



Rt Hon David Davis MP  
Secretary of State for Exiting the European Union  
9 Downing Street  
London, SW1A 2AS

13 September 2017

Dear Secretary of State

## **Brexit: Overseas Territories**

1. On 10 July 2017 the European Union Select Committee heard evidence from Premiers, Chief Ministers and other representatives of the Overseas Territories, on the impact of Brexit upon their Territories. Each of the Overseas Territories, other than Gibraltar (whose position we examined in a separate report on *Brexit: Gibraltar*, published in March 2017) was invited to participate, and we were pleased to have the opportunity to hear from representatives of Anguilla, Bermuda, the British Virgin Islands, the Falkland Islands, Montserrat, the Pitcairn Islands, Tristan da Cunha and the Turks and Caicos Islands. We also received written evidence from a number of Overseas Territories, including the Government of St Helena, and from the RSPB.
2. While we have not been able, given time constraints, to conduct a full inquiry into the impact of Brexit upon the Overseas Territories, this letter summarises and assesses the evidence presented to the Committee. It also contains a number of questions to the Government, contained in bold paragraphs. Some of these questions relate directly to the Department for Exiting the EU, others to the work of other departments. We would be grateful, however, for a coordinated answer, bringing together views across Government.
3. We hope that this letter, as well as giving you an opportunity to set out the Government's approach to these issues, will help to raise the profile of the Overseas Territories in the wider Brexit debate. We write in the aftermath of the devastating impact of Hurricane Irma across much of the Caribbean. A number of Overseas Territories have been affected, including Anguilla, the British Virgin Islands, the Turks and Caicos Islands, and Montserrat, which, along with their neighbours, have suffered particular damaging effects. Events such as these remind us of our obligation to and solidarity with the citizens of the Overseas Territories. Can you provide a full account of the steps the Government are taking to provide aid and support to the people of the Overseas Territories affected by Hurricane Irma? What steps will the EU take to provide its own support? Can you reassure us that you will be making the case for such support in your discussions with other Member States, and to work alongside other Member States, notably France and the Netherlands, whose own territories have also been affected?

## **The Overseas Territories and the EU**

4. The Overseas Territories are associated with the EU under Part VI of the Treaty on the Functioning of the European Union by virtue of their position as British Overseas Territories. The detailed rules and procedures of association are set out in the Overseas Association Decision (OAD) (Council Decision 2013/755-EU), which lists over 20 Overseas Countries and Territories associated with the EU.
5. In its White Paper *British Virgin Islands: Preparing for a post-Brexit world*, the Government of the British Virgin Islands set out the nature of its relationship with the EU:

“BVI is not part of the EU but has associate status. The EU has been a strategic partner, working with BVI as we have continued along our development path. Our association outlined in the Overseas Association Decision (OAD), has delivered a number of benefits. These include: preferential terms for trade; expertise to strengthen the private sector; funding to support sustainable development; free movement rights for many BVI citizens; and political dialogue on sectors such as financial services. These are valuable benefits for a small island territory, which have opened educational, employment and travel opportunities that enrich our society.”

6. This summary reflects the views of many other Overseas Territories, as put to us in evidence. We highlight in particular the following matters of particular concern.

### **Access to EU funding**

7. The Honourable Victor Banks, Chief Minister of Anguilla, told us that the EU was the only source of significant development aid for Anguilla. He said that support from the EU via the European Development Fund (EDF) accounted for 36% of Anguilla’s capital budget in 2016. He said that it received €11.7 million for the three year period of the 10<sup>th</sup> EDF tranche, and had been allocated €14 million for the period covered by the 11<sup>th</sup> EDF. Chief Minister Banks said that such funding was critical for projects including capital investment in educational infrastructure, which would not be possible without it: “With the challenges coming out of the recession in 2008, with the drop-off in tourism arrivals and the economy generally, we would be unable to even balance our budget, let alone put aside funds for that critical area of education. EU funding is very important for us. If we lose that funding, it must be replaced in some way.”
8. The Honourable D Orlando Smith, Premier of the British Virgin Islands (BVI), said that “the EU is essentially a partner in our economic development.” He noted that, while the BVI did not qualify for direct aid from most countries because of its level of GDP, it did receive \$100 million from the EU’s regional package. He gave the example of a programme supporting SME development in the British, French and Dutch Overseas Territories that was being managed from the BVI, which it saw as the engine for its

future economic growth. He noted that the EU's support, both in financial terms and in developing capacity, had been "very significant".

9. Premier Smith also pointed out that, in common with some other Overseas Territories, BVI benefited from EU horizontal programmes to protect and develop its "very significant and very rich" biodiversity. He noted that EU support was helpful in terms of environmental infrastructure development and alternative energy. For instance, an EU-supported project was proving valuable in repairing a damaged beach and reef in the most tourist-oriented part of the island. He stressed the importance of EU funding in boosting the quality of the BVI tourism product on each of its many islands.
  
10. Donaldson Romeo, the Honourable Premier of Montserrat, said that Montserrat had been reliant on external aid since the volcanic eruptions of the late 1990s: "We have a hospital that, after 18 years, is still in a remodelled school. It is woefully inadequate. We have hundreds of evacuees still on the island after 18 years who are waiting for permanent hurricane-resistant housing." He said that Montserrat was "hugely dependent" on EU funding. For instance, EDF funding had enabled Montserrat to build 100 homes, and it was seeking to use the current EDF tranche to develop a port to enhance Montserrat's tourism industry, and to provide a fibre optic cable connection for the first time. It also received €63,000 in funding via the Biodiversity and Ecosystem Services in Territories of Europe Overseas (BEST) initiative. He said that every cash injection, especially that from the EU, formed a "significant percentage of our capital budget" and made a "huge difference", by allowing the Government of Montserrat some autonomy and flexibility in deciding what priorities should be addressed, and to plan over a period of time. He feared that Brexit would remove Montserrat's access to "significant sums, in excess of £20 million over the next few years", although he hoped that the Department for International Development, its main donor, would fill that gap.
  
11. Councillor Leslie Jaques OBE, Government of the Pitcairn Islands, noted that the Pitcairn Islands, the smallest of the Overseas Territories, received budgetary aid from the UK, but it also received €2.4 million under each of the 9<sup>th</sup>, 10<sup>th</sup> and 11<sup>th</sup> EDF tranches, accounting for 30% of its overall annual budget. This and other regional allocations from the EU were used mainly for infrastructure development. He was concerned at the lack of clarity as to how, if at all, that gap would be filled. He added that the Pitcairn Islands participated in a "regional envelope" amounting to €36 million under the 11<sup>th</sup> EDF, shared with French Polynesia, Wallis and Futuna and New Caledonia. He said that the EU had been encouraging such regional cooperation, "and it is rather disappointing that we are just starting to develop this relationship and now suddenly it is probably going to end ... to lose all that for us would be quite catastrophic. The question is whether DfID will continue to fund to any kind of level. We do not know."
  
12. Chris Carnegie, UK Representative, Government of Tristan da Cunha, said that Tristan da Cunha's principal concern was the impact of Brexit on EU development funding, which they anticipated would amount to €3.25 million in the 11<sup>th</sup> EDF. This was to be

used to repair school and road infrastructure. Although Tristan had benefited from DfID support in the past, for instance in funding of a new hospital, its fishing revenues meant that it did not presently qualify for UK budgetary aid. Nevertheless, it could not afford “big ticket infrastructure items”, and it could therefore ill afford to lose EDF funding. He said that the European Development Fund had taken “a healthily strategic multiannual view of infrastructure investment, so we are extremely grateful to it for what it has done for us over the last few years.” He said that there was a need for some equivalent mechanism, or even continuation of the EDF, and indeed stressed the UK’s responsibilities to the Overseas Territories, under the UN charter, to ensure their “economic, social and educational enhancement.”

13. Honourable Sharlene Cartwright-Robinson, Premier, Turks and Caicos Government, said that a loss of EU funding would have a significant effect, in particular given that its population was spread across six or seven inhabited islands, meaning services needed to be replicated. Turks and Caicos currently benefits from the 11<sup>th</sup> EDF and receives a territorial allocation of €14.6 million. It also benefits from the Caribbean Regional Fund to the tune of €40 million, €16-18 million under the thematic envelope, as well as funding via BEST. She said that it could also access some horizontal budget lines such as Horizon 2020, as well as the EIB investment facility. While not eligible to receive Official Development Assistance (ODA) funding under the DfID budget, it was eligible to receive bilateral EDF funding under the EU criteria for development assistance.
14. Premier Cartwright-Robinson said that Turks and Caicos had benefited greatly over the years from EU funding. It was seeking to build a primary school and develop a vocational training programme through the current tranche. The €11.8 million allocation under EDF 10 had enabled it to reform its business sector and enhance its capacity to facilitate foreign direct investment, while EDF 9 had allowed it to link two islands by causeway, opening up the economy of both. After Hurricane Ike and Tropical Storm Hanna in 2008, €6.25 of EU funding enabled Turks and Caicos to rebuild and remake 51 homes. It hoped to benefit from the €40 million Caribbean Regional Programme, focusing on sustainable energy and marine diversity, while it had already received €4 million for the building of a radar system, which detected 90% of illegal shipping into its wide land mass. Premier Cartwright-Robinson called for clarity as to whether DfID would fill that funding gap.
15. Roger Edwards MLA, Falkland Islands Government, said that EU funding in the Falklands was very small, in the order of £10 million between 2010 and 2020 from EDF funding and environmental funding. Nevertheless, losing these sources of funding would reduce the Falkland Islands’ capacity to develop new development projects.
16. The Government of St Helena noted that St Helena was a net importer, and that the depreciation of Sterling had thus already had a disproportionate impact on its economy. Capital aid from the EU had formed as much as 10% of its GDP, which had allowed significant improvements to the island, including cliff stabilisation, wharf widening, customs and freight terminals, and rebuilding of roads. St Helena had received €16.6

million under the 10<sup>th</sup> EDF, and, together with Ascension and Tristan da Cunha, had been allocated €21.5 million under the 11<sup>th</sup> EDF. St Helena's share of this funding had been earmarked for a project to improve telecommunications connectivity, in the form of a submarine cable, which it is hoped will contribute to growth and service improvements in health and education. St Helena is also able to access the thematic component of the 11<sup>th</sup> EDF, which will fund projects to reduce the risk from climate change and disasters, and to promote sustainable energy.

17. Government of St Helena also pointed out that it was home to a unique biosphere protecting by thousands of square miles of ocean, including 500 endemic species. It has previously secured BEST funding, and continued funding to protect its environment and protect it from the effects of climate change was crucial. It stated that "in order to protect its fledgling growing economy, St Helena needs the continued assistance of the UK Government and an assurance that the support previously received from the EU will be maintained by the UK."
18. The RSPB noted that the Overseas Territories held some of the world's most remarkable environments, from vast coral reefs to windswept albatross islands. They hold more than 90% of the threatened wildlife for which the UK, in conjunction with Territory governments, has responsibility. They stated that "it is of great concern that the UK Government has, to date, not made any comment on whether the BEST funding will be replaced when the UK leaves the EU. It would be regrettable if Brexit were to damage the prospects of the environment in the Territories." They argued that the UK's Darwin Plus fund should be extended to address this shortfall.

#### Questions

19. **EU funding is a significant contributor to the annual budgets of the Overseas Territories. We note in particular the importance of EDF funding in supporting infrastructural and economic development. Given that a number of Overseas Territories do not currently qualify for receipt of UK overseas aid, how does the UK Government plan to cover any funding gap resulting from Brexit? Is the Government willing to countenance continued EDF funding to the Overseas Territories, even if this means continued UK contributions to the EU budget?**
20. **We also note the significance of BEST funding in supporting biodiversity. In the event that the Overseas Territories are no longer eligible, after Brexit, for receipt of such funding, will you commit to extending the Darwin Plus initiative to address this shortfall?**

#### Trade

21. Several of the Overseas Territories described their dependence on trade with the EU. Eighty per cent of all Falkland Islands exports go to the rest of the EU, other than the UK. Mr Edwards pointed out the Falkland Islands' reliance on agricultural trade. The Falkland Islands produced wool and meat as export crops. Whereas he anticipated that,

as now, no quotas or tariffs would apply to wool after Brexit, meat was “more problematical, as about 60% is sold into the UK and the remainder into Europe. It is slaughtered to EU standards. Therefore, post-Brexit tariffs or taxes could apply. However, the quantities of our meat are quite small and thus there is a possibility that all our produce could be absorbed into the UK market.”

22. Fishing accounts for between 35% and 48% of the Falkland Islands’ GDP, and it exports over £120 million of fishery produce to the EU each year, over £110 million of which goes through Spain. Mr Edwards noted that the two main markets for the Falkland Islands’ significant exports were the Far East for illex squid and some fin fish, and Europe for loligo squid and the remainder of fin fish. While sales to the Far East should not be affected by Brexit, he noted that loligo sales into Europe make up around 10% of imports through the Spanish port of Vigo, and a similar percentage of the overall market in southern Europe. He warned that any application of quotas or tariffs after Brexit (potentially of between 6% for loligo and 15% for toothfish) “would reduce both our revenues and company profits, leading to a loss of fishery development and investment in new vessels.” It was estimated that, with import tariffs imposed, the Falkland Islands’ fishing industry would lose £8 million per year in the loligo market alone. He said that the best outcome for the Falkland Islands’ economic development was a free trade agreement.
23. Councillor Jaques said that Europe was one of the biggest markets for the Pitcairn Islands’ trade in honey, and the product had to be tested each year to remain on the EU’s approved list. While not significant in global terms—only 25,000 units per year—not being able to trade with Europe would have significant consequences for Pitcairn’s bee industry.
24. Premier Banks said that French and Dutch St Martin were the main market for Anguillian fish, and Anguilla would therefore require continued access to the French and Dutch markets. He noted that Anguilla had yet to fulfil EU requirements for the export of its fish and m face additional criteria after Brexit.
25. Mr Carnegie said that Tristan da Cunha’s economy was essentially a monoculture, reliant on fishing for high quality lobster. The ability to export lobster tariff-free to the EU accounted for 9% of its overall exports, including an important high end market, which helped to set the price for exports to the rest of the world. Tristan therefore wished to see continued special access to the EU market. Premier Smith noted that, while BVI’s most significant trade was in services, it too had a developing fisheries industry.

#### *Questions*

26. **Tariff-free trade with the EU is a vital contributor to the economic prosperity of several of the Overseas Territories, in particular to industries such as fisheries, wool and meat from the Falkland Islands, honey from the Pitcairn Islands, Anguillian fish, and lobster from Tristan da Cunha. What assurances can you provide that the UK Government will, as part of the**

## **Brexit negotiations, ensure that Overseas Territories' EU-bound exports will not be subject to tariffs, quotas, or other obstacles to trade post-Brexit?**

### **Financial services**

27. Some Overseas Territories referred to the importance of their financial services industry, and the potential impact of Brexit. Dr Derrick Binns, Secretary of the Cabinet, gave evidence on behalf of the Government of Bermuda due to its impending General Election. He expressed hope that Bermuda's already successful efforts to achieve equivalence in relation to insurance under Solvency II would not be affected by Brexit. Nevertheless, he acknowledged that the UK's membership of the EU provided significant support for Bermuda, and he was concerned about the impact of the loss of such a voice at the EU negotiating table.
28. Premier Smith stated that financial services was very significant to the economy of the British Virgin Islands. He said that the UK was "a champion for those countries that are properly regulated jurisdictions, such as the BVI. As long as this ordered way is not ended, we do not see an issue." Nevertheless, he expressed concern that Brexit might jeopardise the support previously provided by the UK, "especially if matters are put forward that are not really internationally accepted but are just put forward by individual countries."
29. Premier Banks said that the Anguillian financial services sector was relatively small, but that it, along with that of other Overseas Territories, needed to be mindful of the impact of the EU's blacklisting regime, and "the extent to which inappropriate classification by the EU may be successfully challenged by former member states and their related territories. Anguilla is currently responding to the EU's information request and awaits the outcome of its deliberation."
30. The EU Financial Affairs Sub-Committee has scrutinised the Commission's 2015 Communication for a Fair and Efficient Corporate Tax System in the EU, and the 2016 Tax Transparency Directive (which remains under negotiation). In its scrutiny of these documents, the Committee noted that a number of Overseas Territories had been included in an early iteration of the EU's blacklist, and named as uncooperative by at least 10 other Member States.<sup>1</sup> The Committee also noted that there could be benefits to a blacklist in ensuring that affected jurisdictions adhere to international tax transparency standards. The Committee subsequently acknowledged the progress made by most Overseas Territories in agreeing to the exchange of information.<sup>2</sup>

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<sup>1</sup> [Letter from Lord Boswell of Aynho to David Gauke MP, \(then\) Financial Secretary to the Treasury, 22 July 2015, on EM 9949/15: A fair and efficient corporate tax system in the European Union: 5 key areas for action](#)

<sup>2</sup> [Letter from Lord Boswell of Aynho to David Gauke MP, \(then\) Financial Secretary to the Treasury, 25 May 2016, on EM 7946:16: Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/34/EU as regards disclosure of income tax information by certain undertakings and branches](#)

31. **We recognise the importance of the financial services industry to a number of Overseas Territories. What steps will you take to ensure that the UK continues post-Brexit to provide support to the Overseas Territories in their discussions with the EU about financial services cooperation, equivalence and related matters, including best practice and transparency?**

### **Freedom of movement**

32. Dr Binns said that freedom of movement was a major concern for Bermuda. The ability to hold a UK (and therefore an EU) passport had opened up tremendous opportunities for its people, “in terms of what they can do, where they can go, the experience they can gain and what they can then bring back to Bermuda ... If we were to lose that, it would be considered a very serious issue.”
33. Premier Smith noted that the right of Overseas Territories residents to a British passport “allows our people to access trade, to study in [EU countries] if they wish, as well as simply to travel.” Premier Smith agreed that for the BVI, such exposure, for young people in particular, was helpful.
34. Chief Minister Banks expressed his desire for the UK to negotiate an arrangement that would enable the Overseas Territories to continue to enjoy freedom of movement in the EU. He also stressed the importance of taking into account the rights and priorities of diaspora communities in the UK, which included 6,000 people of Anguillian descent.

### *Questions*

35. **The Overseas Territories have described the importance of the rights, as UK passport holders, of their citizens to freedom of movement within the EU. What will be the impact of Brexit on these opportunities in the future? What steps are you taking to mitigate this impact?**

### **Relations with neighbouring territories**

36. Chief Minister Banks reminded us that Anguilla was “a border state of the European Union, being located geographically within five miles of French and Dutch St Martin.” He noted Anguilla’s close economic, societal, tourism, trade, social services and medical services connections with these territories. Because of its relatively small population of 15,000, compared to a population of 100,000 in French and Dutch St Martin, Anguilla’s people were reliant on their neighbours for many social services. For instance, many children attended school in St Martin, while medicines were more readily available in St Martin.
37. Mr Banks also pointed out that, in its primary industry of tourism, 90% of visitors to Anguilla used St Martin as a hub. Many people also commuted to St Martin to work: “Over the years, we have been able to benefit from a close neighbour that has a vibrant economy and that has the job opportunities that people are qualified for. They go to St

Martin to work in education as teachers, in the hotel sector, in construction and in other areas of work.”

38. The Government of Anguilla’s White Paper on Brexit, *Anguilla and Brexit: Britain’s forgotten EU border*, noted the isolation caused by French St Martin’s decision to close its border at 10pm each night: “Whilst the working hours of French coast guards has been accepted as being the cause of the border closure, offers of support from Dutch coast guards have been refused, and the development of an Anguillian coast guard will not suffice as they would have no jurisdiction over French waters.” Chief Minister Banks urged the UK Government to play close attention to the impact of Brexit on these relations.
39. Premier Romeo said that, while not as closely knit as Anguilla and St Martin, Montserrat was also “dependent on our ability to move freely within our region.” He noted that it was close to the French territories of Guadeloupe and Martinique, which were willing to work with it on trade and tourism. Montserrat was also dependent on Guadeloupe for specialist or urgent medical care, which was already costly, and there were concerns that these costs would increase. In addition, its main export—sand and aggregate from the volcano—was shipped to neighbouring islands or used for products made for export in Montserrat itself. He noted that, “at present, when we export to the French or Dutch territories, we enjoy tariff-free arrangements, which help us to be competitive.”
40. Councillor Jaques noted that Pitcairn was an isolated island whose nearest neighbour, French Polynesia, was 300 nautical miles away. Mangareva, while not formally an international port, was used as such by the Pitcairn Islands by agreement with French Polynesia and France. He queried whether this would still be allowed after Brexit, and without it “we have serious problems in terms of our increasing isolation. ... If we do not have access—if our passports are not valid and we have to come to other arrangements with French Polynesia—that would be catastrophic for us.” He also noted the importance of freedom of movement to French Polynesia, for instance for medical surgery in Tahiti. Without this facility, “the cost of bringing people to either the UK or New Zealand would be huge.”
41. Mr Edwards expressed the Falkland Islands’ concern that Brexit would remove the obligations of other Member States to recognise and accept that the Overseas Territories are a part of the UK, and that consequently “we may well lose the support of the rest of Europe, and may well see Spain and possibly other members of [the EU] give greater support to Argentina over its mistaken and illegal claim to the Falkland Islands.”

#### Questions

42. **What is the Government’s response to Anguilla’s concerns about the impact of Brexit on its economic, societal, tourism, trade, social services and medical services connections with its close neighbours, French and Dutch St**

**Martin? What steps are you taking to ensure that Brexit does not impinge upon the ability of Anguilla and its neighbours to cooperate and work together for the mutual benefit of their citizens and visitors?**

- 43. A number of other Overseas Territories also rely on close cooperation with their neighbouring territories, for instance to meet the travel and healthcare needs of their citizens and of visitors. Many of these neighbours are territories of other EU Member States. What will be the impact of Brexit on this cooperation? Is there any danger that the impetus behind closer cooperation between neighbouring territories will be lost as a result of Brexit? What steps is the Government taking to ensure that the existing close cooperation between UK and EU Overseas Territories will continue to develop after Brexit?**
- 44. How would you respond to the concerns expressed by the Falkland Islands about the implications of Brexit for Argentina's territorial claim? What steps are you taking to ensure that the commitment of EU Member States to the existing constitutional status of the Falkland Islands will continue after Brexit?**

#### **Opportunities arising from Brexit**

45. Notwithstanding the concerns we have outlined, some of the Overseas Territories saw opportunities to benefit from Brexit. Premier Smith saw an opportunity to support the UK's expansion into new markets, and suggested that BVI could work in partnership with the UK, given its "established record of using corporate structures to facilitate global flows."
46. Premier Banks expressed confidence that any difficulties in Anguilla's relationship with St Martin would strengthen its case for the development of improved access and facilities. Anguilla and the British Virgin Islands separately argued that Brexit provided an opportunity for them to strengthen their ties with Caribbean neighbours.
47. Mr Carnegy said that, in relation to Tristan da Cunha's lobster trade, Brexit provided an opportunity "to go forth around the world with the UK helping to strike these new preferential or free trade deals. Were we to be able to do one with China, [and] the UK allowed the Overseas Territories to opt into them, we would have an opportunity. I think that is potentially exciting."
48. Mr Edwards said that the Falkland Islands was exploring new markets for exports, though these were not as valuable or viable as the European market: "We could sell all our fish into the United States, but the return is about 50% of that which we get from Europe." Similarly, "China has an import tariff that is something in the order of between 50% and 80% for wool exports." He said that "at the moment, we have not been able to identify any benefits" from Brexit, but expressed the hope that "it might open up a

whole raft of exciting opportunities for all of us. We have to keep our eyes open and keep looking.”

49. Several Overseas Territories asserted that Brexit provided an opportunity to revisit and enhance their ties with the UK. For instance, Premier Cartwright said that Brexit presented an opportunity for the UK to look again at how it could assist the Overseas Territories in meeting their development goals, as well as to break the distinction between ODA and non-ODA. Premier Romeo agreed that “it forces a greater partnership with the UK.”

#### *Questions*

50. **What steps is the Government taking to ensure that the Overseas Territories are able to participate in future post-Brexit trading opportunities? How will the Government consult, involve and inform the Overseas Territories about its negotiations on trade agreements with non-EU states? What opportunities are there to strengthen ties between the Overseas Territories both with their neighbours, and with the UK itself, and what practical steps are you taking to achieve this?**

#### **The Overseas Territories and the Brexit negotiations**

51. We asked the Overseas Territories about their input into the Brexit negotiations. Mr Carnegie spoke of “the risk that the OTs will simply be forgotten or side-lined as too complicated, too distant, and in some cases too small, for British politicians to be devoting significant share of mind to.”
52. Premier Cartwright-Robinson also stressed the need to remember the Overseas Territories throughout the Brexit process, for the relevant parties to work with them and ensure that their concerns are taken into account.
53. The Pitcairn Islands, on the other hand, told us that its engagement with the UK Government had been positive and supportive, and “thus far there is every indication our interests are being protected.” Premier Romeo welcomed the work of Baroness Anelay of St Johns, when an FCO Minister, to help the Overseas Territories to work together to present their case to DExEU colleagues at the special Overseas Territories Joint Ministerial Council meeting on Brexit in autumn 2016 (JMC (OT EN)). A follow-up JMC meeting was held immediately after the Committee’s hearing, in July 2017.
54. The Falkland Islands Government, however, expressed concern that the frequent change of Government officials made it more difficult to maintain effective cooperation. It argued that the Overseas Territories would benefit from a more direct involvement in the Brexit negotiations. The Government of St Helena stated that it needed to be ensured that DExEU had appropriately experienced staff to consider the impact of Brexit on the Overseas Territories. The Government of Anguilla stated that its

engagement with the UK Government had been relatively disappointing, in particular on the question of its relations with neighbouring territories, and it too cited the high turnover of staff as a problem. It argued that the JMC mechanism was a “poor substitute for stronger lines of on-going communication.”

#### *Questions*

**55. Notwithstanding their geographical distance from the EU, Brexit will have significant implications for each of the Overseas Territories. What steps is the Government taking to ensure that they are fully involved in the Brexit negotiations, and that their concerns and priorities are properly taken into account by the UK negotiators?**

#### **Conclusion**

56. In light of the large number of issues set out in this letter, we would be grateful for a response in line with the normal two-month deadline for responses to Committee reports, to reach us no later than 13 November 2017.

Yours ever



Lord Jay of Ewelme

On behalf of Lord Boswell of Aynho