challenges, I engaged directly with the Premier through a bilateral meeting that lasted an hour. Then, of course, the detailed technical process was taken forward by the officials over two days and I joined the meeting at the end to see what other support I could extend.

It really depends. It can be issue-driven, but what I have sought to do is set up regular communication channels to ensure that I can not only represent their interests across Government, but also hear and listen to their concerns directly.

Q273 Ian Murray: Can I ask a few questions about governors? What advice and training do you give to governors before they are posted to Overseas Territories?

Ben Merrick: We give a considerable amount of advice and induction training to governors in advance of their deployment. Obviously, depending on when they are appointed, we usually try and start very quickly. We are seeking to establish a much broader cadre within the Foreign Office and elsewhere to enable a career path for governors. Certainly there is a lot of support. We do specific courses on disaster and financial management and so on. There are broader developmental courses on issues to do with running an overseas mission, for example. Clearly, there are a lot of territory-specific issues as well, so we will brief people substantially on those. Where possible, we seek to get future governors to another of the territories in advance, although that depends on logistics and so on. One of the things I do is establish a broad community of governors and the policy community in London so that we have a support network on policy issues and other practical issues between governors. That ensures that as and when new governors arrive, they are very much supported and aware of the key issues.

Q274 Ian Murray: None of the 10 current governors who have been posted in an Overseas Territory have been posted there before. How do you assess their effectiveness and whether they are in the appropriate place and the appropriate job?

Lord Ahmad: Mr Merrick is the responsible line manager. In him, you have the right person in terms of officials.

Ben Merrick: We take a normal performance management approach. We set out the job descriptions for the particular posts and we consult the territory Governments in advance on the kinds of attributes they would want for their specific governors. We go through an interview process, as you would expect, and we scrutinise that carefully. I then performance manage the governors so that we are clear on the key objectives that we need to achieve. We will go through the normal procedures of feedback and performance with a range of people within the territories. I engage closely with all the governors on an ongoing basis to support performance



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in whatever way is necessary. As with any of my colleagues, we take things forward in a proper performance management approach.

Q275 **Ian Murray:** Under what circumstances would the Foreign Office make a decision to withdraw a governor from an Overseas Territory?

Ben Merrick: It is very rare for that to happen. It would depend on the circumstances at the time. If there were particular reasons why we felt it was not possible for a governor to stay, we might consider that after due process, proper investigation and so on, but it is extremely rare that that would happen.

Q276 **Ian Murray:** Finally, the quality of the overseas Foreign Office staff that this Committee and I have come across has been outstanding across the world. There is no doubt that the missions in various countries across the world, while they have mixed ability, all do a fantastic job. Are you confident that the governorships in Overseas Territories are given the same priority in terms of the quality of staff and management put in place as would be the case in any large mission in China, Washington or Berlin?

Ben Merrick: Yes, I am very confident. I think we have an excellent set of governors. I often say to people that I have one of the best jobs in the civil service because I get to deal with such a range of extraordinarily important and interesting issues, but also to work with excellent people based in the territory Governments, their representatives in London and the governors. Our governors come from a range of backgrounds, but we recruit them under a proper disciplined process.

Clearly there are always elements where we develop together, particularly as and when new issues arise, or when disasters take place, but we have some excellent leaders. To give one example, Governor Gus Jaspert in the British Virgin Islands has dealt with extraordinary challenges after Hurricane Irma, which hit a fortnight after he arrived there. He has demonstrated excellent leadership alongside the Premier of the British Virgin Islands on a whole range of issues.

I am very confident. Clearly, the quality of leadership is very important to us, but within the Foreign Office more broadly, people very much recognise the importance of the governor roles and, frankly, the leadership opportunities that they represent. Our permanent secretary visited several earlier on this year. Hopefully he will visit some more in due course. He is very much aware of the importance within the personnel process of getting very strong governors in role.

Lord Ahmad: First of all, I agree with Mr Merrick. I have met many governors on my visits. As I said earlier, in the meetings we have with the Premiers, whether that is through conference call or in person, we stress the point that the governors should always be present. They have an important role beyond an ambassador in a particular country because they are a bridge between Her Majesty's Government and the Overseas Territory. One vital point that Mr Merrick and I discuss quite regularly is the importance of the person's ability to communicate effectively and keep



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channels of communication open. The relationship between the Premier and the governor is the most crucial relationship to ensure that the territory progresses.

Chair: Could I quickly say that I completely agree with your assessment of Mr Jaspert, who has done an extraordinary job and very much has the thanks of the Committee?

Q277 **Mike Gapes:** Lord Ahmad, following on from what you just said, isn't there another factor that we need to be clear about? These are very small territories with very small populations, so the governor could personally know a large proportion of the people in general, not just the decision makers. Isn't there a danger that sometimes they may be too reluctant to speak up when things are going wrong?

I go back several Select Committees ago, when our Committee sent a delegation to visit Turks and Caicos. Although I suspect the FCO knew that there were problems in TCI and allegations, it was not until the Select Committee went there that the Government intervened and suspended the Government there and imposed direct rule.

I know it is still ongoing but, subsequently, the Premier, Mr Misick, was before the courts. Wasn't there a lesson to be learned from that? You said that the governor has to have a good relationship with the Premier, but it may be too close sometimes, when there are things going wrong or not as they should be.

Lord Ahmad: First, you are right on numbers. I think Bermuda is probably the largest overseas—

Ben Merrick: Cayman Islands has taken over.

Lord Ahmad: Yes, Cayman Islands has just taken over. There are 60-odd thousand, which is probably less than each of your respective constituencies. That emphasis I gave about people and the relationships is important but I think it is the strength of the relationship between a governor and a Premier that allows, when it comes to difficult issues, for that issue to be addressed directly.

Historically, you are quite right; I acknowledge that there have been issues with different territories that have then sought to be resolved and we have learned from them and tried to put in processes that address them. I also use the term that the governors are a bridge between Governments. There will often be occasions where the governor will raise issues directly with officials or the Government here, which will allow us to address it directly, rather than the governor being directly engaged.

It depends on the individual, if I can be as candid as that. The individual personality of someone, when you are dealing with someone day to day, inevitably you establish close working relationships. I would argue that they could both be with a positive impact or they could have a negative impact. We need to stress that the governor's role is unique. It is different from an ambassador's role because they are representing British



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Government interests and Her Majesty the Queen in that particular territory.

Q278 Mike Gapes: I understand that, but my point relates to events under a Labour Government, so it is not anything to do with the current Government. I am concerned that, although things were clearly not right in TCI at that time, nevertheless the UK Government did not intervene until the Foreign Affairs Committee highlighted the problems and published the report, which then led to governmental intervention.

I don't know and can't say the reasons for that but, nevertheless, the Foreign Affairs Committee is not going to travel to every Overseas Territory on a regular basis. We are responsible for 200 countries in the world, in a sense. The problem, if the governor is not strong enough or if they do not have the status, even if they express concerns, is that the UK Government does not take it seriously.

Ben Merrick: If I could provide some reassurance. I confess I cannot comment on what happened—

Q279 Mike Gapes: We're talking about nine or 10 years ago.

Ben Merrick: Exactly. I know about that one, but I don't know the detail about the governors at the time. What I can certainly reassure you on now is that the sorts of issues you highlight are very important, but one of the advantages of drawing people from the UK civil service is that my senior colleagues already have a lot of experience of operating in a political context and we have close relations with political leaders and others. For us, civil service values around integrity, honesty, objectivity and impartiality are very important, but also the principle of speaking truth to power.

We have a constructive relationship, but the governors, for example, are very clear about the nature of the constitution and legal obligations and so on. All my governors have a sensible, constructive relationship with their Governments if they feel there are any problems. Because we work so closely with our governors, we are having that sort of discussion on a weekly basis, or sometimes more frequently. As a result, if there are particular concerns, we will discuss them with them and with Lord Ahmad and potentially others, and work out how best to address those sorts of things. As I say, I cannot comment on what happened a decade ago, but I am very confident that these days, that is the sort of thing that we would be on top of very straightforwardly.

Q280 Mike Gapes: We hope so, until the next crisis somewhere.

Lord Ahmad: It comes down to who is doing the job, Mr Gapes, frankly, and their recognising that all of us, in whatever job we do, have obligations and standards that we need to sustain. I have seen it with Mr Merrick and his team. There have been challenges. Without naming territories or personalities, issues are sometimes brought to Mr Merrick's attention. He will discuss them with me. We will then determine whether, at that time, it is more appropriate for a governor's intervention or an intervention from London.



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Sometimes, sustaining that important relationship, the governor makes a key judgment call: “Is this something I can resolve domestically with the Premier, or is it something that I need to escalate?” When it is escalated, part of our job between us is also to sustain that relationship between the governor and the Premier. That is a crucial one.

In terms of what happens in the future, it will be determined once we experience different situations. We have learned from experience and, dare I say, that also shows the importance of the important work of the Foreign Affairs Committee.

Mike Gapes: Thank you.

Q281 **Andrew Rosindell:** A couple of very quick points on governors. First, we all want to have a modern relationship with the Overseas Territories. Is it not time that the Overseas Territories were given a say about who their governors ought to be? Is it not right that, rather than just imposing someone—it may be that you choose someone who is a perfect fit for that territory—is it not time that we gave the Overseas Territories’ elected Governments a real say in who their next governor is going to be?

Secondly, for those territories that wish to have it, is it not right that the traditional tunic that the governors used to wear should be permitted, where the territories actually want their governor to wear that outfit, rather than taking the funding away or expecting the territories to fund it themselves?

Lord Ahmad: Mr Merrick, I am sure, will come in on this. First, on the issue of a say, certainly it has been my view that we would take, not just necessarily the individual but the type of individual that a territory is seeking, in terms of the qualities, capabilities and competencies, into account. We do have that discussion with the Overseas Territories. It is important that we not only nurture but strengthen that. In terms of the formal process, Mr Merrick is the line manager for the governors, so he will speak to that.

On the final point about traditions and what they should wear and how they should represent, I am a stickler for tradition and I think tradition is a good thing. If there are certain traditions that need to be sustained, and that are valued by our Overseas Territories, we should look at them and see how we can best facilitate them. Equally, all things considered, when it comes to issues of resourcing—I do not know what the cost is of a particular uniform or tunic—we need to ensure that it is relevant and reflective of the ambition a territory has. If there is validity behind it, it is something we can discuss on a territory-by-territory basis.

Ben Merrick: On the first question, the Minister’s point about consulting territories on the sorts of attributes they would like to see is very important. We always factor that into the job description and the way in which we interview people and so on.

The way in which we do it works well. It is easier for us to do it on this level. I do not think we are imposing people; we are going with the sorts



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of people that they would want—that the territories have asked for, I should say. However, I think it still works well having the approach that we take in terms of the interview panel and so on.

On the tunics point, I confess it is not something that anyone has ever raised with me. Obviously I am happy to look at it if other territories feel that they would like to do that as well. We tend to respond when people raise these sorts of issues.

Andrew Rosindell: We are moving on to a completely new subject: the Overseas Territories and Brexit. Maybe we should end on that.

Chair: Yes.

Q282 **Andrew Rosindell:** Clearly Overseas Territories could be affected just as much as we are by certain aspects of our departure from the EU. Minister, would you please reassure the Committee that the UK will match-fund any loss of grants or funding that the Overseas Territories currently receive from the European Union, at least until 2020, and what arrangements will be in place after 2020? If there is no deal, would you tell us what plans are being put in place today, as we speak? We are potentially facing that now, and we need to have a plan in place to ensure that any possible detrimental effects will be minimised for the Overseas Territories.

Lord Ahmad: First of all, on the issue of European funding, the short answer is yes, and we have confirmed that, particularly on the EDF programme, which impacts many of the territories. We have written to all the territories in that respect, confirming, if there is currently any programme, that in any transitional period that will continue. On the consequences of no Brexit deal, we have already agreed with the Treasury, and I am grateful to the Chancellor for his support in that, that we will also ensure that the commitments that have been given through those European funding programmes will be continued for the current cycle.

In terms of leaving the European Union without a deal, at this year's JMC, while we had a particular session with Minister Walker, we also, with one of the senior officials, arranged a briefing with the senior officials dealing with the issues of Brexit at the Foreign Office, to talk through the consequences of no deal being agreed by the time we leave the European Union on 29 March.

A primary concern was about much of the European programme funding. We have given that reassurance to them, and they have also been assured that there is open communication on any specific territorial concerns that they wish to raise directly with the Government, whether through the Foreign Office or, indeed, the Cabinet Office. I think the reflections of the Chief Minister of Gibraltar were also reflective of recent discussions that we have had, and of his direct engagement on discussions that have taken place that are specific to Gibraltar.



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The short answer is yes to the first question that you raised about funding. That has been assured, and that has been confirmed to them both in terms of what reaching an agreement would mean, and, if there were any implications of leaving without a deal, that we would fund any European funding programme for the current cycle until 2020.

Q283 Ian Murray: What happens beyond 2020?

Lord Ahmad: That is part and parcel of the discussions you would have with any Department. I think that would be part of the funding discussions that we have cross-Government about budgets, programmes and Departments. That would be part of the normal discussions that we would have.

Q284 Ian Murray: The Cabinet made the decision this morning to implement their no-deal scenario planning. What are you responsible for, how much will it cost, and how advanced are your preparations?

Lord Ahmad: In terms of costings and so on, when it comes to the Overseas Territories the immediate cost of a no-deal scenario would be fulfilling the specific pledges that exist across different European programmes. In terms of the specific allocations, I will write to the Committee confirming what those are.

Q285 Ian Murray: Would you write to the Committee with your no-deal scenario planning as well?

Lord Ahmad: When you say no-deal planning, do you mean with the Overseas Territories?

Q286 Ian Murray: Or as part of your ministerial responsibilities elsewhere.

Lord Ahmad: The thing is that part of my ministerial responsibilities is ensuring that, first and foremost, we get a deal that works for the Overseas Territories. In that respect, as I said, we have been working over the last year and a half directly with the Minister concerned. Robin Walker has been very courteous in his allocation of time to talk through and address some of the concerns. The major concern has been on the issue of EU funding. In terms of the preparations we are doing and the current work we are doing within the FCO, I will certainly be happy to update you.

Q287 Ian Murray: Is there a specific no-deal scenario plan in place? Do you have something written down? A document?

Lord Ahmad: There is a practical example that I have already given.

Q288 Ian Murray: That wasn't the question. Is there a document in terms of your no-deal scenario planning?

Lord Ahmad: For the Overseas Territories? There is a document that we have shared in terms of a session that we held with the Overseas Territories. As I said, a senior FCO official came to talk through that scenario. Is there the existence of a paper that talks through a no-deal scenario as a discussion with our Overseas Territories? The short answer is yes, because we did just that at the JMC.



Q289 **Ian Murray:** And much wider, for the rest of your ministerial portfolio?

Lord Ahmad: In terms of my wider ministerial portfolio—that is slightly beyond the remit of my appearance today—I can assure the Committee that when it comes to areas of human rights, when it comes to areas of counter-terrorism or countering violent extremism, when it comes to the strength of our collaboration with the European Union on issues that I cover, I believe very strongly that irrespective of whether there is an agreed deal or no deal, in the areas that I have highlighted, we should work in a very closely and aligned way. Those are the sentiments I have in terms of our future relationship with Europe.

Q290 **Ian Murray:** Sorry to go back to the point, but is it written down? Do you have a no-deal scenario document for your ministerial portfolio?

Lord Ahmad: Specifically for every element of it, there is no no-deal scenario for every specific element of my ministerial responsibility. I would be happy to furnish you with the details, as I said, about the no-deal scenario that we have talked through with the Overseas Territories.

Q291 **Ian Murray:** So that document does or doesn't exist?

Lord Ahmad: Well, with the Overseas Territories, I have already alluded to that. I think you are trying to ask a question that I am perhaps not quite understanding. If there is every element of what is a wide ministerial brief—

Q292 **Ian Murray:** I suppose the point of the question is this. In terms of the Overseas Territories inquiry that the Committee is conducting, a lot of the Overseas Territories are telling us how concerned they are about not just Brexit with a deal, but particularly Brexit without a deal. The Cabinet this morning made a decision to implement no-deal scenario planning, so I appreciate that you may have some kind of document that you can institute in terms of what a no-deal scenario would look like for the Overseas Territories. I am merely asking if your entire ministerial portfolio has meant that you have had to produce a document that highlights everything you are responsible for and what would have to be done in the case of a no-deal scenario.

Lord Ahmad: The thing is that it depends on which element you are talking about. The implications of a no-deal scenario wouldn't necessarily apply to every single element of how our relationship—

Q293 **Ian Murray:** So in the elements that it does apply to, do you have documents?

Lord Ahmad: No, which I have alluded to. For the purposes of this inquiry, I have already said that we have talked to the Overseas Territories, to a document with a senior official from the Foreign Office.

If you are looking at every element, for example, I am the Prime Minister's envoy on freedom of religion or belief. How does that shape in terms of a no-deal scenario? Have I shaped a specific no-deal scenario document on freedom of religion or belief? The answer is no—

Q294 **Ian Murray:** Can you give us an example of where you have?

Lord Ahmad: If I may finish, there are common values that we share on issues of freedom of religion or belief, and I will continue to work with the appropriate representative at the EU to ensure that we align ourselves, because we share a common values agenda. That would still apply, whether we had a deal or we had no deal. That is what I am alluding to. Is there a specific no-deal Brexit scenario on every element of my portfolio is not a question I can answer, nor should I have to answer because on certain issues it should be immaterial whether we are members of the EU or not. Will we stand up for certain elements that we do as part of my ministerial brief? Of course we will. Will we have a closer working relationship with E3 member states, as we have done previously and historically? Going forward, that will continue. I would suggest, most humbly, that it is beyond the scope of the current report. In terms of the specifics on the OTs, I think I have answered that question.

Q295 **Ian Murray:** I won't push it further because the Minister obviously does not want to answer the question—

Lord Ahmad: That is not what I have said. That is your interpretation. I have answered the question.

Ian Murray: You either have or haven't—

Chair: Please don't talk over each other.

Lord Ahmad: Sorry, Mr Chairman.

Q296 **Ian Murray:** You either have a document for a no-deal scenario for the bits that are relevant to your portfolio, or you don't.

Lord Ahmad: As I said, I have answered the question as best I can. In the context of the OTs, I have given a specific answer.

Q297 **Chair:** So from your perspective, the OTs are ready for no deal.

Lord Ahmad: We have had discussions with the OTs. Specifically at the JMC, we had a discussion on the no-deal scenario and we talked it through. The main concern that the Overseas Territories have raised with us is the issue of EU funding, and we have had discussions with the Treasury and that funding is guaranteed.

Q298 **Andrew Rosindell:** If I could ask one final question—I promise it is the last question I will ask the Minister today—we are commemorating 100 years since the end of the first world war. Many citizens of Overseas Territories fought in Her Majesty's armed forces, and still do so today, yet the Overseas Territories have never been allowed to lay a wreath at the Cenotaph on Remembrance Sunday. We recently started the fine tradition of inviting the ambassador of Ireland to lay a wreath, in recognition of Irish citizens who served in British armed forces in the first and second world wars.

Minister, will you take this back and maybe, as we leave the EU and become Global Britain, recognise the part that the Overseas Territories



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have played in helping to fight for our freedom and democracy, and give them the ability to lay their own wreath or wreaths—depending on whether they do a joint one, or one for each territory—at the Cenotaph on Remembrance Sunday? I think that as a symbolic gesture to them, it would mean a huge amount to the peoples of all the territories. There has been a block to this over many years now. I ask, Minister, whether you would be willing to take this back and see if we can find a solution so that next November, we can proudly welcome the Overseas Territories and watch them lay their own wreath to commemorate their own people who have served and fought for this country.

Lord Ahmad: The short answer is yes: I will be happy to take that back. There is great merit in what you suggest, and I am not sure what the impediments have been, but I will certainly look into that and take it forward. I think it is an excellent idea.

Chair: Thank you, Minister. I thank you both very much indeed for this afternoon's session, and thank the Division bell for not having rung, despite the warnings that it might do.