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Cayman Islands

Working paper prepared by the Secretariat

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I. General

1. The Cayman Islands is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is located some 180 miles west of Jamaica and about the same distance south of Cuba. It comprises three islands: Grand Cayman (76 square miles), Cayman Brac (15 square miles) and the adjacent and largely undeveloped Little Cayman (11 square miles). The capital, George Town, is located in Grand Cayman.

2. According to the Economics and Statistics Office of the Cayman Islands, the population of the Territory increased from 52,465 in 2005 to 53,172 in 2006. The population is about 60 per cent Caymanian and 40 per cent non-Caymanian.¹

3. The British Overseas Territories Act, which came into force in 2002, grants the right to full British citizenship to all inhabitants of the Territories and formally abolished the term “colony” and “dependent territory” in favour of “Overseas Territories”. That law allows Cayman Islanders to hold British passports and work anywhere in the European Union.

II. Constitutional, legal and political issues

4. The official name of the Cayman Islands current constitution is the “Caribbean and North Atlantic Territories, The Cayman Islands (Constitution) Order 1972”, which was amended seven times, in 1984, 1987, 1992, 1993, 2003, as well as twice in 2004.² Under the Constitution, the Governor, who is appointed for four years by the British monarch, is responsible for external affairs, defence, internal security and the public service. The current Governor, Stuart Jack, assumed his duties in the Cayman Islands on 25 November 2005.

5. As a result of recommendations produced by the Constitutional Review Commission appointed by the Governor in 2001, a number of changes were subsequently made to the Territory’s political structure. Under Statutory Instrument 2003 No. 1515, which amended the Constitution that year, the Executive Council became the Cabinet, headed by the Governor, and the offices of Leader of Government Business heading the territorial Government and Leader of the Opposition in the Legislative Assembly were established. The Cabinet is responsible for the administration of government. The Governor appoints the Leader of Government Business and Leader of the Opposition, and presides over the Cabinet. The Cabinet comprises three members appointed by the Governor, called the Official Members (Chief Secretary, Attorney General and Financial Secretary) and five members elected by the Legislative Assembly, called Ministers. Moreover, the British monarch (with the advice of Her Privy Council) as well as the Governor (with the advice and consent of the Legislative Assembly) has the power to make laws for the peace, order and good government of the Islands.²

Note: The information collected in the present paper has been derived from published sources, including those of the territorial Government; and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

¹ See 2006 Labour Force Survey on the Cayman Islands Economics and Statistics Office website at www.eso.ky; information provided by the administering Power, 9 January 2008.

² www.constitution.gov.ky.

6. The Legislative Assembly comprises three official members designated in the Constitution and 15 members elected by universal adult suffrage for a period of four years. Under the Constitution, at the first meeting of the Legislative Assembly, the elected members are required to elect a Speaker from among their own elected group, or from persons qualified to be elected members of the Legislative Assembly other than Ministers.²

7. Justice in the Cayman Islands is administered at three levels — in the Summary Court (including the Youth Court), the Grand Court and the Court of Appeal. The Summary Court has a civil and criminal jurisdiction. Appeals from the Summary Court lie to the Grand Court. The Grand Court is a superior court of record and administers the common law and the law of equity of England, as well as locally enacted laws and applied laws. Appeals from the Grand Court lie to the Cayman Islands Court of Appeal, composed of a president and not less than two judges of appeal. A judge of the Grand Court may exercise any of the powers of a single judge of the Court of Appeal. Further appeal lies, in certain circumstances, to the Judicial Committee of the Privy Council in London.³

8. Until 2000, there were no formal political parties in the Territory and groupings known as National Team, Democratic Alliance and Team Cayman acted as political organizations. Following the defeat of the National Team in the general elections held in 2000, a majority of the Legislative Assembly members formed a political party, the United Democratic Party (UDP), on 5 November 2001. The opposition formed a second party, the People's Progressive Movement (PPM), in 2002. In February 2005, the People's Democratic Alliance (PDA) was formed.

9. A general election was held on 11 May 2005. PPM won an unprecedented landslide victory over the incumbent UDP, winning 9 of the 15 seats in the Legislative Assembly. UDP won five seats, and the newly formed PDA secured one seat. As a result, Kurt Tibbetts of PPM replaced McKeever Bush of UDP as Leader of Government Business. The next general election is due to be held in 2009.

10. As previously reported (see A/AC.109/2007/2 and A/AC.109/2006/16), progress in constitutional reform efforts was slow in the early 2000s and focused on electoral matters. In 2005, the Leader of Government Business announced the Territory's readiness to resume discussions with the United Kingdom, and formal talks between the Territory's Government and the United Kingdom recommenced in March 2006. A delegation from the British Foreign and Commonwealth Office made an exploratory visit to the Territory and suggested multiple changes to the draft Constitution that had been under discussion since 2003, particularly to the section on the bill of rights.² As part of the current constitutional review exercise, a constitutional bill of rights, based on international conventions, is under discussion.²

11. In February 2007, the Leader of Government Business announced the establishment of a new secretariat to make a fresh start on the constitutional review process in the Cayman Islands. The Constitutional Review Secretariat began work in March 2007 to generate support for the constitutional review process and raise public awareness of the matter.⁴ In his 2007 Throne speech, the Governor said that it was vital that the people of the Cayman Islands were properly consulted in the

³ www.gov.ky.

⁴ Information provided by the administering Power, 9 January 2008; Caribbean Net News, 20 February 2007, www.caribbeanetnews.com.

process, including through referendum mechanisms. That would provide the mandate which would serve as a basis for negotiations between the territorial Government and the United Kingdom.⁵

12. Adopting a phased approach, the Territory has embarked on a review exercise, called the “Constitution Modernization Initiative”, with the support of the Constitutional Review Secretariat. The Initiative comprises a four-part programme: (a) research to identify viable areas of constitutional reform and publication of a public discussion paper; (b) consultation and public education on constitutional issues raised in that paper; (c) a national referendum on constitutional reform; and (d) negotiations between the Cayman Islands and the United Kingdom on the modernization of the Cayman Islands Constitution.⁶

13. At the beginning of 2008, the modernization exercise entered its second phase. On 12 January 2008, the territorial Government issued a publication entitled “The Cayman Islands’ Constitution: a reflection of who we are — summary of proposals” to facilitate public consultation. A referendum on constitutional proposals is slated for May 2008 in order to give the territorial Government a brief for its negotiations with the administering Power on a new constitution.⁷ A “Referendum issue document” which is planned for release in April 2008, would reflect the citizens’ various recommendations to the territorial Government and would form the basis for the May referendum.⁸

14. In the introduction to the “Summary of proposals”,² the territorial Government expressed its belief that there was no desire in the country to seek independence, and stated that the aim of the current constitutional review exercise was to improve the relationship with the United Kingdom, to make the Territory’s internal government more democratic, efficient and accountable.

15. In December 2007, speaking before the House of Commons Foreign Affairs Committee, the Leader of Government Business stated that one of the topics to be discussed with the administering Power would be the role of the Governor as exclusive Chair of the Cabinet and the one to set the Cabinet’s agenda. He elaborated that the Territory had “a very vibrant democracy and the elected Government should, we believe, have more of a say when it comes to deciding the agendas for Cabinet and who chairs Cabinet meetings”.⁹

16. In reply to a question from the Foreign Affairs Committee whether there should be a formal consultation on the appointment of Governors, the Leader of Government Business detailed that “first, I do believe that common courtesy should dictate that; but we have our own experiences with the word ‘consultation’ and being consulted. If it is simply being told who that good person is, we do not

⁵ Information provided by the administering Power, 9 January 2008; Throne speech delivered by Governor Stuart Jack on Friday, 27 April 2007, www.gov.ky.

⁶ www.constitution.gov.ky, 3 July 2007.

⁷ See www.constitution.gov.ky, 5 February 2008; also www.gov.ky and *Caymanian Compass*, 17 January 2008 at www.caycompass.com.

⁸ See *Caymanian Compass*, 7 February 2008, at www.caycompass.com; www.constitution.gov.ky, 5 February 2008.

⁹ Kurt Tibbetts, Uncorrected Transcript of Oral Evidence to be published as HC 147-1, House of Commons, Minutes of Evidence taken before the Foreign Affairs Committee, Overseas territories, Monday 3 December 2007, <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmaff/uc147-i/uc14702.htm>

consider that to be consultation. We do believe that there should be some consultation". He further stated that the territorial Government should be in the position to give its opinion regarding a prospective appointment.⁹

17. With regard to the issue of the way the United Kingdom Government consults about ratifying treaties which apply to the Overseas Territories, the Leader of Government Business inter alia indicated that "Our experiences have not been very good in the past. However, we have had certain assurances given to us in recent times that there will be more consultation".⁹

III. Budget

18. The principal sources of Government revenue are import duties; company, bank and trust licence fees; and stamp duties. According to the administering Power, a surplus of Cayman Island dollars (CI\$)¹⁰ 116.1 million was recorded in 2006, in comparison to a surplus of CI\$ 89.2 million in 2005, representing an increase in Government cash reserves.¹¹

19. In the 2008-2009 Strategic Policy Statement, setting out the parameters for preparing the budget for the 2008-2009 financial year, the territorial Government projected capital expenditures of CI\$ 199.3 million for 2008-2009, CI\$ 103.4 million for 2009-2010 and CI\$ 72.3 million for 2010-2011. The expenditure programme includes, inter alia, investment in education, transport infrastructure, new Government offices, health and economic policy.¹²

20. Under the Territory's public management reform process, a new Public Service Management Law and Regulations came into effect in 2007. The law constitutes the second stage of reform efforts, after the Public Management and Finance Law of 2001. All of the approximately 3,500 civil servants are affected by the reform process, which has decentralized personnel management decisions and allows for performance-based assessments and incentives.¹¹

IV. Economic conditions

A. General

21. The Cayman Islands has one of the highest standards of living in the Caribbean. For the year 2006, the per capita gross domestic product (GDP) was estimated at US\$46,500.¹³ The economy is based on tourism and offshore financial services. There is no income tax, company tax or excise duty. Total imports for 2006 were CI\$906.1 million.¹⁴ Although imports outstrip exports by far, the trade gap is

¹⁰ 1 CI\$ = 1.225 US\$, see www.cayman-islands.com, accessed on 20 February 2008.

¹¹ Information provided by the administering Power, 9 January 2008.

¹² See the 2008/2009 Strategic Policy Statement, delivered by the Cayman Islands Government on 29 November 2007, at www.gov.ky.

¹³ See the Foreign and Commonwealth Office website at www.fco.gov.uk, last updated on 30 January 2008.

¹⁴ See the Economic and Statistics Office Semi-annual Report for 2007, 21 November 2007, at www.eso.ky.

more than offset by earnings from the tourism and financial services sectors.¹⁵ The Cayman Islands' major trading partners are the United States of America, the United Kingdom and the Caribbean Community.

22. Indicators for the first half of 2007 suggest that the Cayman Islands economy was on a path to achieving GDP growth of over 3.8 per cent in 2007. Inflation for the first half of 2007 stood at 3.7 per cent, owing mainly to the prices of personal goods and services, food and household equipment.¹⁴

23. Concerned about the high rise of costs of living, the territorial Government took action in April 2007 to negotiate with the private utility providers regarding price increases as well as with the banking sector concerning interest rates.¹⁶ For instance, the issue of "price development" featured in the recently signed 20-year contract between the territorial Government and the Cayman Islands' electricity supplier.¹⁷

B. Agriculture, fisheries and the environment

24. According to information provided by the administering Power, agricultural activities, although limited by infertile soil, low rainfall and high labour costs, have nearly doubled over the past several years. Agricultural products include bananas, tomatoes, lettuce, honey, mangoes, citrus fruits, various vegetables and coconuts. Livestock rearing consists of beef cattle, poultry and pigs. Agriculture continues to constitute approximately 1.4 per cent of total GDP.¹⁸ In October 2007, a new infestation of the harmful pink hibiscus mealybug was reported. The Department of Agriculture initiated countermeasures in the infested areas.¹⁹

25. In March 2006, the Department of Environment launched the US\$350,000 Cayman Islands Darwin Initiative to research and help to conserve the Territory's ecosystem through the promotion of biodiversity and the sustainable use of resources. The project is expected to be completed in 2008.²⁰ A related measure taken to conserve the marine ecosystem was the banning of cruise ships from anchoring in areas where they may damage coral reefs.²¹

C. Tourism

26. The tourism sector accounts for approximately half of GDP of the Cayman Islands and one third of employment in the Territory. Air arrivals rose by 9.1 per cent to a total of 291,503 visitors in 2007, compared to 267,258 in 2006. The increase has begun to reverse the decline caused by Hurricane Ivan in 2004, so that

¹⁵ See The Economist Intelligence Unit Cayman Island Country Profile 2007.

¹⁶ See *Caymanian Compass*, 29 April 2007, at www.caycompass.com.

¹⁷ See www.gov.ky, 20 December 2008.

¹⁸ See *CIA World Factbook* at www.cia.gov/cia/publications/factbook/index.html, last updated 17 January 2008.

¹⁹ See Associated Press, 14 October 2007, at www.ap.org; Cayman Islands Government at www.gov.ky, 11 October 2007.

²⁰ See www.seaturtle.org/mtrg/projects/cayman, accessed on 6 February 2008.

²¹ See Associated Press, 1 May 2007, at www.ap.org.

total air arrivals have nearly returned to the pre-hurricane level of 293,517 in 2003.²²

27. In 2007, the number of tourist cruise arrivals has decreased by 11.1 per cent to 1.7 million, as compared to 1.9 million passengers in 2006.²² However, the Territory's Minister of Tourism underlined that the numbers in 2006 were artificially high since cruise ships had been redirected to the Cayman Islands from other ports in the region devastated by Hurricane Wilma in November 2005.²³

28. In March 2007, the Cayman Islands Government started consultations on the National Tourism Management Policy for the time period 2008-2012. The public consultation process found that people were most concerned about the control of the number of cruise ships and the development of accommodation, as well as about environmental issues. Consequently, some of the core issues of the Policy address the control of tourism flows and the question of development of tourist accommodation, along with environmental sustainability and nature-based tourism.²⁴

29. Furthermore, the territorial Government launched the Cayman Islands Environmental Project for the Tourism Sector, a private/public partnership aimed at dealing with the sector's environmental impact.²⁵

D. Financial services

30. The financial sector is one of the main pillars of the Cayman Islands economy, and the Islands remain among the top international financial centres in the world.

31. According to the 2006 Annual Economic Report published by the territorial Government's Economic and Statistics Office, the Cayman Islands financial services sector continued to perform well during 2006. Increases were seen in insurance company licences (1.1 per cent), mutual funds (14.5 per cent), stock exchange listings (15.2 per cent) and stock exchange capitalization (40.5 per cent), as well as new company registrations (15.1 per cent). The only exception was the bank and trust licences sector, which declined by 4.6 per cent, owing to continued consolidation within the banking industry.²⁶ This generally positive trend continued in the first half of 2007. For instance, mutual fund registrations during that period increased by 14.4 per cent, and hedge funds domiciled in the Cayman Islands passed the 8,000 mark, representing approximately 80 per cent of the world's total funds.²⁷

32. With regard to the regulatory environment, also addressed below under crime and public safety, the Leader of Government Business said in December 2007 that the Cayman Islands had "an environment which accords with international best practice".⁹ The "clean bill of health" given in the report "Managing risk in the Overseas Territories" prepared by the United Kingdom's National Audit Office and

²² See Department of Tourism, www.caymanislands.ky, accessed on 6 February 2008.

²³ See *Caymanian Compass*, 2 January 2008, at www.caycompass.com.

²⁴ *Ibid.*, 20 September 2007, at www.caycompass.com.

²⁵ *Ibid.*, 5 November 2007, at www.caycompass.com.

²⁶ See the Economic and Statistics Office Annual Economic Report 2006, 5 September 2007, at www.eso.ky.

²⁷ Information provided by the administering Power, 9 January 2008; Economic and Statistics Office Semi-Annual Economic Report 2007, 21 November 2007, at www.eso.ky.

the “Third round mutual evaluation report of Cayman Islands” by the Caribbean Financial Action Task Force was generally seen as evidence of the territorial Government’s commitment to strengthening anti-money-laundering legislation.²⁸

E. Infrastructure, construction and transport

33. According to the aforementioned 2006 Annual Economic Report, in the construction sector the value of building permits increased by 36.4 per cent, from CI\$336.8 million in 2005 to CI\$445.8 million in 2006.²⁹

34. The road network of the Cayman Islands, which has suffered extensive damage in recent years owing to the severe hurricane seasons, comprises approximately 785 kilometres of roadways. During 2007 there was considerable investment in the road network. The Esterley Tibbetts bypass was completed and the East-West arterial road was nearing completion.¹¹

35. International air services are provided between Grand Cayman and Canada, Cuba, Europe, Honduras, Jamaica and the United States, through more than 100 flights per week, while domestic airline services and charters operate between the three islands. In June 2007, Cayman Airways launched direct flights to New York.³⁰

36. The port of George Town is the main gateway for cruise ships carrying tourists to the Islands. The Cayman Islands are served by scheduled passenger liners and a number of locally owned or registered vessels that provide cargo services.

F. Telecommunications and utilities

37. As a leading international business centre, the Territory is dependent on telecommunications and utility services. According to the aforementioned 2006 Annual Economic Report, the telecommunications sector had a strong performance during the fiscal year 2006-2007. The total number of lines at the end of the year (122,167, representing 2.3 lines per resident) reflected an increase of 10.4 per cent. Furthermore, the consumption of utility services increased: water usage expanded by 19.9 per cent to 1,560.7 million gallons, while electricity consumption rose by 14.9 per cent to 491.5 megawatts per hour.²⁶

V. Social conditions

A. Human rights

38. The Territory is subject to several major human rights conventions to which the administering Power has acceded, including the European Convention on Human Rights. The Treaties and Conventions Unit within the Territory’s Attorney

²⁸ Information provided by the administering Power, 9 January 2008; National Audit Office, November 2007, at www.nao.org.uk; Caribbean Financial Action Task Force, December 2007, at www.cfatf.org.

²⁹ Information provided by the administering Power, 9 January 2008; the Economic and Statistics Office Annual Economic Report 2006, 5 September 2007, at www.eso.ky.

³⁰ See *Caymanian Compass*, 3 July 2007, at www.caycompass.com.

General Chambers oversees the extension of the international human rights instruments to the Cayman Islands.

39. The Cayman Islands Human Rights Committee has published a number of reports regarding individual human rights cases and provided advice to Government entities. During the period 2007-2008, the focus of the Human Rights Committee is on continuing the investigation of individual cases and human rights as part of the education syllabus.³¹

40. The territorial Government began to promote freedom of information legislation to govern public access to official records. On 21 June 2007, the Freedom of Information Steering Committee was established and a Freedom of Information Law is expected to come into force in early 2009.³²

B. Labour and immigration

41. The 2006 Annual Economic Report indicates that the labour force of the Territory comprises 35,016 people, almost equally divided between Caymanians and non-Caymanians. The unemployment rate fell in 2006 to 2.6 per cent, from 3.5 per cent in 2005.²⁶

42. The immigration law that took effect in 2004 limits foreign workers in the Territory to a stay of between six months and seven years, depending on the category of employment. The law affected a large portion of the Caymanian workforce, as more than half of private sector workers are work-permit holders. In the first half of 2007, the number of work permits issued decreased by 4.6 per cent to a total of 20,286 compared to 21,272 in 2006.¹⁴

43. Amendments revising the Cayman Islands immigration law have come into force, following the passage in December 2006 of the Immigration (Amendment) (No. 2) Bill, 2006 in the House, as well as the Governor's assent. The law includes, inter alia, the prerogative of the Chief Immigration Officer to grant Caymanian status to certain categories of applicants. This remains a much-discussed policy among expatriates.¹⁴ The same year, the Governor announced that a review of the public sector would be carried out, following which term limits would be set as they are for the private sector.¹¹

C. Education and cultural affairs

44. Education is compulsory for all resident children between 4 years and 9 months, and 16 years of age. The public education system caters to about two thirds of Caymanian children, with the remainder attending fee-paying schools. Tuition is free for Caymanians at the public primary and high schools. In addition, private schools provide primary and/or secondary education. All private schools are monitored by the territorial Government.³³

³¹ Information provided by the administering Power, 9 January 2008; www.humanrights.ky.

³² Information provided by the administering Power, 9 January 2008; *Caymanian Compass*, 2 September 2007, at www.caycompass.com.

³³ www.brighterfutures.gov.ky.

45. Two public and two private institutions provide tertiary education. The University College of the Cayman Islands, until 2004 known as Community College, is owned by the territorial Government and is independently administered.³⁴ The University College has seen a large increase in its number of students and also houses the new Civil Service College, which opened in September 2007. The Cayman Islands Law School, affiliated with the University of Liverpool in the United Kingdom, is also Government-owned, whereas the International College of the Cayman Islands and the St. Matthew's University are private.³⁵

46. In the 2007 Throne speech,⁵ the Governor stated that key objectives for the coming year were the rebuilding of George Town High School and the commencement of construction of three new high schools around which learning communities would be designed. Similar models would be developed for Cayman Brac. A review of the national curriculum would be completed and new legislation drafted.

47. Moreover, the Governor said that the Government continued to support the work of the Cayman National Cultural Foundation and the National Gallery of the Cayman Islands. Support was also provided to the National Museum, which continues to undergo renovations and aims to portray fully the impact of the diverse influences on the evolution of the Cayman Islands.

D. Public health

48. The Health Services Authority is responsible for the provision of all public health care. In addition to general medical care, a wide range of specialist services is available locally. The Health Practitioners Board has responsibility for the registration of private practitioners. There is a one 124-bed Government-run hospital, which includes a state-of-the-art, fully staffed accident and emergency room, as well as a private 18-bed hospital, both in George Town. There is also an 18-bed Government-run hospital on Cayman Brac and there are several district health centres and clinics throughout the Territory. Health insurance is compulsory in the Cayman Islands.

49. The Territory's health-care system faces particular pricing challenges such as the cost of air ambulance services. Accordingly, the economic and financial viability of health services is a continuing concern.³⁶ In October 2006, the Health Services Authority launched a five-year plan aimed at improving the quality and efficiency of health care. Reviewing the plan in December 2007, the Health Services Authority stressed the continued need to improve the health-care sector's revenue situation.³⁷

50. While dengue fever is not endemic in the Cayman Islands, there were 12 cases of dengue fever between October 2007 and February 2008 in the Territory, one of them fatal.³⁸

³⁴ See University College Cayman Islands website, at www.ucci.edu.ky.

³⁵ Information provided by the administering Power, 9 January 2008; www.icci.edu.ky; and www.stmatthews.edu.

³⁶ See *Caymanian Compass*, 24 June 2007 and 7 January and 6 February 2008, at www.caycompass.com.

³⁷ *Ibid.*, 16 January 2008, at www.caycompass.com.

³⁸ *Ibid.*, 10 February 2008, at www.caycompass.com.

E. Crime and public safety

51. In September 2007, the police reported a year on year increase in crime, although levels of serious crime once again decreased compared to 2006.³⁹ The Leader of Government Business said in December 2007 that the Cayman Islands intended to upgrade its border protection, with additional boats and a new marine terminal. The delivery of a police helicopter and interceptor boats is expected in 2008.^{9,40}

52. Furthermore, regarding the matter of international financial crime, the Leader of Government Business said on the same occasion that the Territory had “a very strong compliance culture, which is underpinned by modern legislation and complies with international best practice”. In that context, he also stressed the role of the Cayman Islands Monetary Authority in monitoring compliance with international financial standards in the Territory and reporting findings to the territorial Government on a regular basis.⁹

F. Disaster preparedness

53. Hurricane Ivan in 2004 has changed the way Cayman Government agencies prepare for natural disasters. In January 2007, the Government launched a new agency, Hazard Management Cayman Islands, to help residents prepare for and recover from a variety of disasters. According to the administering Power, the efficient and effective management by the Hazard Management Cayman Islands and other authorities during Hurricane Dean in August 2007 was testament to the amount of work that had gone into this area since Ivan. Moreover, the Meteorological Office, the Lands and Survey Department and the National Hurricane Committee began to use a new storm surge model called the Arbiter of Storm. A maritime security exercise was carried out in October 2007 to test Cayman’s response to non-natural disasters.¹¹

54. Moreover, the Caribbean Catastrophe Risk Insurance Facility, a Caribbean-wide “catastrophe insurance pool”, was established by the World Bank and has acquired US\$47 million in funds to assist the Caribbean, including the Cayman Islands, in the event of a hurricane or earthquake.⁴¹

VI. Relations with international organizations and partners

55. The Cayman Islands is an associate member of the Caribbean Community. The Territory is a member of the Caribbean Development Bank, the International Olympic Committee, the Universal Postal Union and INTERPOL and an associate member of the United Nations Educational, Scientific and Cultural Organization.

56. As a Non-Self-Governing Territory of the United Kingdom, the Cayman Islands is associated with, but not a part of, the European Union. As a member of the Caribbean Forum of African, Caribbean and Pacific States (CARIFORUM), the

³⁹ Ibid., 29 July 2008, at www.caycompass.com.

⁴⁰ Information provided by the administering Power, 9 January 2008.

⁴¹ See World Bank, 26 February 2007, at www.worldbank.org.

Cayman Islands agreed in December 2007 with the European Union on an Economic Partnership Agreement.⁴²

57. At the Overseas Territories Consultative Council meeting held in London on 4 and 5 December 2007, the United Kingdom and the Overseas Territories represented at the Council, including the Cayman Islands, agreed to extend the United Nations Convention against Corruption, to all the Overseas Territories at the earliest opportunity. They also set a target date of June 2008 for the extension of the International Labour Organization Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (Convention No. 182), and December 2008 for the extension of the Convention on the Elimination of All Forms of Discrimination against Women, to all the Overseas Territories.⁴³

58. According to the territorial Government, the Cayman Islands are expected to be admitted as associate member of the United Nations Economic Commission for Latin America and the Caribbean during the thirty-second session of the Commission, to be held in the Dominican Republic in June 2008.⁴⁴

VII. Future status of the Territory

A. Position of the territorial Government

59. Developments concerning the Territory's constitutional reform efforts are referred to in section II above.

B. Position of the administering Power

60. In a speech delivered on 13 December 2007 while visiting the Cayman Islands, the United Kingdom Overseas Territories Minister, anticipating constitutional talks, said: "The desire for greater autonomy is a natural one, and we will consider any proposals carefully. But the British Government must retain certain powers relating to good governance and law and order. Any new constitution has to give due weight to human rights. The challenge for us all now is to find the right balance".¹¹

61. In a prior statement made at the 5th meeting of the Special Political and Decolonization Committee (Fourth Committee), held on 11 October 2007, during the sixty-second session of the General Assembly (see A/C.4/62/SR.5), the representative of the United Kingdom *inter alia* said that "her Government, as administering Power for 10 Non-Self-Governing Territories, gave every help and encouragement to those Territories which wished to proceed to independence, where that was an option. Her Government and its overseas territories continued to work towards the shared goals of security, stability and sustainable political and economic development, democracy, good governance and the rule of law. ... Her Government carefully considered all proposals for constitutional change received from the Territories".

⁴² See BBC Caribbean, 2 January 2008, at www.bbc.co.uk/caribbean.

⁴³ Information provided by the administering Power, 9 January 2008; press release dated 6 December 2007, at www.fco.gov.uk.

⁴⁴ See the Cayman Islands Government website, at www.gov.ky, 24 October 2007.

62. As previously reported (see A/AC.109/2007/2), in a statement made on 24 April 2006, the United Kingdom Overseas Territories Minister took stock of the relationship between the United Kingdom and the Overseas Territories seven years on from the 1999 White Paper entitled “Partnership for Progress and Prosperity: Britain and the Overseas Territories”.⁴⁵ An elaboration of the United Kingdom’s position on alternative forms of relationship, as set out in United Nations General Assembly resolution 1541 (XV), has been previously provided (see A/AC.109/2007/3).

C. Action taken by the General Assembly

63. On 17 December 2007, the General Assembly adopted, without a vote, resolutions 62/118 A and B, based on the report of the Special Committee transmitted to the General Assembly⁴⁶ and its subsequent consideration by the Special Political and Decolonization Committee (Fourth Committee) (A/62/412). Section V of resolution 62/118 B concerns the Cayman Islands. Under that section’s operative paragraphs, the General Assembly:

“1. *Requests* the administering Power to assist the Territory in facilitating its work concerning public awareness outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations, and calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested, in the context of its public awareness outreach efforts;

“2. *Welcomes* the announcement made by the territorial Government that it intends to address various cost-of-living issues in a systematic manner”.

⁴⁵ “Partnership for Progress and Prosperity: Britain and the Overseas Territories”, White Paper submitted to the House of Commons on 17 March 1999, by the United Kingdom Secretary of State for Foreign and Commonwealth Affairs; reproduced in A/AC.109/1999/1, annex.

⁴⁶ *Official Records of the General Assembly, Sixty-second Session, Supplement No. 23* (A/62/23).