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Lord Boswell of Aynho
Chair, European Union Committee
House of Lords
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19 February 2018

Dear Lord Boswell,

I am grateful to the Committee for its letter dated 13 September 2017 entitled “*Brexit: Overseas Territories*”, and its detailed consideration of the implications of the UK’s decision to leave the European Union for the Overseas Territories. Please accept my sincere apologies for the delay in responding.

I note that this letter follows on from the useful analysis in the separate report on “*Brexit: Gibraltar*”, published in March 2017, to which we have already responded. For the purposes of this reponse, all references to Overseas Territories below do not relate to Gibraltar.

Negotiations with the EU are being conducted in a constructive and determined manner, resulting in decisive steps forward. The negotiations have so far focused on citizens’ rights, mutual financial obligations, other separation issues and an agreement for the Republic of Ireland and Northern Ireland. Although the future relationship between the Overseas Territories and the EU cannot be defined until we have begun the next phase of negotiations, the UK is actively considering the interests of the Overseas Territories in its negotiation preparations.

The result of the referendum on membership of the EU does not change the UK’s firm and longstanding position on UK sovereignty of the Overseas Territories. Nor does it mean that the UK’s support and commitment to all our citizens is in any way diminished.

Access to EU funding

I have noted feedback from the Overseas Territories’ leaders with respect to the importance of support via the European Development Fund (EDF) and other EU funds, and the need for an equivalent funding mechanism.

The UK and Overseas Territory Governments share a responsibility to the British citizens living in those territories to help enable them to lead secure, stable and more prosperous

lives. The UK will remain party to the EDF until the closure of the 11th EDF in 2020, and we expect to confirm the arrangements for preserving the UK's Overseas Territories' EDF funding during this period in the next phase of negotiations. After we leave the EU we will need to consider how best to continue to deliver our policy objectives in this area.

The Government will continue to work closely with the governments of the Overseas Territories to ensure their priorities are taken into account as we negotiate with the EU.

Trade with EU

The UK Government has been engaging directly with the Overseas Territories' governments through the creation of the UK–Overseas Territories Joint Ministerial Council on European Negotiations (JMC–OT EN), which convened twice in 2017 (February and July), and through the pre-existing, annual JMC which last took place on 29 November 2017. The Prime Minister also met the leaders of the Overseas Territories during November's annual JMC. Through these JMCs, the Overseas Territories have been able to discuss with the Government the importance of trade in goods and services, including financial services, into the EU, and also with other EU Overseas Countries and Territories.

We are clear that the UK's negotiations extend to the Overseas Territories in those areas where their association with the EU is affected.

As I mentioned at the beginning of this letter, it is too early to set out the potential future scope, depth and terms of the Territories' future access to the EU Single Market. This is likely to depend on the future UK-EU agreement, and will be subject to negotiations on our future relationship.

We will however continue to engage closely with the Overseas Territories to understand their priorities, working for a new relationship with the EU that works for the whole of the extended British family.

Relations with EU and neighbouring territories

Currently, Overseas Territories' citizens with British citizenship have EU citizenship, and are therefore eligible for free movement rights. The joint report on citizens' rights agreed in December will provide British citizens already in the EU (including those from the Overseas Territories) with certainty about their rights going forward. The agreement gives people clarity about their residence, healthcare, pensions and benefits rights and sets out who is eligible for the deal.

We have also made clear our intention that during the proposed implementation period, EU citizens will be able to come and live and work in the UK as now, and we will seek reciprocal arrangements for British citizens in the EU.

We will be setting out initial proposals for our future immigration arrangements in due course and we are committed to working to ensure the best possible outcome for the British people.

While it is too early to say exactly what may be included in an eventual agreement, the UK is absolutely clear that leaving the EU does not change the position on UK sovereignty of the Overseas Territories.

Opportunities arising from Brexit

I was pleased to read the positive views from the leaders of the Overseas Territories in your letter on the opportunities arising from our leaving the EU. I wholeheartedly share their view that our departure from the EU provides an opportunity to forge a new role for ourselves in the world, to pool experiences of expanding into new global markets, and to strengthen and enhance our relationship with the Overseas Territories.

A truly Global Britain is comprised of outward looking people keen to do business with old friends and new allies alike. The UK's exit from the EU provides an important opportunity to boost our trading relationships, and we will continue to take account of the Overseas Territories' trade priorities.

The Overseas Territories and the Brexit negotiation

Last November, the Parliamentary Under Secretary of State, Robin Walker MP, chaired the third JMC during which we continued our engagement with the Overseas Territories on their priorities and interests. I am pleased to see positive feedback from Premier Romeo on this engagement; "thus far there is every indication our interests are being protected." That said, we are not complacent, and I note the full range of views expressed.

Building on her speech at Lancaster House, in the Article 50 letter, in our series of position and discussion papers and in the two comprehensive White Papers, the Prime Minister's Florence speech set out a bold and ambitious vision for our future relationship with the EU once we have left - both in terms of the economic partnership we seek and the security relationship.

I assure the Committee that we will continue to work closely with the leaders of the Overseas Territories to ensure that their priorities and interests are taken into account throughout the negotiations.

Hurricanes Irma and Maria

Your letter rightly noted the aftermath of the catastrophic impact of Hurricanes Irma and Maria across much of the Caribbean, and I have expressed my deepest sympathies to the people whose lives and livelihoods have been lost to the damage caused. Over half a million British nationals – either residents or tourists – were affected by the hurricanes which caused devastation across an area spanning well over a thousand miles.

The Government has paid tribute to all of the British personnel who played such a critical part in leading the relief effort. The UK acted swiftly to meet immediate humanitarian needs in the Overseas Territories of Anguilla, British Virgin Islands (BVI) and the Turks and Caicos Islands. RFA Mounts Bay was pre-positioned in the Caribbean at the start of the hurricane

season to deal with exactly this kind of need. The ship responded first to Anguilla less than 24 hours after Hurricane Irma struck land.

During that first day in Anguilla, RFA Mounts Bay delivered six tonnes of aid to the island, restored power to the hospital, provided emergency shelter and cleared the runway to allow relief flights to land. The ship then moved to BVI to get the airfield operating again, and delivered further supplies to Anguilla.

Over 800 tonnes of aid was delivered or procured for the region. This includes food, water and shelter kits. HMS Ocean and around 2,000 members of the British armed forces were deployed to assist with relief efforts. They were joined by teams from the FCO, DFID, UK Police and Prison Service in a wide ranging and highly effective cross-government response. This was an unprecedented British effort to deal with an unprecedented crisis for the region and the UK government committed £72 million for the relief efforts in the Overseas Territories.

The Foreign Secretary visited BVI and Anguilla on 13 and 14 September 2017. The FCO Minister responsible for the Overseas Territories visited the Turks and Caicos Islands on 15 September 2017. The Development Secretary visited BVI and Anguilla on 24 and 25 September 2017. Ministers witnessed the UK's huge relief effort at first hand, met with Governors and others leading the recovery work and visited communities working to repair major damage. The Development Secretary visited the Caribbean again, including BVI and Anguilla, in November 2017.

The Prime Minister established an inter-ministerial group, chaired by the Foreign Secretary, in September 2017 to support the recovery and reconstruction efforts of the territories.

The UK government supported Overseas Territories' governments as they carried out impact and needs assessments and (an FCO/DFID joint team was in the region in early October 2017 to assist with this work) and continues to:

- Support Overseas Territories' governments as they design longer-term recovery plans.
- Support Overseas Territories' access to regional and international funding mechanisms.
- Help ensure Overseas Territories have human and technical capability and capacity in place to deliver a timely and effective recovery.

The Prime Minister further reaffirmed the UK's intention to stand by the Overseas Territories when she announced in November 2017 a new £70 million package of reconstruction support, supplemented by up to £300 million of UK loan guarantees to access finance.

Meanwhile, the FCO continues to work with MoD and DFID colleagues to monitor any weather systems that might threaten the Overseas Territories. The FCO will also coordinate an appropriate cross-government response to any new crisis. RFA Mounts Bay will continue to patrol the Caribbean and is on standby to provide a first response to any disaster that affects our Overseas Territories.

David Davis

**RT HON DAVID DAVIS MP
SECRETARY OF STATE FOR EXITING THE EUROPEAN UNION**