

**OVERSEAS TERRITORIES ENVIRONMENT PROGRAMME (OTEP)
OTEP SECRETARIAT RESPONSE TO THE RECOMMENDATIONS OF THE 2005 REVIEW OF THE PROGRAMME**

Rec No	Recommendation	DFID/FCO Response
Headline Recommendation	After only two years of operation, OTEP has become a highly valued source of support to environment stakeholders in the OTs – both governmental and non-governmental – and is a particularly key player in biodiversity conservation. With increasingly urgent needs to address a breadth of OT environmental challenges now clearly apparent, we strongly recommend that the programme should continue.	We welcome this conclusion by the independent reviewer, which formally confirms views expressed by many partners both in the territories and elsewhere. FCO have secured funding from the Global Opportunities Fund for the continuation of their component of OTEP, subject among other things to the outcome of the Comprehensive Spending Review in 2007. DFID's current 3-year funding commitment runs to March 2007 but it is intended to seek an extension to the existing programme from FY 2007/08-2009/10.
3.1	Focal themes – building on the biodiversity conservation niche	
3.1 (a)	<i>Continue OTEP's clear niche in biodiversity, but broaden its scope from species and habitat conservation to include sustainable use of biodiversity for economic and livelihood purposes. A clear OTEP biodiversity prioritisation framework is needed – either a global assessment of biodiversity needs, and/or scientific criteria.</i>	OTEP has operated to date on a reactive, demand-led basis, following the pattern established in earlier FCO-funded programmes, for example the Environment Fund for the Overseas Territories, whose emphasis was predominantly on biodiversity projects, often with a species conservation objective. The OTEP Programme Memorandum provides for a much wider approach, both to biodiversity and other environmental issues, including sustainable use. We accept that if the current reactive process is to continue, the OTs will need to be reminded of, and possibly steered in the direction of these wider opportunities. We agree that a prioritised framework and, possibly, a more proactive approach could be helpful. We also need to keep in view the diverse needs and varying stages of progress in each territory, and limited capacity within the OTEP secretariat to respond to competing priorities. We will review the nature of our support for biodiversity conservation initiatives both in the light of demand from the territories and in consultation with relevant specialists, with a view to introducing any changes that may be indicated.

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3.1 (b)	<i>Actively seek to support other environmental issues (brown and blue as well as green)</i> but only where their priority can be demonstrated in an OT and funding levels allow. Examples include waste management, water and air quality, and possibly built heritage. Selection should refer more to the OT context, seeking input from Governor's Offices and development actors.	The existing Programme Memorandum provides for a much wider range of environmental management and capacity-building activities than have to date been taken up by the territories. In the examples mentioned in the recommendation, however, care would need to be taken not to fund activities that should more properly be core functions of OT government departments. For example, assistance with the preparation and introduction of a national waste management strategy might be appropriate for OTEP funding, whereas the financing of physical works to improve a landfill site almost certainly would not be. We agree that dialogue, within the OT context, might be more likely to lead to the identification of projects with more potential for positive strategic outcomes.
3.1 (c)	As a result, whilst 75% of projects currently focus on biodiversity conservation, this might be expected to be about 50% in the next 2-3 years	We agree that a better balance probably needs to be struck (without necessarily setting specific targets) between biodiversity conservation (particularly species protection) and activity to meet other objectives of the Environmental Charters.
3.2	Focal activities – complementing 'soft' awareness work with 'hard' capacity installation	
3.2 (a)	<i>Continue work in improving awareness, but strengthen its focus on senior decision-makers</i> in development positions, both governmental and private sector. Whilst OT-level activities will be appropriate, regional or OT-wide seminars etc might also be offered by OTEP.	We agree with this recommendation and will encourage those territories that perceive this to be a significant local issue, to seek support from OTEP. In fact one of the approved projects for one territory in the 2006 bidding round aims to run an environmental awareness course for the political directorate and senior managers and opinion formers, focusing on strategic local and global issues of environmental sustainability such as the MEAs.

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3.2 (b)	<p><i>Put much more emphasis on building OT environmental systems and capacities – environment policies, laws, plans, institutions, and their links to development. Whilst many stakeholders agree that government capacity is the most critical need at present, efforts to broaden the civil society base which ‘drives’ environmental concern are also welcomed. Irrespective of what environmental themes are chosen, a ‘local capacity utilisation and development’ objective would be helpful in most OTEP projects.</i></p>	<p>We have always welcomed proposals that build capacities and environmental systems in the territories, particularly those at a strategic level. We agree with the reviewers, however, that Government capacity currently remains less than optimal in several territories, and that civil society drivers of environmental action may operate under significant institutional or funding constraints. We will therefore continue to support ‘home-grown’ initiatives, particularly those which help develop local capacity and confidence.</p>
3.2 (c)	<p><i>Ensure that any field activities (i.e. in specific sites) play a very strategic role in relation to the points above. In other words, they should either be critical sites in their own right judged against environmental criteria, or be strategic vehicles for awareness- or capacity-building judged against visibility/exemplary criteria.</i></p>	<p>The OTEP assessment panel has paid particular attention to the application of this principle and we envisage that it will continue to do so in the future. Panel members have welcomed comments by Governors’ offices (and equivalents) on the potential strategic value (or otherwise) of applications submitted to OTEP. We will, however, encourage applicants – including through strengthened guidance notes – to apply appropriate ‘strategic value’ tests when they are developing project concepts involving site-specific interventions.</p>
3.3	<p>Strategic engagement with OTs – introducing complements to competitive, applicant driven projects</p> <p>The first two OTEP objectives of ‘<i>advice, support</i> and funding’ will not always be best delivered through competitive models and/or scattered applications. Consideration could be given to:</p>	

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3.3 (a)	<p><i>Offering central OTEP schemes based on common needs.</i> For example, some capacity development activities will not be efficient if confined to an individual OT. There is a strong demand for short courses in 'hot topics' – notably climate change, EIA and SEA, and economic aspects of environmental issues – both in the UK and within OTs and especially to engage senior decision-makers. A further suggestion is an OTEP job swap/job shadowing scheme.</p>	<p>We accept that the competitive demand-led model is not necessarily the best or only approach possible and that there is probably a latent demand for cross-territory initiatives of the type recommended. We also recognise that individual territories may find the tasks of mobilising interest among a group of potentially like-minded territories and coordinating a common application to OTEP, too daunting, not least because of capacity constraints. We therefore agree that OTEP should attempt a more proactive approach to multi-territory capacity-building activities. But it has to be recognised that the OTEP secretariat is itself capacity-constrained, and that the organisation and delivery of such activities will have to be contracted out. We are not sure how a job-swap or job-shadowing scheme might work in practice, but would be open to suggestions from the territories.</p>

3.3 (b)	<p><i>Achieving OT stakeholder agreement on how to implement Environment Charters. If the OTs have limited capacities, as a minimum they need to agree their environmental priorities so they do not waste effort on less important issues. Ideally they would also work to 'create a vision to offset the dominant crude models of development' – which is an overriding need according to one very senior OT informant. Thus OTEP should consider supporting a multi-stakeholder Environment Charter Forum in each OT (or similar environmental leadership groups, learning groups, or shared facilities) as well as their coordinators.¹</i></p>	<p>The desirability of having national stakeholder groups, convened by national focal points, has always been central to the OTEP approach. The Programme Memorandum (in para 4.1.11) called these <i>national steering committees</i> and it was envisaged that they would assist in defining priorities for raising awareness, building capacity and training, as well as in prioritising and coordinating specific project proposals to OTEP (and others potential funders). These groups would comprise a range of environmental and other professionals from OT governments and NGOs. It was felt that, wherever possible, advantage should be taken of existing institutional structures rather than the creation of new ones. Such groups do exist, and operate effectively in several territories, as evidenced by the coordinated approach those territories adopt when submitting applications to OTEP. We would be pleased to assist and support the establishment of more such groups, where desired by the territories. We also note that not all territories make use of the Environment Charters as intended, and that, nearly five years on from the time when they were signed, they are becoming neglected in some territories. We will consider whether a rededication to the Charter principles by OT political directorates might now be timely, perhaps at this year's Overseas Territories Consultative Council.</p>
3.3 (c)	<p><i>Supporting any overriding priority that has been agreed within an OT. A mechanism might be developed to favour applications that have gained clear multi-stakeholder backing through e.g. a Charter Forum (as above).</i></p>	<p>We agree in principle with this recommendation, provided that it is consistent with other recommendations for prioritisation and sharper programme focus. It raises again the issue of how best to balance proactive approaches on the part of OTEP with the demands of the territories, while maintaining a fair and equitable distribution of resources among the territories. As part of our response to those approaches and procedures highlighted for our attention in this review, we will consider how best to resolve this issue.</p>

¹ Staff Officers could also have a role in facilitating such groups.

3.4	International engagement – raising the profile of OTEP	
3.4 (a)	<p><i>Ensure OTEP makes an increasingly major contribution to global environmental services – particularly for biodiversity.</i> OTEP has the potential to offer far more than a set of small, unrelated conservation projects. In part this will mean the secretariat engaging with the multilateral conventions on biodiversity, climate change, etc, accessing internationally significant environmental information and intelligence on funding, and enabling OTs to engage with global initiatives. It may also mean inviting the scrutiny and gaining the recognition of global institutions such as IUCN and WWF.</p>	<p>Given the recommendation made in para 3.1(c) above that local biodiversity conservation content of OTEP should be scaled down, we may have some difficulty in reconciling the objectives of this recommendation which promotes even more attention to biodiversity albeit at a global level. We agree that this is a worthy aim, but it is one that would require the OTEP secretariat to take on considerable additional work, for which it is not resourced. We will, however, explore possibilities for deepening our relationships with other institutions, as suggested (and including the Joint Nature Conservation Committee), particularly in the matter of the Multilateral Environmental Agreements.</p>
3.4 (b)	<p><i>Improve efforts to reduce OTs’ isolation</i> from other OTs and from key non-OT neighbours and peers, where this is relevant to the theme at hand (e.g. supporting initiatives that link OTs with the OECS or similar, and with SIDS).</p>	<p>We agree, in principle, with this recommendation, while recognising that it is (or should be) easier for the Caribbean territories to communicate effectively among themselves and with neighbouring independent states. OT members of Organisation of Eastern Caribbean States are already formally linked. The Atlantic territories, although individually more geographically isolated, seem to maintain effective professional networks.</p>
3.5	<p>Further improving OTEP’s management – options to consider</p> <p>Section 2.6 gives rise to some more specific management suggestions:</p>	
3.5 (a)	<p><i>Capacity support: We propose</i> supporting permanent salaries for positions that can be demonstrated as absolutely key in Environment Charter implementation (such as a coordinator). One option would be to fund positions on a sliding scale, reducing over time, as operated by the Good Government Fund.</p>	<p>As a matter of policy (and because of resource constraints) OTEP does not support permanent salaried positions such as Environmental Coordinators. It is our view that if governments in the territories are sufficiently committed to their Environment Charters, they should support such positions from their own resources, as indeed some already do. We will, however, continue to provide short-term technical assistance where appropriate (either through projects, or otherwise), and will use our best endeavours to source expertise from other agencies or charities.</p>

3.5 (b)	<p><i>Communication: We propose a more active communication with development stakeholders through the Governors' offices and DFID, OT media, and the FCO's Good Government and Economic Diversification mailing lists.</i></p>	<p>While not disagreeing with the general point made that we should always strive to improve communication, it should be noted that the UK Overseas Territories Conservation Forum (UKOTCF) are currently contracted by OTEP to provide this service. As the UKOTCF website is the natural first point of reference for conservation issues in the UK Overseas Territories, it may be that it could be more widely linked; we will explore this possibility.</p>
3.5 (c)	<p><i>Proposal form: We propose one slightly shorter, more concise proposal form, plus promotion of the facility to contact FCO/DFID informally beforehand. Suggested amendments to the proposal form are noted at Annex 3.</i></p>	<p>We agree that streamlining the application form would be beneficial and will attend to this using the helpful suggestions provided. We also intend to place a limit on the number of words that can be used in certain of the boxes. We will also consider, as we revisit the balance between demand-led and OTEP-led approaches, adopting a two-stage application process in future bidding rounds.</p>
3.5 (d)	<p><i>Proposal assessment: We propose further enrichment of the Assessment Panel with economics, development and 'brown/blue' environment skills. We encourage Governors' offices to provide more complete advice on proposals.</i></p>	<p>We believe that the panel composition in the first two rounds of OTEP broadly reflected the subject matter of the applications received. Blue environmental issues have been adequately covered to date. We agree with the recommendation that the addition of an external panel member with expertise on sustainable development might be appropriate. Governors' Offices have limited capacity, and not all are necessarily well placed to contribute more than they do. But we have had some excellent insights from some Governors' (or equivalent) offices which would not otherwise have been available.</p>
3.5 (e)	<p><i>UK institutional involvement: We propose that OTEP puts in place checks and balances to ensure there is no token involvement of OTs in UK-led regional or OT-wide projects. Furthermore, that feedback on the utility of UK institutional roles in OTEP projects is sought from the OTs.</i></p>	<p>OTEP already has checks and balances to reduce the risk of token involvement of OTs in projects inspired by UK institutions (eg questions on application form, opportunity for Governors' Offices to comment). This review has, however, revealed at least one example of a cross-territory project in which some participating territories felt that the UK lead institution could have involved them more and kept them better informed. We have not, however, received any complaints from territories to this effect and are not aware that there has been any neglect amounting to tokenism. We will nevertheless keep this point in view for the future.</p>

3.5 (f)	<p><i>Outsourcing: We propose that any out-sourced central OTEP services, such as communications and a regular OT-wide forum, should: (a) be run as distinct OTEP activities with their own clear objectives, irrespective of who has the contract to run them; and (b) that the contractor does not face any incompatible incentives to apply for OTEP competitive grants.</i></p>	<p>We infer from this recommendation that the reviewers had some concerns about the institutional relationship between the UKOTCF and OTEP, particularly in the context of the contract awarded by OTEP to the UKOTCF for the management of the OTEP Communications Strategy. It seems to be implied that the objectives of the two entities are at risk of becoming muddled and that OTEP publicity should not be subsumed into UKOTCF activity. At the outset, there were strong arguments in favour of placing OTEP information material and data on to a single website, and as noted above, the UKOTCF website has become the focal reference point for conservation and associated information on the Overseas Territories. It was our view at the time that the UKOTCF would welcome additional resources to further expand its database and increase its utility even further. The contract was awarded with very clear objectives and we are not aware that the contractual relationship has compromised the UKOTCF's ability to carry out its role as a campaigning NGO. In view of the comments made, however, on outsourcing OTEP services, we will revisit, with the UKOTCF, the state of our current relationship and make any necessary adjustments accordingly, once current contractual commitments have been completed.</p>
3.5 (g)	<p><i>On-call technical advice: We propose that the OTEP secretariat should explore possible sources of technical advice within FCO, DFID and elsewhere in order to 'fill the gap' between very occasional (perhaps once-per-project) field visits and full-time (UK) technical partners.</i></p>	<p>In short, this is what happens. Both FCO and DFID seek technical advice as required from relevant specialists at, for example, JNCC, Defra, RBG Kew, ZSL etc.</p>
3.5 (h)	<p><i>Reporting by OTEP projects: We propose a simple 'traffic light' system for quarterly reports.² We also propose a short mandatory final report, illustrated with photos and other evidence, in a form suitable for generating 'OTEP News'. Clarity must be offered on what key outputs to submit, and how to communicate key lessons. Finally, there should be a more systematic follow-up to projects, inquiring as to use of the outputs.</i></p>	<p>We agree with all these points. A final report format is now being developed to replace the <i>ad hoc</i> arrangements formerly in place. Monitoring and follow-up is undertaken to the extent possible given OTEP's limited staff resources.</p>

² For example, 'Green' signifies progress to schedule, with a very short note of any key achievements. 'Amber' warns of possible delay or constraint, with a short note explaining its nature and severity. 'Red' is a major blockage requiring mandatory action by both the project manager and OTEP.

3.5 (i)	<p><i>Other funding sources:</i> We propose that OTEP advises key UK, EU, US and international funding sources of OTEP objectives and potentials, and reports to them on OTEP project achievements. OTEP should, in turn, inform both Staff Officers and OTEP project implementers of the range of other international funds available. The FCO's Good Government and Economic Diversification Funds should aim to identify and support environmental governance needs and sustainable use potentials respectively.</p>	<p>Now that a number of OTEP projects are nearing (or have reached) completion, we agree that success stories and lessons learned should be disseminated more widely. It should be recognised, however, that a number of project implementers – particularly those, such as the RSPB, who have their own sophisticated publicity mechanisms – will be doing this of their own accord. The recommendation opposite implies that there is a range of international funds available for the OTs to access, whereas our experience suggests the opposite, ie that the OTs are generally denied access as a consequence of their constitutional relationship with the UK. In view of the comment made, however, we intend to respond by commissioning a short study to identify any sources of funding for environmental projects for which the OTs would be eligible. The FCO's GGF and EDPB are already used as a complement to OTEP, and those territories in receipt of bilateral development assistance from DFID also benefit from sustainable development projects funded through that route.</p>
3.5 (j)	<p><i>Other Government Department roles:</i> We propose that Defra be requested to consider a lead involvement in reviewing progress in the Environment Charters (both OT and HMG commitments), perhaps through the JNCC. We further propose that the case for larger or more routine funding from HMG is explored, particularly for capacity development, in which the Environment Agency would be well-placed to play a technical role: a submission to the Inter-Departmental Ministerial Working Group on Biodiversity should be considered.</p>	<p>We agree with the recommendation that progress against the Environment Charters should be reviewed and we would support the suggestion that the JNCC involvement might be useful. But we are also aware that the UKOTCF has already started to develop some indicators to help map progress with Charter implementation. We will explore with both parties (and possibly others) how this exercise might best be taken forward. The matter of longer-term and more substantial HMG funding for biodiversity conservation and environmental management in the territories is one that has been raised by NGOs at the regular six-monthly meetings between the UKOTCF and representatives of HMG departments. We understand that the UKOTCF may be considering an approach to ministers.</p>

3.5 (k)	<p><i>Strategic overview of OTEP: We propose that DFID and FCO build on their very effective collaboration by focusing more on maintaining a joint strategic overview of OTEP, largely through improved monitoring that builds on the current Review. OTEP might organise a 'lean' annual review that addresses (a) Environment Charter progress, (b) progress in a sample of OTEP projects – covering process, outcomes and impacts, and (c) the cross-project composition at Programme level. For both deeper and broader reflection, a (triennial) OTEP programme conference might be considered.</i></p>	<p>We agree. Now that we have two full years of operational experience with the implementation of OTEP, the secretariat is better placed to determine priorities for the application of its limited resources to monitoring and evaluation. This report provides a good basis for instituting a regular joint strategic overview process at the programme level and we now have a better feel for what is practicable by way of monitoring of individual projects in the field. It is clear from the report that more frequent field visits of a technical advisory nature would also be welcomed by several implementers. We will therefore make every effort to increase the frequency of field visits to reasonable accessible territories, both for monitoring and for advisory support purposes.</p>
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