

RETURNING HOME

A Proposal for the Resettlement of the Chagos Islands

Chagos Refugees Group
UK Chagos Support Association
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Contents

1. Background	6
1.1 The history	6
1.2 Legal action and response	6
1.3 The strategy	8
1.4 Mauritius	9
1.5 Diego Garcia	9
1.6 The process	10
2. The People and how they will live	12
2.1 Places	12
2.2 Numbers	12
2.3 Housing, tenure and amenities	13
2.4 Power, Water and Sanitation	14
2.4.1 Power	14
2.4.2 Water supply	14
2.4.3 Waste management	15
2.5 Communications	15
2.5.1 Air	15
2.5.2 Telecommunications	16
2.5.3 Boats and jetties	16
2.6 Managing utilities	17
3. The Economy: production, incomes and revenues	18
3.1 Self-sufficiency	18

3.2 Tourism	19
3.3 Fisheries	20
3.3.1 Oceans	20
3.3.2 Reefs	21
3.3.3 Poaching	22
3.3.4 Mariculture	22
3.4 Coconuts	23
3.5 Other employment	24
4. Conserving the environment	25
4.1 Coral reefs under threat	25
4.2 Chagos Conservation Management Plan	25
4.3 Community engagement	26
4.4 Climate change	27
5. Governing and the management of resettlement	29
5.1 Chagos Development Trust	29
5.2 Chagos Resettlement Commission	29
5.3 Local government	30
6. The cost of resettlement	31
6.1 Technical assistance	31
6.2 Capital costs	31
6.3 Cost summary	32
7. Conclusion	34

1. Background

1.1 The history

The original settlement plan for the Chagos archipelago was the product of French businessmen in the eighteenth century. It consisted of transporting slaves from Mozambique and Madagascar to work on coconut plantations established on the largest island – Diego Garcia – and eventually on a number of small coral islands in the northern atolls of Peros Banhos and Salomon.

Not a great deal changed over the next 200 years. The French ceded control to the British after the Napoleonic wars; indentured Indian labour arrived from the 1840s; the islands were incorporated into colonial Mauritius; but the economy remained wholly based upon a single plantation company - first Chagos-Agalega Ltd., then Moulinie & Co. - providing work, rations and basic welfare services to its employees and their dependents. However, what did evolve over two centuries was a distinctive Creole-speaking community living peacefully in a benign and generally well-endowed natural environment.

This changed suddenly in the space of a few years from the late 1960s. The islands were detached from Mauritius prior to its independence in 1968 and became the British Indian Ocean Territory (BIOT); Moulinie was bought out and the plantations closed; the islands were reserved for defence purposes; and the US was granted permission to build what was to become one of its largest overseas military bases on Diego Garcia.

The Chagossians were declared 'contract workers' without residence rights; and, although the UK and the US had agreed on the employment of Chagossians on the base, none was employed (until 2007). Instead, by 1973, all had been evicted from their homes and sent to fend for themselves in Mauritius and the Seychelles. In 1982, a deal between the British and Mauritian governments (without prior consultation with the Chagossians) led to small payments to 1,344 exiles in Mauritius only. After a decade of living in poverty, this amounted to little more than the ability for some to redeem the debts taken to survive.

1.2 Legal action and response

It was not until 1997 that the Chagos Refugees Group (CRG) was in a position to challenge the legality of the removal in the British courts. A decision in CRG's favour came in 2000 although the right to return excluded Diego Garcia. In anticipation of this decision, in 1999 the Foreign and Commonwealth Office (the department responsible for BIOT) initiated feasibility studies for the possible resettlement of the two northern atolls.

The two main studies (by a team largely drawn from the Department for International Development (DfID) in 2000 and by Posford Haskoning consultants in 2002) were principally concerned with setting out the conditions under which resettlement could be sustained, particularly from an economic and environmental perspective.

Both teams delivered recommendations – many very useful in preparing this

proposal - on what needed to be done to ensure successful resettlement. There was no attempt to provide detailed costing, although clearly costs – in per capita terms at least – would be high. Environmental and climatic risk assessments were undertaken and measures to mitigate risks identified. The importance of securing private investment for the long-term viability of settlement was emphasized.

At the same time, in 2001 and 2002, further legal actions were undertaken in both Britain and the US for the right to return to include Diego Garcia and for financial compensation. Neither of these actions was successful, but there was the consolation that the right to return to Peros Banhos and Salomon had been won, and could take place once the British government provided the financial means for resettlement.

Such a commitment was not forthcoming. One factor may have been the raising of the strategic importance of Diego Garcia as a result of the increased levels of armed conflict in both Iraq and Afghanistan to the north. But for whatever reason, the British government reversed, in effect, its earlier decision to accept the 2000 court ruling on the illegality of its actions to expel the Chagossians.

In 2004 Orders in Council were issued prohibiting resettlement anywhere in the Chagos Islands on the grounds of unspecified US and UK defence needs and the impracticability of resettlement (as disclosed in a selective and self-serving presentation by the FCO of the earlier commissioned feasibility studies).

The validity of the Orders in Council has now been successfully contested in two actions and the issuing of Orders deemed by the British courts as an 'abuse of power'. However, the FCO has appealed to the House of Lords, claiming Crown prerogative to legislate without judicial review. There is no stay on this judgment, and the right to return currently subsists.

The current position, therefore, is that the right to resettle Peros Banhos and Salomon has been established, subject to appeal, but the wider rights to return to Diego Garcia and to financial compensation have yet to be secured. This proposal is written in support of achieving the immediate objective of a return to Peros Banhos and Salomon. It does not in any way reflect a view that the wider rights of Chagossians should not be pursued further.

This proposal has also been written to demonstrate the superficiality of the view that the resettlement of the northern atolls is impractical, unwise or inordinately costly. In the event of the FCO losing its appeal, the British government could deploy these arguments and either refuse to finance resettlement at all, or refuse to finance settlement on a scale necessary to allow more than a small number of Chagossians to return, and without the means of supporting themselves.

It is for this reason that resettlement proposal below attempts to assess the costs and benefits of facilitating resettlement. It provides as much detail on cost estimates as is possible in order to indicate the scale of public and private investment required; and it describes the nature of economic activities that could ensure the financial sustainability of the resettled Chagos Islands.

1.3 The strategy

There are in the region of 800 Chagossian families (constituting around 5,000 adults and children) who could be considered eligible for resettlement. About half of the family heads simply want the right of temporary return to visit relatives or tend to the graves of their ancestors; half want to return permanently with their families. Of those wanting to return, most intend to return only at some point in the few years after resettlement has commenced, but there are around 150 who want to return immediately, with their families, and begin the process of re-building their community.

The focus of this proposal is principally on these pioneer settlers: their requirements for housing and services, their income and livelihood prospects, and their responsibilities to conserve the natural resources of the islands. Within the entire Chagos archipelago, one island in Peros Banhos is proposed for the site of initial resettlement. In due course, another island in Salomon could be settled.

A further island within Peros Banhos would be equipped with a small airport, and the success of resettlement would also initially require one island, but subsequently more, being developed for environmentally sensitive tourism.

The costs of initial settlement (excluding private sector tourist development) are estimated in the proposal. Capital grants could amount to £17.5 mn. over a five year period. Technical assistance could be a further £7.5 mn giving an overall cost of £25 mn. Although high in per capita terms, this figure (£5mn. annually) is tiny in the overall context of British overseas aid and in the context of European Commission grant expenditure (under the European Development Fund) on the overseas territories of Member States.

More importantly, the proposal demonstrates that the Chagos Islands, or BIOT, is likely to show a sharp downward trend, within a 10 year period, in the requirement for both capital aid and technical assistance from the British government.

Unlike Montserrat or St Helena (which both depend almost entirely upon budgetary support), Chagos can generate significant revenues from its economy once firmly established with private investment. It could well become the most self-sufficient of those British overseas territories requiring DfID financial support by combining the fishing and licensing revenues of, say, the Falklands and the tourism revenues of, say, Anguilla.

Economic considerations are not the main source of concern over resettlement however. The Chagos archipelago is unique: it includes the world's largest coral atoll (partly submerged) in the Great Chagos Bank; it contains some of the most unpolluted ocean on the planet; it is a place of refuge for rare seabird colonies, turtles and diverse marine life. Coral reefs the world over are in a parlous state due to pollution, over-fishing and shoreline development, but the Chagos Islands have largely escaped such threats.

On the other hand, the atolls of the Chagos archipelago are similar to thousands of other coral islands confronted by the threat of sea warming and rising sea levels and, with proper management, could provide an international showcase for managing reefs and atolls under pressure of climate change.

Concerns over the environmental impact of human settlement (even if confined to only two islands out of over 60 throughout the archipelago) figure large in the FCO feasibility studies. However neither study team was given the opportunity of consulting with Chagossians. Had they done so, they would have found a keen appreciation of the need to preserve the marine and terrestrial environments of the Chagos Islands and, more importantly, a willingness to contribute to efforts, for example, to protect the environment from illegal poaching and anchoring, to manage nature reserves and marine protected areas, to assist in monitoring spawning and breeding sites.

It is clear from the proposal that far from endangering the prospects for conservation, a resident population with a strong economic self interest in conserving its unique resource base can substantially enhance broader conservation efforts, and research into the impact of climate change for that matter.

1.4 Mauritius

The links between the Chagos Islands and Mauritius are an important component of any resettlement strategy. For many Chagossians, Mauritius – which shares a common Creole language - is the only home they have known. Despite their community generally being marginalised within Mauritian society, many individual Chagossians have married into Mauritian families and their children have made careers for themselves in the Mauritian economy. Pastoral work, by the Scripture Union in particular, has also strengthened personal ties. These social and family links will mean that there are bound to be regular visits to and from Mauritius and both air and sea travel operators will want to service this demand.

Aside from transport, economic and commercial links are also likely to be strong, especially as Mauritian companies will be well-placed to bid for other opportunities provided by resettlement. Construction and the management of utilities provide one set of opportunities. In addition, both the proposed tourism and fishing industry initiatives are likely to elicit strong Mauritian industry interest (and both have already been discussed with private sector representatives in Port Louis).

For all these reasons, Mauritius could become be the hub of development in the Chagos Islands. As section 2.4 below explains, air transport for tourism is complicated by factors of distance and landing sites, but first priority in investigating transport alternatives for tourism would be a Mauritius link because of the wide range of other services that the Mauritian private sector could provide to resort operators.

1.5 Diego Garcia

Finally, we cannot wholly ignore the elephant in the room: Diego Garcia. In making this proposal for limited resettlement, the Chagossians are not giving up on their wish to return permanently to Diego Garcia, and they hope that acceptance of the resettlement of the northern atolls will allow more regular access, and possibly employment opportunities, to the original home of most of the Chagossians.

That apart, it is evident that the US military, if so inclined, could make an enormous difference to the costs of resettlement and the economic prospects of the outer islands. Air transport and telecommunications links are the obvious areas where support would be valuable, as well as in maintenance functions on power

and water utilities. Procurement policies on the base could also benefit fishermen, and other producers, from Peros Banhos and Salomon.

In time, there could be a wider, and mutually advantageous, relationship between the Diego Garcia military base and an adjacent civilian community able to provide for some of its needs. This would be wholly in line with the original agreement to employ Chagossians.

Unfortunately, none of these prospects for Diego Garcia (improved visiting rights excepted) seem likely at present, and this proposal therefore deals with what seems to be practical and, with public support, achievable in the immediate context of the House of Lords hearing in June 2008 and the subsequent response to its judgment by the FCO.

It should not be assumed, however, that the strategic importance of Diego Garcia means the US Administration is either permanently or implacably opposed to resettlement. In his forthcoming Princeton University Press book on Diego Garcia, David Vine discloses correspondence from Stuart B. Barber, probably the single most influential US Navy official in the decision to establish the Diego Garcia base. Barber, writing in retirement in 1991, is supportive of resettlement saying that the original expulsion was not only wrong but also 'not necessary militarily'. In 2000, following the court judgment in favour of the exiles, the British Foreign Secretary, Robin Cook, secured the acceptance of resettlement from his US counterpart, Madeline Albright. Both subsequently left office, but the 'defence needs' argument against resettlement has remained open to contestation in both the UK parliament and the US Congress.

1.6 The process

Unlike previous studies, this proposal is the product of consultation with those directly affected by the injustice perpetrated over thirty years ago. The consultations were undertaken with members of the Chagossian community in Mauritius and Seychelles over several days in November 2007 and again with the CRG committee in February 2008.

On the basis of these consultations, various draft proposals were prepared by the adviser (John Howell, a Senior Research Associate and former Director of the Overseas Development Institute) engaged by the UK Chagos Support Association to undertake the work in collaboration with the CRG and the Seychelles Chagossian Committee (SCC)..

In addition to these consultations, Dr Howell held a several meetings in Mauritius with private sector and conservation groups and also with engineers and quantity surveyors. He also corresponded with a number of people with specialist interests in the Chagos Islands and invited corrections and comments on the various drafts.

Unlike the earlier BIOT feasibility studies, this work has been conducted without the opportunity of site visits and without the financial resources to engage teams of consultants. For these reasons, we do not claim this is a fully-fledged plan for resettlement. It is a proposal intended to contribute to the preparation of such a plan that we hope the British government will initiate in the near future. However, despite these resource limitations, the proposal has been able to benefit from the

considerable time and experience contributed by members of the UKCSA, the CRG under the leadership of Olivier Bancoult OSK, and the SCC under the leadership of Bernard Nourrice. This engagement has assisted in ensuring that the proposal is as accurate and authoritative as possible.

In addition, a number of other people with specialist knowledge have been happy to offer advice and assistance on a pro bono basis. These include: Richard Gifford (Clifford Chance), Dr Laura Jeffery (University of Edinburgh), Jonathan Jenness (planningAlliance, Toronto), Carl Jones (Mauritius Wildlife Foundation), Rev. Mario Li Hing (Scripture Union), Luis Melotte (Hooloomann & Associates), Erroll Parker (Roches Noires Resorts), Dr Andries Putter (Neotel/Tata Group), David Snoxell (Marine Education Trust), Mark Spalding (The Nature Conservancy), Alain Talbot (Talbot Holding), Daniel Wong Chung (Wong Chung Consulting Engineers).

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2. The People and how they will live

2.1 Places

The planned resettlement of the Chagos Islands follows the earlier (2000 and 2002) feasibility studies conducted for the FCO and focuses upon the former coconut plantation settlements in the northern atolls of Peros Banhos and Salomon.

There are over 60 islands in the Chagos archipelago, many of them less than 10 ha. in size, with the majority clustered in the two northern atolls identified for resettlement. Peros Banhos consists of 24 islands with a total land mass of only 900 ha. Salomon has 11 islands, Ile Boddam (108 ha.) being the largest.

The largest, and longest, island in Peros Banhos is Ile Pierre (150ha.) where an airfield is proposed. The second largest, Ile de Coin (128 ha.), was formerly the main centre of settlement and it forms the principal initial focus of settlement planning, with Ile Boddam (in Salomon) in the next phase. Ile de Coin is some 30 minutes by motorized boat from Isle Pierre and adjacent to it is Ile Anglais (30 ha.), a proposed site for an island resort allowing visits to smaller islands reserved for nature conservation.

Ile de Coin itself will require that limits are placed on human habitation to ensure shore lines are protected and nesting and breeding sites secured. It is estimated that around 30ha. could be available for housing, with a further 40 ha. set aside for other amenities. Similar calculations can be made for settling Ile Boddam. The net result in terms of settlement potential, if confined to the two islands over the next ten years, is that, if intentions are translated into actions, around 2,500 Chagossians could be resettled with limited, but manageable, levels of access to land.

2.2 Numbers

There are currently estimated to be around 4,900 Chagossians: 3,800 in Mauritius, almost 500 in the Seychelles and 600 in the UK. Of these just over 1,000 were born on the Chagos Islands and the others have at least one Chagos- born parent or grandparent. Numbers alone are not especially helpful for resettlement planning because homesteads, or houses, are built for families.

Family ties are especially strong among Chagossians and, by choice as well as circumstance, several generations live together. Most family sizes are in the range of 5-8, normally with at least two economically active members. On this calculation, there are around 800 Chagossian families in the sense of immediate relatives living together.

Some families are, naturally enough, divided on resettlement; but assessments undertaken within the community suggest that there are around 400 families that do not wish for more than the right of temporary return to visit relatives and, especially, the graves of their ancestors.

Of the other 400 families seeking permanent return, a large number – perhaps 250 – would want to wait a few years to see, for example, how employment

prospects and school and health facilities had developed before moving entire families back to either Peros Banhos or Salomon. This group includes those who regard Diego Garcia as their home and will only return to the outer islands if they feel this can be a stepping stone to an eventual return to Diego Garcia.

The initial settlement proposals are for 150 houses on Ile de Coin for families seeking an immediate return. The intention is that priority is given to families with economically active adults who are prepared to return permanently. Provision is also made, over the ten year plan period, for expanding this number if more families express an intention to return. On Ile de Coin, a further 100 families could be accommodated; on Salomon, 150 family houses could be built. The potential number of settlers is therefore 400 families although initially the proposal is concerned with the settlement costs and income opportunities of 150 households.

2.3 Housing, tenure and amenities

There are two forms of housing being proposed. For Chagossian settlers, two-storey, three-bedroom houses are recommended as the most efficient form of accommodation in terms of cost and environment. Another residential site is proposed to accommodate the non-Chagossian staff recruited to assist in the administration of resettlement and management of amenities and utilities. This would consist of 16 or so bachelor quarters with provision for short-term visitors such as scientists, magistrates and service engineers.

Construction consultants and quantity surveyors with experience in small island development in the Maldives and Seychelles recommend that building material (sand, cement and aggregate) is transported to the Chagos Islands with construction on-site. Their advice is that this is cheaper than pre-fabricated alternatives and that the construction materials proposed (concrete walls with timber ceiling supports and insulated tin roofs) is the most robust and comfortable form of accommodation.

Using building costs for similar small island construction projects, the Chagossian housing is estimated at £6,700,000. The non-Chagossian housing costs (including a common mess, some landscaping and furnishing and fitting) is estimated to be £60,000.

The provision of serviced housing, together with some land for cultivation and stock-keeping for home consumption, will require a process of application and screening. Individual leasehold tenure is proposed as the Chagossians want to ensure that allocated housing is properly utilized; that property that is left empty can be re-allocated; and that any transfer of ownership other than through inheritance is regulated.

To support the settlers, a number of built facilities are also required, some of which can have dual purposes. The basic requirements are for an administration block (with six offices), a health centre and dispensary, a general store with a post office, a community centre that could also be used as a court, and a police post with detention facilities. The Chagossians would like to keep their children on the Islands at least until they are 14 years old, so schooling needs to be provided. In terms of building costs, the total provision for these six medium size public buildings has been calculated at £470,000, with another £60,000 for fittings.

A number of other desirable amenities such as a nursery, small shops and repair yards could be established under local authority license within the residential area. The cost of these would not fall upon the resettlement budget.

2.4 Power, water and sanitation

2.4.1 Power

Leaving aside the power requirements of the airfield and the hotel, the main settlement on Ile de Coin will require sufficient energy for 150 houses, bachelor quarters, public and commercial buildings, security lighting and facilities for water desalination and distribution, waste treatment, and fish refrigeration/freezing plant.

These requirements are likely to be in the region of 750-1000 kW per day, with domestic and office/shop users requiring less (say 250-300 kW) than the major demands of fish refrigeration, desalination and sewage treatment. The cost of installing eight diesel powered generators (each with 350 kVA) to meet these estimated demands (with back-up) is in the region of £600,000. However the operating costs – because of the price of diesel as well its transportation and storage costs – are likely to be prohibitive, especially for domestic users.

Instead, it is proposed that only four generators are installed to meet the demands of the major users, at an estimated cost of £400,000. Recovery of operating costs would be expected in due course.

For other users it is proposed to install around 160 solar powered Integrated Power Systems consisting of panels, rectifiers, inverters, batteries etc that can retain energy and transfer (or switch) to other systems with temporary shortfalls. The total cost would be in the order of £500,000 (£350,000 for IPS and another £150,000 for cabling and switch gear). Operating costs per consumer would be very low, mainly to cover the general costs of maintenance and replacement of batteries. The total capital costs of a dual system of power generation for Peros Banhos is, therefore, in the region of £900,000.

2.4.2 Water supply

Chagossians who lived on the Islands describe two sources of water: rainwater tanks and wells. There is no fresh water on the surface of coral islands but rainfall sinks through the limestone and forms a layer (or lens) floating on salt water, thereby supporting plants and allowing wells to be dug. On Ile de Coin and Ile Boddam, Posford Haskoning estimated that such fresh water sources could support 3,000 and 1,500 residents respectively. There were concerns, however, about the risk to the water table from uncontrolled extraction, the reliability of data on rainfall and recharge to groundwater, and the possible contamination of the aquifer due to shallow water tables and permeable sands.

Rainwater harvesting was largely ignored in the earlier studies, although this also has potential contamination problems and, because of variability in rainfall, is best treated as a supplementary source of water for domestic use.

The most reliable alternative for water supply is desalination of sea water. As a result of technological developments and growing competition in the industry, the

cost of installing desalination plants has come down significantly. Using estimates from other small island requirements and construction costs, it is estimated that a plant producing 350 cubic meters a day is sufficient for all possible uses on Peros Banhos. Including a storage tank to hold 5 days supply, the cost is estimated at £250,000, well below the cost per unit estimated in the 2000 feasibility study.

The important cost, however, is operational: not only power supply but also maintenance. Water charges would be prohibitive for low income users and, for this reason alone, grants for supplementary rainwater tanks for domestic users should be considered.

2.4.3 Waste treatment

As with desalination technology, the costs of waste treatment have come down with technological development and, in this case, investment in 'ecological sanitation'.

The pit latrines recommended in the earlier feasibility studies are the least expensive option for the disposal of human waste, but the risks to health and environmental conservation are considerable. Similarly, proposals on the disposal of household water waste into the sea from holding tanks is inappropriate for the proposed size of the population, especially as most will have only known modern amenities in exile.

The costs of a piped waterborne waste water system are almost certainly less than envisaged by the earlier studies. A waste treatment plant also allows for the recycling of grey water for irrigation and solid waste for fertilization without the risks of contamination. The estimated costs, again based on similar operations elsewhere in the Indian Ocean, is £250,000. As with desalination, it is the operational costs that are the most challenging issue, indicating the importance of income flows to the settlers to ensure charges can be met.

For non-degradable waste, export (as in Diego Garcia) is the desirable option, and landfill the least desirable. If landfill does become necessary, it will be important to keep such waste to a minimum by ensuring, for example, that contractors and commercial operators (in tourism and fisheries) are responsible for disposal away from the islands.

2.5 Communications

2.5.1 Air

Air transport is critical to economic prospects of resettlement based principally on tourism and export fisheries. The ATR42 (which is widely used for short haul flights in the region with a 42 passenger capacity) can land within 800 m. although international safety regulations would require a runway of 1.1 km. for such aircraft. There are also important environmental considerations in clearing a small coral island for such a facility but Ile Pierre –due to its length - has been identified as a suitable site to be investigated.

At least twice-weekly flights are envisaged with either Seychelles or Mauritius serving as the link to European tourism. Another, nearer, link is the Maldives with connections to Dubai, including its fish restaurant trade. Ile Pierre, as the

international entry point to BIOT, would require both immigration and customs facilities as well as the passenger safety measures required by the International Air Transport Association (IATA) for an airport in that category. This would mean, for example, provision for bad weather landing at the airport as well as internationally approved navigation facilities. For any commercial aircraft, diversion planning is required and, unless the military authorities on Diego Garcia were willing to be helpful, this would require additional fuel requirements to allow diversion to the Maldives.

The capital costs of airport construction are exceptionally difficult to calculate because of the wide variation in site characteristics. This calculation is even more difficult in the case of Chagos because of the need to ensure minimal environmental damage.

The best current estimate is £4 mn although it may well be higher given uncertainties mentioned above as well as construction challenges. Nonetheless, a similar capacity airport receiving international visitors in southern Africa would cost in the region of £1.5 mn (including power supply, telecommunications etc); and South African civil engineers, without any benefit of site inspection, feel that a Chagos airport should not be more than three times that cost.

Given those (uncertain) capital and operating cost considerations, two tourist flights per week is too low a figure for economic viability, but the tourist trade in the Indian Ocean is growing very rapidly and the success of the first resort in the Chagos Islands would stimulate further investment on other islands suitable for 'niche' environmental tourism. There are also fresh fish export revenues to consider (see 3.3 below).

2.5.2 Telecommunications

As satellite communications will be required for airport use, Ile Pierre would also be the appropriate site for a satellite receiver. Using code division multiple access (CDMA) technology this would allow voice and internet access, through radio frequency contact with receiver, to around 100 users on other islands.

Installation costs of the satellite receiver by a manufacturing company, such as Huawei, could be fairly modest (around £75,000). However, with such low levels of usage a specialized service provider is unlikely to be attracted unless exceptionally high tariffs could be paid. An alternative is to bundle together management of all the utilities, including air traffic control possibly, and invite companies to bid (see 2.6 below).

2.5.3 Boats and jetties

Boat transport within the islands is seen principally as a licensed private sector activity with Chagossian boat owners the provider of services to passengers and suppliers. However there is an important public role in the siting and building of safe jetties constructed to minimize environmental damage and the identification and maintenance of navigation channels. Provision also has to be made in the overall building plan for a boat repair yard, although this also should be privately operated under license.

Jetty construction in small islands in the Indian Ocean is generally designed to avoid dredging and environmental damage. The most common design is for steel spikes driven into the sand providing support to concrete blocks that in turn support relatively long wooden jetties, stretching 100m. or so into the sea and allowing boats to be moored in deeper water. Three such jetties are proposed at an estimated cost of £180,000.

2.6 Managing Utilities

There is a need to co-ordinate the management of the utilities proposed for power, water supply, waste treatment, telecommunications and air traffic control) and there are economies to be found if staff are recruited to work, where possible, across these functions.

It is proposed to engage the services of a single company to manage the utilities. Even a small (say, four persons) externally-recruited team (from Mauritius or Sri Lanka for example) would be costly in relation to the number of utility users, but costs would come down with a training programme to recruit locally-resident Chagossians for some of the posts. In addition, user charges would be introduced to cover costs where feasible and, general revenues raised by the local authority would, over time, reduce the need for external subsidies.

3. The economy: production, incomes and revenues

3.1 Self-sufficiency

The skills of a small island community, in cultivation and fishing particularly, may have diminished with 35 years of exile, but the Chagossians have acquired some new skills and these are an important factor in considering their economic prospects. Among the current occupations in Mauritius are nursing, stone cutting and building, hairdressing, carpentry, cookery, domestic work, book keeping, storage management, plumbing, social work and computer servicing.

There are also 180 Chagossians employed in the fishing industry in various capacities, including dock labourers as well as fishermen. Among the fishermen, there are some who are impatient to return and become independent producers. Chagossians wishing to return are also keen to farm once again and recognize that as much food self-sufficiency as possible is required as the remoteness of the islands will raise the cost of imported food (and other domestic requirements). In addition, they hope to sell any surplus production to the proposed hotel, expatriate staff and visiting yachts.

The conditions for food production are encouraging. Rainfall (2,500-4,000mm. per year) is seasonally well-distributed. The fertility of the soils, and moisture retention, is well above the levels of coral islands elsewhere (although partly due to 30 years fallow under tree canopy).

It will require careful management to retain soil fertility, but the experience of household food production in similar environments elsewhere demonstrates the sustainability and productivity of systems with fruit trees, including breadfruit, vegetables and, to substitute dependence on imported grains, carbohydrate staples such as yam, taro and sweet potato. Poultry keeping is also feasible, plus a few pigs.

Coconut trees are important for cover and soil fertility but, for reasons given below (section 3.4), a revival of coconut exports is not proposed. Nonetheless, coconuts do still have an import substitution role as a source of food, cooking oil, bowls, brooms, rugs and even mattresses.

Such domestic production, together with artisanal fishing, is an important part of surviving successfully on the islands but subsistence level production will not be enough given the expectations of Chagossians. Although harshly exposed to conditions of urban poverty in Mauritius and Seychelles, they are used to modern amenities. Even in the Chagossians' days as plantation labourers, their employers provided free amenities and reasonable living conditions (in return for very low wages, of course).

Thus the capacity to earn money, to pay for basic goods and services, is essential to the success of resettlement and critical if settlers are to be discouraged from those illegal 'survivalist' activities that could jeopardise the conservation efforts on which their long term future depends. Tourism and fisheries are the critical components of such an income generation strategy.

3.2 Tourism

The development of tourism is essential to the economy of Peros Banhos as both a source of revenue to the proposed local council and as a source of income for individual households. The principal development proposed is a single resort on Ile Anglais, a 30ha. island adjacent to Ile de Coin and a 30 minute motorized boat ride from Ile Pierre, the proposed airfield site served from either Mauritius or Seychelles. The expectation is that other island resorts would be established later if there is commercial success for the first resort and if its environmental conservation ethos can be replicated.

Small island hotel development has been particularly successful in the Indian Ocean in recent years with international guests prepared to pay high prices for exclusivity and pay additional premiums for unique access to pristine marine environments and rich sources of biodiversity.

Two property development companies in Mauritius with experience in hotel development have been consulted. Both confirm the very strong likelihood of major international tourist operators being prepared to invest in Peros Banhos despite the additional flight time involved in accessing the islands.

A 50 chalet hotel is proposed for Ile Anglais. The estimated cost of construction, based upon similar developments in the Seychelles and Maldives (and bearing in mind transport costs of materials) is £25 mn. This includes staff accommodation, generator, desalination plant and waste processing.

The annual operating cost is estimated at £5 mn. With staff numbers estimated at around 150 (1.5 staff for every guest), employment costs are a significant cost component followed by procurement of food and beverages.

Most importantly, annual turnover is estimated at £7.5 mn., based on a 65% occupancy rate. This provides a gross annual operating profit of £2.5 mn. Companies currently engaged in resort development believe this is a reasonably attractive return on investment over a ten year period.

The benefits to Peros Banhos settlers are considerable. In revenue terms, it may be necessary to offer a lease on the island at an initial concessionary rate to the investor. However, a bed tax on guests can be applied immediately producing a revenue stream, if 10% of turnover, of £750,000 annually.

In employment terms, some 70% of the jobs created could be undertaken by permanent residents. A survey of current work experience among Chagossian exiles shows that large numbers have been in domestic service, catering work, laundering, and gardening. Some also have book keeping and stores management experience; a small number have attended hotel schools. In addition, a hotel such as this would require conservation guides, boatmen and auxiliary helpers in permitting guests to enjoy the marine environment and islands.

Bearing in mind that these jobs will not be among the higher paid work in such a resort, this nonetheless could represent between £750,000 and £1mn. that is received annually from the resort in wages or services to local people.

In terms of procurement, only a small proportion of food and beverages is likely

to be available locally but even if only 10% is procured (principally fish, fruit and vegetables but also some hand crafted accessories), this would represent around £250,000 entering into the local economy annually.

The net effect on the local economy of a relatively small tourist development could therefore be in the order of £2 mn. Annually, even before any calculation is made of licensing revenue from the resort operator. Such levies would be expected to be imposed after 10 years, if not before.

Such resort development, especially if replicated, would be the mainstay of the economy, but there are potential income streams also from visiting yachts. Currently such visits are carefully regulated, with Salomon atoll especially favoured, but barely serviced. Mooring fees are collected but there is no other income generated. As with the resort, there is a potential demand for fresh produce from the local community. In addition, the resort itself could provide a range of services to 'yachties' that provided supplementary paid work for its staff.

3.3 Fisheries

3.3.1 Oceans

There are two forms of legal commercial fishing in the Chagos Islands: ocean fisheries and inshore (or bank) fisheries.

In the deep seas of ocean, within the economic exclusion zone of BIOT, vessels are licensed to operate either purse-seining or long-lining to capture tuna and similar migratory species. The operators are managing relatively high technology enterprises from major industrial fisheries countries such as Spain, France, Japan, and Taiwan. Fish are frozen and processed on board and the operators have no requirement for land-based facilities in the region.

The only significance for Chagos resettlement of deep sea fisheries is the revenue accruing to BIOT from the issuing of licenses. This is currently around £1 million annually, but BIOT does incur direct costs in managing the industry both in subscribing to the Indian Ocean Tuna Commission (that attempts to manage overall stocks) and in patrol services out of Diego Garcia. The net benefit to financing Chagos resettlement is likely to be very small.

However, Chagossian equity participation in the deep sea fishing industry could be considered. There have been discussions between the Chagos community in Mauritius and a company in Thailand to establish a joint venture (for both ocean fishing and inshore fishing, where licensing is currently restricted to Mauritian companies). Under the proposals, a share of net income would be paid into a trust fund to assist in community welfare projects.

This particular project is designed to benefit the Chagossian community as a whole rather than only those who may decide to return, so it does not necessarily form part of the economic case for resettlement. However, the nature and structure of the proposal does have similarities with the corporate social responsibility and fair trade arrangements that are expanding rapidly elsewhere, and both international tourism and fisheries investors may be encouraged into 'partnerships' with Chagossians that have the effect of financing jobs and services within the islands.

3.3.2 Reefs

Inshore fishing refers to operations at a depth of the submerged reefs, shoals and banks of the Chagos Islands. There are substantial restrictions in place at present both on zones and timing of operations (including a prohibition on lagoon fishing in Peros Banhos and Salomon as well as spawning sites) and on permits (Mauritian companies only plus some recreational fishing out of Diego Garcia). The commercial operations consist of 'mother ships' with a number of two person dories sent out each day with hook and line. The main species caught are snappers, groupers and emperors.

The scale and timing of operations from Mauritius is not simply a matter of regulatory control. Mauritian companies fish in distant Chagos waters mainly when the closer areas are difficult (due to rough seas for example). It is also relatively costly to transport men and dories for several days to fishing grounds and keep the catch in good condition under ice for several days at sea before sale on return to Port Louis on the return journey.

According to a 1999 study cited by the 2002 Posford Haskoning feasibility study for the FCO, reef fishing capture is well below sustainable yields. Figures for 2000 in the same study show a total catch of 309 tonnes (calculated at 71 kg per man day, but only over the short period of fishing in Chagos waters) which is a catch rate broadly in line with the previous decade. This is a third of Posford Haskoning's total estimated potential yield of 1,100 tonnes.

This suggests not only an unrealized production potential. It also indicates the potential for a significantly larger number of fishermen being engaged than there are at present (operating from the Chagos Islands but with a lower average daily catch spread over a longer period than current Mauritius-based operations). However, a number of factors need to be addressed if this potential is to be realized.

First, the daily catch figures above can only be attained by fishing in the more productive areas in the vicinity of the Great Chagos Bank and Speakers Bank (fishing industry informants suggest that only 25 kgs per day, for limited periods, would be the possible for the reefs adjacent to Peros Banhos and its lagoon, if fishing were permitted). The scale of operations therefore requires small groups to be formed to procure 25-30 foot boats capable of remaining at sea for several days and containing ice-making facilities.

Second, the development of an atoll-based reef fishing industry requires a processing and marketing infrastructure. Private investors have indicated that there would need to be in the region of 400 tonnes annually to justify investment in a refrigeration and processing plant on Peros Banhos. For fresh (i.e. chilled not frozen) fish exports, the Maldives has developed its international supply chain and can ensure fish is available to customers within the 15 day industry standard.

It is calculated that direct flights to Maldives carrying 4 tonnes per flight would be commercially viable for a plant operator. Processing into vacuum-packed fillets obviously increases value and transport efficiency, but the export of whole fish greatly reduces the costs of compliance with EU food hygiene regulations, and there is a price premium for the more exotic whole fish.

There is also a price premium for fish that is certified, by the Marine Stewardship Council, as sustainably captured. Demonstrating sustainability is both technically challenging and costly and MSC certification is currently largely confined to largescale fishing enterprises. In the case of Chagos, however, monitoring mechanisms need to be put in place and it should be possible to build on the scientific evidence to establish the data required to comply with MSC certification requirements.

Given access to boats and markets, there could up to fifty fishermen operating from Peros Banhos and deriving significant incomes throughout the year. This is based on the calculation that the volumes involved (possibly rising to 800 tonnes annually over ten years) will allow at least half of the catch to be exported to the higher value fresh fish market in Europe and the Middle East .

On current prices this volume would be valued at between £4-6 mn (coral trout, for example sells at £12 per kg in the UK). Even after storage and transport costs are deducted (plus other costs involved in ensuring phyto-sanitary and environmental standards are complied with), this would represent a significant income to at least half of the settler families.

In addition, export quality fresh fish would be readily sold to a local hotel and, in due course, even the US military on Diego Garcia. There is also the potential to sell frozen fish to the existing outlets in Mauritius which will continue to operate mother ships and dories as described above. Finally, lower grades of fish can be dried and salted also for export sale.

3.3.3 Poaching

There is currently illegal fishing in the reefs of the Chagos Islands, with severe environmental consequences. The most damaging is shark fishing. In ocean waters, this normally involves tuna operators removing the fins of captured sharks and depositing the carcasses at sea. In reef waters, whole fish are captured. This is a lucrative trade and resources to combat it are inadequate. Similarly, there is a profitable trade in wild harvested sea cucumbers (beche-de-mer) and clams with Sri Lankan operators the most conspicuous poachers. Other species vulnerable to poaching include turtles and coconut crabs.

Given such external threats to both marine and terrestrial marine life, it is essential that the presence of settlers does not exacerbate the problem. In fact, the Chagossians are fully prepared to accept regulations designed to preserve bio-diversity and ensure sustainability in marine life. Furthermore, there is an awareness of the damage to their own livelihoods of unchecked poaching and a readiness to contribute to efforts to identify suspected illegal operators. As a result, a more robust approach to enforcement should be possible with a supportive resident population.

3.3.4 Mariculture

Even if illegal poaching may have limited the prospect of profitable, and internationally acceptable, wild harvesting of sea cucumbers and other invertebrates, there remains the prospect of mariculture production. This could also incorporate pearl oyster production and seaweed cultivation, although both involve formidable challenges.

Mariculture is labour-intensive; its products can be stored; and it serves different markets, including fashion accessories. However, experience on small islands elsewhere demonstrates there are difficult technical and commercial challenges to profitable cultivation. Mariculture can be listed as, at best, a potential, and longer term, economic activity for the Chagos islanders. In a similar category is production for the aquarium trade- a possible source of income but not one of which the economic case for resettlement should be made.

3.4 Coconuts

The pre-eviction economy of Chagos, at least in respect of trade, was based wholly upon coconut production. The meat of the nut was extracted and dried with the resulting copra shipped to Europe for oil extraction and meal residue. For the very small island coconut producers in both the Indian and Pacific Oceans, little has changed: if copra production has value, it is largely in its processing, whether for cooking oil, shampoo, flavouring etc.

It is a similar pattern for other coconut products. Unless coconuts are grown where they are consumed fresh, the profitability of production depends upon manufacturing of coir, the canning of milk, the conversion of oil into diesel, the manufacture of 'bricks' for hydroponic cultivation, hand painting of shells etc. None of this added value is economic for the Chagos Islands.

Fresh coconut consumption provides a useful supplementary income for small producers in countries such as India and Thailand, but export coconut production has become a large-scale agro-industrial crop. As a result, small island production with only primary processing is unprofitable especially if production costs would include major re-planting and rehabilitation expenditure as would be the case in the Chagos Islands.

Nonetheless, coconut production should not be ignored. There are many trees on both Peros Banhos and Salomon that are still bearing fruit. These trees would form an important component of domestic food consumption both for the milk and the meat of the nut. There would also be some culinary demand for fresh coconuts in the proposed resort; and fresh coconuts could even be air-freighted given imaginative marketing.

Another possible use of coconuts could be in the production of biodiesel, for powering boats for example. This use of coconut oil as engine fuel has been pioneered in the Marshall Islands, similarly remote and confronted with high diesel import costs. However, unlike Chagos in its production heyday, the Marshall Islands developed its own oil extraction industry. For the Chagos Islands to now move into biodiesel production, it would have to establish facilities for both oil extraction and transesterification (the process of converting vegetable oil to diesel substitutes).

In terms of direct economic benefits, such an investment would be difficult to justify. However, there are now very large sums being allocated (not least by DfID) to subsidise investment in 'clean energy' and 'low carbon economies' and the possibility of research and development funding for pilot production on Chagos should not be ruled out.

3.5 Other employment

Apart from private sector employment in fishing, boating and tourism, the main source of employment, in Peros Banhos at least, is likely to be in support services to the local authority, the utility providers and possibly the research community. There will not be many posts, possibly fewer than 30, and most of these will be for guards, messengers, cleaners etc. However training programmes for Chagossians should allow clerical and technical posts in the local authority, and with the airport and utilities company, to be filled in by local recruitment in due course. Nursing and teaching posts could also be filled locally.

Employment in research will depend upon the scale of financing that research bodies are able to secure. Data collection (on, for example, coral growth rates, endangered species and marine and terrestrial biodiversity generally, coastal erosion) will require training, but it is clearly preferable to use members of the local community whenever possible.

4. Conserving the environment

4.1 Coral reefs under threat

Coral reefs are the biggest living structures on earth and constitute ecosystems of extraordinary beauty and colour. They have also become a symbol of humankind's disregard for its natural inheritance, with pollution, shoreline development and over-fishing threatening to destroy much of the world's coral reefs by the end of the century.

None of these depredations has yet to be felt in the Chagos archipelago, at least in a way that threatens the survival of the reef (although a separate threat - coral bleaching - does threaten survival: see 4.4 below). Resettlement of the islands therefore has a wealth of negative experience on which to draw in ensuring mistakes made elsewhere are not visited upon even small parts of the massive Chagos reef system (which includes the world's largest coral atoll in the Great Chagos Bank).

Coral reefs do not simply have their own intrinsic beauty that generates 'tens of billions of dollars per year worldwide' from tourism according to recent global study sponsored by the World Bank (summarized in *Science*, December 2007). Healthy reefs are also critical to the livelihoods of 100 million people living along tropical coastlines and, relatedly, they are a breeding ground and refuge/staging post for a wide range of marine life. In the case of Chagos, this marine life includes turtles, sharks, dolphins, whales, over 1,000 species of fish and over 220 coral species. Inevitably, therefore, conservation lies at the heart of resettlement planning.

4.2 The Chagos Conservation Management Plan (CCMP)

The starting point for placing conservation within the resettlement strategy is the CCMP prepared for BIOT in 2003. The principal objective of the plan is to maintain the resilience of the Chagos ecosystem. This involves the establishment of protected areas in what is termed a 'representative sample of all terrestrial and marine habitats'. There are also proposals to create a permanent research base in the Chagos Islands from which monitoring of corals, reef fish, turtles, seabirds etc can be undertaken.

The Chagossians fully support these proposals and the initial steps undertaken by BIOT to implement them. It is recognized that the identification of a small number of marine protected areas are integral to the sustainable management of coastal reefs and small atolls and Chagossians welcome the opportunity to participate in protection, monitoring and management. It is also understood that the CCMP was written, in 2003, without reference to possible human habitation and that some components of the plan will require review in the detailed planning of resettlement. Chagossians would welcome the opportunity to contribute to such a review.

The Chagossians recognize the importance of their islands as bird sanctuaries. Several islands along the northern and eastern perimeter of Peros Banhos are particularly important for seabirds with, among others, 56,000 pairs of sooty terns and over 20,000 pairs of brown and lesser noddies. Birdlife International has rec-

ommended international protection status for Ile Longue, Ile Parasol and Petit Ile Bois Mangue. There is readiness among Chagossians to assist in ensuring the enforcement of protected status for all these islands and in measures to maintain and improve the island habitats, including areas of native hardwood forest.

On fisheries proposals in the CCMP, there is also support for the marine assessment and monitoring proposals to allow for effective fisheries management such as the notification of spawning aggregations and zoning of fishing operations. This is especially important in ensuring that over fishing of particular species does not take place. As experience of the extinction of grouper species in the Caribbean indicates, the short term exploitation of spawning aggregations leads inevitably to a major income loss long term.

The current BIOT prohibition on lagoon fishing is not specifically endorsed in the CCMP. While recognizing the need for controls on lagoon fishing, including on artisanal fishing close to the shore line, the total prohibition is a matter Chagossians resident in Peros Banhos and Salomon would want to re-visit.

There are also a number of specific recommendations in the CCMP that have the support of Chagossians. Some are clearly in their own interest as a community seeking to establish sustainable livelihoods. These include increased efforts to eliminate the hunting of sharks; prohibition of sub-marine weapons; renewed efforts to eradicate rodents; eradication and control of alien plant species; prohibition on the collection of live shells and coral; prohibition on discharge into the lagoons.

One measure that does not directly affect the Chagossians (but has their support nonetheless) concerns the anchoring of yachts. Anchors and chains are held by the authors of the CCMP to be especially damaging to coral reefs and an alternative should be provided in a number of mooring sites. Such sites could have a small additional casual employment benefit to Chagossians, and also provide revenue from mooring charges.

There are other measures which will require more self-discipline on the part of settlers. These include a prohibition on the killing of turtles and crabs; and a prohibition on the collection of eggs. As indicated in section 3.1, income opportunities are an important disincentive to illegal poaching to supplement food requirements.

4.3 Community engagement

A United Nations Environment Programme study in 2004 (*People and Reefs: successes and challenges in the management of coral reef marine protected areas*) has indicated the requirements for successful community engagement in conservation.

Consultation and information are important because they help to develop a set of shared interests between the scientists and environmentalists, on the one hand, and different interests within the community (fishermen, cultivators, traders, administrators etc) on the other. In conservation in poor communities it has been found that building trust and collaboration is much more effective than the more traditional authoritarian approaches that often invited a delinquent reaction. It is

also important to demonstrate that conservation is not simply about protection and monitoring: it directly impacts upon livelihoods.

Training is also an essential requirement. This can be at two levels. Selection of individuals for technical training is important because it builds the capacity within the community to staff posts in marine and terrestrial conservation. Such officers then often assume influential positions within the community and can lead voluntary conservation efforts. The Gerald Durrell Wildlife Conservation Trust has training programmes aimed at this level as well as substantial experience in similar environments.

Community training is less formal and normally involves a mix of research, extension and community development. A good example is provided by the work of the Mauritius Wildlife Foundation (MWF) on Rodrigues Island. In an environment very similar to Chagos, it has trained local communities in habitat regeneration, site preservation etc. It has also developed a number of extension workers who, as Creole speakers, could make an important contribution in Chagos.

The MWF are principally concerned with land, of course. For marine conservation, the Marine Education Trust (for the Indian Ocean) is especially well-placed to assist. The Trust itself has experience in training fishing communities in conservation and monitoring (as well as practical skills such as diving), and it works closely with marine conservation NGOs such as Shoals Rodrigues.

Elsewhere, in the Pacific, The Nature Conservancy has provided community level training in small coral island populations covering both marine and terrestrial habitats. Given the depth of expertise available, it is clear that a resettled Chagos Islands community can benefit substantially from experience in conservation management elsewhere, both in training and continued support from resident scientists and conservation extension officers.

4.4 Climate change

Local measures to protect reef and atoll systems cannot be isolated from the broader challenges to such systems as a result of climate change. There are two principal challenges to the Chagos Islands and to countless similarly threatened coastlines and islands.

First, episodic rises in sea level temperatures (to close to 30 degrees centigrade over a period of 2-3 weeks) causes stress in coral formation known as bleaching and, as a result, coral mortality. If such bleaching becomes a regular occurrence, the rate of coral re-growth cannot compensate for loss due to bleaching. In turn this would lead, over time, to less protection from tide-induced shore erosion from the natural breakwater of the reef, and to a decline in fish productivity.

In the case of Chagos, extensive bleaching and related death of up to 90% of all corals occurred following a rise in Indian Ocean temperatures in 1998, although recent evidence suggests that recovery has taken place. Marine scientists say that the incidence and severity of bleaching is very difficult to predict, although they are unanimous in the view that, globally, it will become more widespread over the next century.

Similarly, little is known about rates of recovery in coral formations. However, there is scientific evidence that recovery from bleaching is often faster in areas remote from other human impacts such as pollution. Again, this points to the importance of local environmental management in containing risks to sustainability.

The second factor is sea level rises. In low-lying tropical islands, flooding by rising waters is widely perceived to present the greatest threat to human populations. In fact, a more likely scenario is destruction of island habitats from within due to salinity. Sea level rises would increase the risk of salt contamination of the fresh water layer above, thereby destroying vegetation and eventually making islands uninhabitable.

Climate change may also, of course, lead to increased storm activity causing overtopping and flooding. However, the Chagos Islands are to the north of the tropical cyclone zone and there has been no recorded cyclone event for 30 years. Where overtopping has occurred it has been confined to small areas on the ocean side of the islands and, as elsewhere in the world, residential units should be built on the less vulnerable side of settled islands. Given the current incidence of overtopping and the limited nature of flooding caused, there does not appear to be any need for including sea defences in the proposal.

Nonetheless, the threats posed by climate change must be factored into resettlement even if the Chagos Islands are deemed relatively benign in terms of natural threats. Clearly it is essential to preserve the reef as a natural breakwater, to protect the vegetative cover on the shore line, to ensure the freshwater resources are not depleted, and to put in place a regulatory framework that ensures everything possible is done to mitigate any effects of climatic change and global warming on the surrounding ocean.

Meanwhile, of course, the Chagos Islanders, like millions of others in a similar position, will expect international agreements to slow the rate of global warming over the coming decades. There is no reason to doubt that Chagossians can live for several generations on the islands; successful international action would prolong this well into the future.

If the fact of climate change is now largely uncontested, the precise impact of climate change on different environments remains uncertain due to lack of scientific data. Because the Chagos Islands have been largely untouched by human impact for over 30 years (and most never populated anyway), the vast area of shallow water around tiny specks of land contains a virtually pristine marine environment unmatched elsewhere in the world. It provides an excellent research site to assess the impact of global warming on marine ecosystems, rates of erosion and recovery and the marine biodiversity. A resident population can be a considerable asset to such a research site.

5. Governing and the management of resettlement

5.1 Chagos Development Trust

The BIOT Commissioner would be responsible to the FCO for the success of resettlement but the scale and nature of financing resettlement requires institutional adaptation that:

involves members of the Chagos community in investment and development decisions;

provides a mechanism for approving, receiving and accounting for funds and technical assistance that are provided from non-UK government sources (that could range, for example, from large European Development Fund multi-year grants to small training awards or offers of personnel from non-governmental organizations);

considers proposals from private investors and sets enforceable conditions on private investment.

In order to meet all these requirements it is proposed that a Chagos Development Trust is established, chaired by the Commissioner (or the Commissioner's appointee) and with membership requiring BIOT approval.

Matters such as the issuing and award of contracts for work tendered by BIOT could also be delegated to the Trust. The Trust would operate as a not-for-profit company and would have legal status separate from BIOT.

These responsibilities are significant and would require a level of professional support that, especially in the first few years of a resettlement operation, BIOT may be reluctant to provide. Elsewhere such support to trustees has been contracted to firms with the necessary accounting, legal, capacity building and project management experience. The costs of such an arrangement are included in section 5 on financing.

The membership of the Trust, BIOT and Chagossian community representatives apart, should ensure that those with a significant interest in the future of the Chagos Islands are included. This would mean the inclusion of environmental and social welfare organisations with a long standing engagement in the islands or the exile community.

5.2 Chagos Resettlement Commission

One task in which the Trust should not become involved is the process of preparing a process for considering applications for resettlement, approving applications, determining levels of financial contribution to the resettlement of individual families and finally awarding plots to settlers. In this process, selection criteria would need to be agreed including, for example, the number of economically active members within applicant families.

A Commission is proposed to undertake this work on behalf of BIOT but, unlike the Trust, it would not have separate legal status and its functions, in due course, would be handed over to a local authority on the islands.

BIOT would have representation on the Commission and all the genuinely representative Chagos exile groups would also have rights of membership. The chairmanship could be provided by a respected faith organisation.

In section 6, the direct costs of settlement, in terms of the physical movement of people to the islands, include the costs of the Resettlement Commission.

5.3 Local government

Under conditions of resettlement, BIOT would remain the administering authority with responsibilities similar to those of any Overseas Territory commissioner or their equivalent. Immigration, customs, international treaties, security, financial regulation (if ever it became necessary), criminal and civil procedure, would all be a matter for the Commissioner (or Governor in the event of a change in status). Similarly, nature reserves, fishing permits, mooring sites etc would be the responsibility of the Commissioner although in such areas, local consultation would be expected and beneficial.

However, this does leave a large area of responsibility that could be delegated to locally-elected representatives to an island council with statutory powers. This would include housing allocation, housing and building repairs, management of health and education facilities, refuse disposal and enforcement of regulations.

The council could also be given powers to levy charges and spend these subject to agreed categories of expenditure. This is a short step from obtaining a portion of the revenues and taxes received by BIOT or directly receiving grant allocations from BIOT: in other words, a short step from accountable local government.

To ensure such responsibilities are properly and professionally managed, BIOT would be expected to appoint a senior finance and administrative officer (equivalent to Clerk) to support the work of the council, to assist the councilors in the performance of their duties and to arrange training and service conditions for junior staff employed by the council.

6. The cost of resettlement

6.1 Technical assistance

The term 'technical assistance' covers staff costs, training and the costs of supplies to those engaged in providing technical assistance. In the proposal, technical assistance requirements identified include the management of utilities and the airport, educational and medical services, administration, environmental monitoring, policing and court, community development and agronomy and fisheries extension.

On an annual basis, the costs of such assistance could be as high as £3 mn. if such assistance was provided through recruitment under the British aid programme (under the 2002 International Development Act, the Department of International Development has responsibility for financing the development needs of overseas territories). In reality the figure could be lower – and the cost to the British aid programme much lower.

This is because several of the costs of technical assistance are likely to be met by volunteer organizations such as Voluntary Service Overseas (VSO), by faith-based charities, by environmental NGOs, and by international agencies and foundations that regularly engage institutions to provide staff and training programmes.

The cost of technical assistance also has to be seen in terms of potential for cost recovery. This applies particularly to utilities and medical supplies, but technical assistance to ensure efficient administration will enhance the capacity to secure the various sources of revenue that, in due course, will reduce the requirement for subventions from the aid programme.

For these reasons, the costs of technical assistance (apart from housing costs which are included in capital costs below) are excluded from the calculations on the cost of the resettlement proposals that would fall mainly (although not necessarily entirely – see below) on the British government.

6.2 Capital costs

Capital costs are those non-recoverable costs in financing resettlement that need to be met by the British government, possibly on a cost sharing basis with, say, the European Development Fund or the US Agency for International Development, but nonetheless in the form of grant assistance. Some costs – notably the management costs of the Chagos Development Trust and the Chagos Resettlement Commission – are strictly 'technical assistance' but they are included in the calculation below because, unlike the other technical assistance costs described above, they are bound to fall on the British government.

For the buildings costs, particularly in relation to public buildings, jetties, tracks and storage tanks, the assumption is made that the costs of repairing and renovating and existing structures is at least as high as installing new infrastructure. This assumption may not hold in all cases: the plantation manager's house, for example, appears to be relatively intact and some jetties remain useable.

The estimated capital costs over a five year period are as follows:

Estimated Capital Costs

1. Residential housing (see 2.3) (150 units)	£6,700,000
2. Bachelor quarters (see 2.3) (16 units plus fittings and common facilities)	60,000
3. Public buildings (school, dispensary, police, administration, community, stores) (see 2.3) (6 units plus fittings)	530,000
4. Roads and pathways (1km @ 5m; 5kms @ 1.2m)	420,000
5. Jetties (3 x 100m) (see 2.5.3)	180,000
6. Boat repair yard	10,000
7. Store (fuel and building supplies)	15,000
8. MEP (mechanical, electrical, plumbing) on 1-7 above @ 20%	1,583,000
9. Airport (best estimate) (see 2.5.1)	4,000,000
10. Water supply (desalination plant) (see 2.4.2)	250,000
11. Sanitation and waste treatment plant (see 2.4.3)	250,000
12. Telecommunications (see 2.5.2)	75,000
13. Solar power (160 units) (see 2.4.1)	500,000
14. Diesel generators (4) (see 2.4.1)	400,000
15. Professional fees on 1-14 above @ 10%	1,497,000
16. Chagos Development Trust (management costs @ £100,000 per year)	500,000
17. Chagos Resettlement Commission (management costs @ £40,000 per year)	200,000
18. CRC resettlement grants (150 @ £2,000)	300,000
Total capital costs	£17,470,000

6.3 Cost summary

If technical assistance costs that have to be met by the British government are in the region of £1.5 mn. annually, this would mean that the total costs to be found would be in the order of £25 mn. over a period of five years

These are, of course, indicative figures only. Much more detailed analysis is required, and site visits undertaken, to establish accurate costs. However, the proposal represents the first detailed cost assessment of resettlement and, unlike previous studies of resettlement options, it draws upon the experience and intentions of the Chagossians themselves.

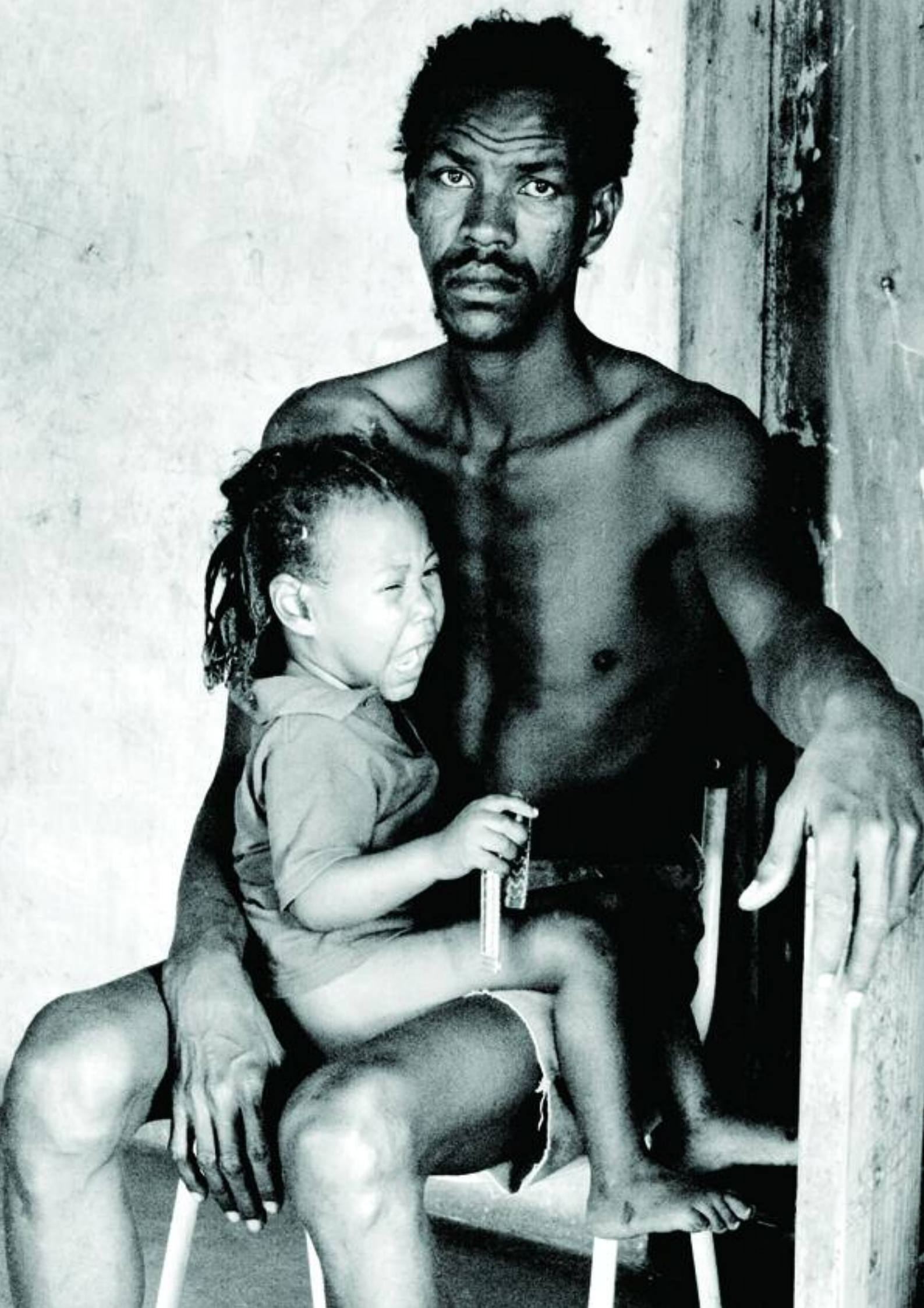
7. Conclusion

This proposal has investigated, and drawn upon, the earlier (uncompleted) BIOT commissioned feasibility studies as well as the more comprehensive Chagos Conservation Management Plan. It has also consulted with those engaged in the commercial development of similar small islands and their marine resources, as well as with those engaged in the conservation of the fragile natural environment and biodiversity of the Chagos Islands. Finally, it has reviewed the intentions, skills and attitudes of the Chagossians themselves.

In the process, we conclude that there are no valid environmental or economic reasons that stand in the way of the resettlement of a relatively small number of Chagossian families on islands in Peros Banhos and Salomon. The environmental risks described in the earlier feasibility studies cannot be regarded as insuperable given the willingness of Chagossians to contribute to conserving the assets on which their livelihoods, and long term survival on the islands, will depend.

Furthermore, the absence of any serious estimation of costs or benefits in the earlier studies diminishes the validity of current government claims that resettlement would mean a substantial and open-ended financial liability. In fact, there are clear opportunities for significantly enhancing the incomes of resettled Chagossians and, in the process, securing a level of revenues that would sustain decent living standards for the settlers.

There are, nonetheless, reasonably-held concerns over environmental conservation and economic viability in the resettlement of the northern atolls of the Chagos Islands. We hope that the FCO will recognise that this proposal is a constructive contribution to meeting these concerns. We also hope that the specific components of the proposal will be given full consideration by the British government when it prepares its response and, in due course, when it agrees to undertake a fully-fledged Resettlement Plan of its own in consultation with the Chagossians. It is not too late to remedy a major and enduring injustice and this proposal provides a starting point for such an opportunity.









Speakers Bank



Nelsons Island

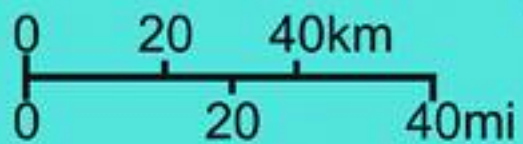


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