



# A New Beginning: Resettling the British Indian Ocean Territory

(Chagos Islands)

*March 2026*





## Foreword by Misley Mandarin

First Minister of the Chagossian Government in Exile

This report marks an important step in advancing the work begun in the 2015 KPMG feasibility study. It provides a clear, practical assessment of how the resettlement of the Chagos Islands can be achieved responsibly, sustainably, and in full alignment with the strategic interests of the United Kingdom and our closest partners.

Resettlement is not only a technical undertaking but the correction of a historic injustice. It restores the Chagossian people's right to self-determination after nearly 60 years, while ensuring that the security and operational integrity of the joint UK-US military base remain fully protected. Our plan focuses exclusively on the outer islands and is led by pro-American, pro-British Chagossians who have long expressed their wish to support and service the base.

The findings demonstrate that resettlement can be economically viable and ultimately financially self-sustaining.. A well-managed civilian presence, combined with environmental stewardship, scientific activity, fisheries management, and specialist services, offers a viable economic model - one that is ultimately more cost-effective than continued leasing arrangements.

Environmental protection remains central. The Chagos Islands are a globally significant ecosystem, and this report outlines how a regulated, low-impact community can enhance conservation outcomes while maintaining strict standards.

Finally, this work contributes to resolving long-standing international issues, including those raised before the ICJ, by presenting a credible, community-driven path forward that strengthens UK-US-Chagossian cooperation.

This report sets out a realistic, responsible, and just route to resettlement. It is a foundation for renewal - of dignity, opportunity, and partnership. My community overwhelmingly wants to return home - and this is how we do it.

Signed:

Misley Mandarin  
First Minister, Chagossian Government-in-exile





# **A NEW BEGINNING: RESETTLING THE BRITISH INDIAN OCEAN TERRITORY (Chagos Islands)**

This paper acts as continuation of the KPMG Feasibility Study for the Resettlement of the British Indian Ocean Territory of 2015

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## ACRONYMS AND ABBREVIATIONS

BIOT	British Indian Ocean Territory
EEZ	Exclusive Economic Zone
ITU	International Telecommunications Union
MPA	Marine Protected Area
OCTs	Overseas Countries and Territories
TLD	Top-Level Domain
UNCLOS	UN Convention on the Law of the Sea
USAF	United States Air Force
TPA	Taxpayers Alliance
FOTBOT	Friends of the British Overseas Territories
UK	United Kingdom



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## Introduction and Summary

The Chagos Archipelago, formally designated the British Indian Ocean Territory (BIOT) in 1965, remains one of the most strategically significant and environmentally unique island groups in the Indian Ocean. Comprising 58 islands spread across 640,000 square kilometres of ocean, the Territory has historically been shaped by its location astride major maritime routes and, more recently, by the presence of the joint UK-US defence facility on Diego Garcia. While the islands themselves are low-lying and fragile, they hold considerable geopolitical, ecological, and cultural importance.

The 2015 KPMG feasibility study, commissioned by the BIOT Administration and deposited before the House of Lords, provided the first modern, multidisciplinary assessment of whether resettlement of the outer islands can be viable. Drawing on earlier research from 2000–2002, KPMG examined environmental constraints, infrastructure requirements, economic prospects, and the potential long-term costs to the UK taxpayer. At the time, the study concluded that long-term resettlement will be challenging and potentially costly, reflecting the technological, economic, and environmental assumptions of the early 2010s.

Since then, the context has changed substantially. Advances in renewable energy, modular construction, water treatment, and remote-island logistics have reduced costs and increased resilience. Global demand for environmental stewardship, scientific research, and sustainable fisheries management has grown. The geopolitical environment has shifted toward renewed Indo-Pacific cooperation, reinforcing the strategic importance of Diego Garcia. Meanwhile, international legal and diplomatic developments—including proceedings before the International Court of Justice—have increased the need for a credible, forward-looking policy framework that addresses both moral and practical considerations.

This updated 2026 report modernises the 2015 KPMG analysis, incorporating new data, contemporary infrastructure models, and a clearer understanding of political, economic, and environmental realities. It provides a practical blueprint for how resettlement of the outer islands can be achieved in a way that is environmentally responsible, economically viable, and aligned with UK and US strategic interests. It also recognises the moral imperative: resettlement represents an opportunity to address the historic injustice of the Chagossians' displacement and restore a measure of self-determination to a community with permanent and inalienable ties to the islands.



## Key Findings

The updated study reaches several important conclusions:

### **Environmental improvement through stewardship:**

- A small, regulated Chagossian population will strengthen conservation efforts across the archipelago. The islands currently face ecological pressures—including invasive plant species and rat populations—that require active management. A resident community can support habitat restoration, environmental monitoring, and the maintenance of the Marine Protected Area. Plant matter removed during invasive-species clearance can be composted to improve soil quality, creating a regenerative environmental cycle.

### **Strengthened sovereignty, security, and self-determination:**

- A British Chagossian presence on the outer islands aligns with the community's right to self-determination while reinforcing UK sovereignty over the Territory. A settled population will also enhance the security environment surrounding Diego Garcia by providing a local workforce for marine protection vessels, environmental patrols, policing, agriculture, construction, and contracted services linked to the base. Over time, a small local defence or security auxiliary can further support stability.

### **A model for sustainable island development:**

- A new settlement in the Chagos Archipelago can serve as a global exemplar for environmentally sensitive, strategically aligned island development. Its approach to architecture, land management, renewable energy, and economic diversification can inform similar projects across the Indian Ocean and beyond.



## **Practical Issues Addressed**

The report sets out detailed solutions to the logistical challenges posed by the Territory's remote location:

### **Transport:**

- Connectivity will rely on seaplanes and maritime transport linking the outer islands to Gan International Airport in the Maldives, approximately 320 miles away.

### **Fresh water:**

- Modern desalination, rainwater capture, and high-quality wastewater treatment systems will provide reliable, sustainable water solutions, ensuring the viability and self-reliance of the British Indian Ocean Territory.

### **Education:**

- Provision will follow models used successfully in other remote UK islands and Overseas Territories, ensuring continuity of standards and access, whilst also allowing the Chagossians to fashion a history and social studies curriculum, strengthening and preserving their culture.

### **Health:**

- A hybrid model combining local services, medical evacuation, and access to the UK NHS mirrors arrangements used in other small island communities.

### **Employment and economic diversification:**

- The report identifies multiple potential income streams, including conservation work, philatelic products, collectors' coins, art, professional services, yacht registry and revitalisation, tourism and hospitality,, and contracted public-benefit work for the UK government.



## **Aims and Overview of This Study**

This study updates the 2015 KPMG feasibility assessment to reflect the political, environmental, technological, and economic developments of the past decade. Its purpose is to provide a modern, evidence-based evaluation of whether resettlement of the outer islands of the Chagos Archipelago can be achieved in a sustainable, secure, and economically viable manner.

The report examines the practical requirements for establishing a small, regulated Chagossian community, covering transport links, water and energy systems, housing, education, health provision, and governance and drawing on best practice from other remote UK islands and Overseas Territories. It also assesses the potential for new economic sectors, including conservation work, tourism, yacht services, philatelic products, and contracted public-benefit roles, to support long-term financial sustainability.

A key aim of this study is to evaluate how resettlement can contribute positively to the protection of the environment. The islands face ecological pressures, including invasive species and habitat degradation, that require active management. A resident population can play a central role in restoring ecosystems, maintaining the Marine Protected Area, and improving soil quality through composting and land-management initiatives.

The study also considers the strategic implications of resettlement. A British Chagossian presence on the outer islands will support the community's right to self-determination, reinforce UK sovereignty, and enhance the security environment surrounding Diego Garcia by providing a local workforce for marine protection, policing, construction, agriculture, and contracted services linked to the base.

Overall, this report provides a clear, practical framework for resettlement; balancing environmental protection, economic opportunity, strategic partnership, and the restoration of dignity and agency to the Chagossian people.



## **Methodology**

This study draws on a combination of historical analysis, literature review, contemporary data, and comparative assessment to update the 2015 KPMG feasibility report. The methodology integrates four core approaches:

### **1. Review of Existing Research**

The study re-examines the findings of the 2000–2002 feasibility phases and the 2015 KPMG report, alongside subsequent environmental, legal, and geopolitical developments affecting BIOT.

### **2. Technical and Infrastructure Assessment**

Modern solutions for transport, water, energy, housing, education, health, and waste management were evaluated using current technologies and benchmarks from other remote UK islands and Overseas Territories.

### **3. Environmental and Strategic Analysis**

The study assesses how a small, regulated population can contribute to conservation, invasive-species management, and the protection of the Marine Protected Area, while also examining implications for UK sovereignty and the security of Diego Garcia.

### **4. Economic and Practical Feasibility Modelling**

Potential income streams, including conservation work, tourism, yacht services, philatelic products, and contracted public-benefit roles, were analysed to determine pathways toward long-term financial sustainability.

Together, these methods provide a balanced, evidence-based foundation for evaluating the feasibility of resettlement and identifying practical, sustainable options for the future of the outer islands.



# 1. Background

The *Diego Garcia Military Base and British Indian Ocean Territory Bill*<sup>1</sup> ('the Bill') is a piece of legislation which seeks to ratify a 2025 agreement ('the agreement') between the United Kingdom of Great Britain and Northern Ireland and the Republic of Mauritius to give the latter party sovereignty over the Chagos Archipelago in its entirety, including Diego Garcia<sup>2</sup>.

Per Article 6 of the agreement, resettlement of the archipelago will fall completely under Mauritian administration and discretion. The agreement makes no binding legal commitment on Mauritius to include the Chagossian people in this resettlement. This poses serious concern for the Chagossians, the majority of whom live in the UK, and fear they will lose the chance of ever resettling the islands. Retaining sovereignty over the archipelago is thus essential for guaranteeing the effective resettlement of the Chagossians.

The total cost to the UK taxpayer has been estimated to be in the region of £47 billion over 99 years<sup>3</sup>, making the Bill fiscally as well as strategically irresponsible. Moreover, while the initial justification for the deal was brought about from a non-binding opinion from the International Court of Justice. The government stipulated the deal must be done because of international court pressures, mainly from UNCLOS which is unable to deal in sovereignty disputes, especially when Article 298 is applied, which exempts military activities.

A 2015 report by KPMG set out scenarios and potential costs for a resettlement, but was rejected on cost grounds. However, with the government conceding to incur a £47 billion cost in handing over sovereignty, resettlement now seems much more cost-effective. This report demonstrates both how resettlement under British sovereignty benefits the UK taxpayer and British security.

The Friends of the British Overseas Territories, therefore, present this analysis to give due scrutiny to the Bill, presenting legal arguments, political analysis, economic models, and security concerns. This report shows that on each of these grounds,

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<sup>1</sup> UK Parliament. (2024–2026). *Diego Garcia Military Base and British Indian Ocean Territory Bill* (Bill No. 4004). <https://bills.parliament.uk/bills/4004>

<sup>2</sup> United Kingdom, & Mauritius. (2025). *Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Mauritius concerning the Chagos Archipelago including Diego Garcia* (Treaty Series, Mauritius No. 1). Crown. [https://assets.publishing.service.gov.uk/media/682f25afc054883884bff42a/CS\\_Mauritius\\_1.2025\\_Agreement\\_Chagos\\_Diego\\_Garcia.pdf](https://assets.publishing.service.gov.uk/media/682f25afc054883884bff42a/CS_Mauritius_1.2025_Agreement_Chagos_Diego_Garcia.pdf)

<sup>3</sup> The TaxPayers' Alliance. (2025). Briefing: cost of the Chagos agreement with Mauritius. The TaxPayers' Alliance; The TaxPayers' Alliance. <https://taxpayersalliance.com/briefing-cost-of-the-chagos-agreement-with-mauritius/>



proceeding with ratifying the deal presents serious concerns which must be duly considered by the United States and the United Kingdom, who jointly operate the base on Diego Garcia. Moreover, this report provides a variety of strategic settlement plans.

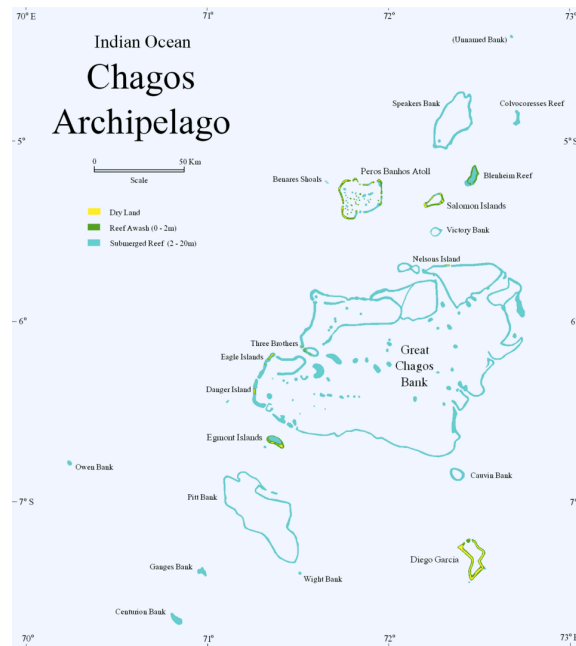
## 1.1 The British Overseas Territories

The UK retains sovereignty over fourteen Overseas Territories globally. This is a successful form of Government well suited to small territories and includes many of the most precious in the world as well as some of the remotest, providing a feasible model for Chagosian governance. Indeed, BIOT is neither the remotest or smallest Territory, and resettlement is possible.





### 1.3 History and geography of the British Indian Ocean Territory



The British Indian Ocean Territory is an archipelago which lies approximately 310 miles to the south of the Republic of Maldives. The Republic of Seychelles is 1,000 miles to the west and Port Louis in Mauritius is 1,300 miles to the south. The territory consists of 60+ islands and covers some 640,000 square kilometres of ocean, which form a Marine Protected Area and high levels of biodiversity.

The islands have a land area of only 23 square miles, the largest island, Diego Garcia houses the joint US-UK Diego Garcia Military Base. The islands are spread over a large area that constitutes the BIOT's exclusive economic zone that includes many sand banks and shallow atolls.

The then uninhabited Chagos islands were first discovered by the Portuguese in the 16th century before becoming French in the 18<sup>th</sup> Century until the Battle of Waterloo and the 1814 Treaty of Paris where France ceded Mauritius and its dependencies to Britain<sup>4</sup>.

The Chagos Islands remained administered from Mauritius as a dependency of the colony, a legally distinct category which enabled the detachment of the Islands in November 1965, when in return for detaching BIOT as part of the Mauritius Independence Act, Britain paid Mauritius a grant of £3 million. Such colonial detachments happened elsewhere, such as between the colony of Jamaica and the Cayman Islands.

<sup>4</sup> British Indian Ocean Territory Administration. (n.d.). *History*. British Indian Ocean Territory. <https://www.biot.gov.io/about/history/>



## 1.5 The Chagossians

The Chagossian people were forcibly removed from the islands between 1967 and 1973 to make way for the building of the joint military base facility on Diego Garcia. The Chagossians, around 10,000 in number, primarily live in the UK, with smaller populations in Mauritius and the Seychelles. However, the populations are diminishing in both latter nations due to migration to the UK<sup>5</sup>.



(A ruined Chagossian Church in a former settlement)

In October 2008 the Law Lords upheld the 2004 British Indian Ocean Territory (Constitution) Order, made by prerogative Order in Council, as valid. This Order stipulates that no person has the right of abode in BIOT or the right to enter the territory unless authorised by the UK Government<sup>6</sup>.

Resettlement of the Chagossian people will strengthen the UK's ability to deliver on its obligations under the UK and US 1966 agreement relating to the military base on Diego Garcia. Resettlement will also as much as possible make up historic wrongs which the Chagossian people have suffered by being removed from BIOT. Further and most importantly the resettlement of Chagossian people, while the UK remains sovereign over BIOT, is in line with the Chagossian people's right to resettle to BIOT while remaining British.

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<sup>5</sup> Kasstan, J., Allen, P., Nellan, P., & Sheehan, M. (2024). *Chagossian Creole (Indian Ocean and Western Europe) – Language snapshot*. *Language Documentation & Description*, 24(1), 1–7.  
<https://doi.org/10.25894/ldd.2492>

<sup>6</sup>Foreign, Commonwealth & Development Office. (n.d.). *British Indian Ocean Territory*. GOV.UK. Retrieved February 11, 2026, from <https://www.gov.uk/world/organisations/british-indian-ocean-territory>



## 1.6 Resettlement of Chagossian people in the British Indian Ocean Territory

Based on our analysis, the resettlement of the Chagossian people to the British Indian Ocean Territory under British sovereignty should be the preferred option for the UK on the grounds of security and legal certainty.

The Chagossian people were forcibly removed from the British Indian Ocean Territory in the late 1960's and early 1970's by not being permitted to return from overseas trips. They were thus moved to Mauritius and the Seychelles, before many moved to the UK as a result of harsh conditions and discrimination in Mauritius. Many Chagossians continue to move from Mauritius to the UK<sup>7</sup>. This history of displacement and migration is the basis for calls for resettlement of the archipelago among the global Chagossian community.

The resettlement of Chagossian people in BIOT has been previously rejected by the UK government on the grounds of cost and lack of economic potential for development. In 2015, the UK government commissioned KPMG to make an assessment and then used the KPMG assessment to justify its position not to resettle the Chagossians to BIOT.

However, this consensus has changed in recent years. Parliamentary proceedings relating to the Treaty confirm that many senior political officials are now of the opinion that the resettlement of the Chagossians is possible<sup>8</sup>. Nevertheless, the potential for resettlement under British sovereignty has been overlooked by the UK government. This report therefore sets out a blueprint for British resettlement of BIOT.

Our case for the resettlement of the Chagossian community entails an initial investment by HM Government before the territory becomes independently economically viable.

This report shows that compared to the £47 billion HM Government will incur under the current deal, resettlement is more fiscally responsible than ceding sovereignty than Mauritius. Furthermore, this report sets out a political and security case, showing that for both US and UK national interest continued British sovereignty is the optimal option. The Chagossian people will be available to enhance the effectiveness of the Diego Garcia Military base, provide patrols, exert British sovereignty and enforce environmental protection on BIOT.

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<sup>7</sup> Nevett, J. (2025, October 10). Surge in Chagos arrivals prompts row over housing costs. BBC News. <https://www.bbc.co.uk/news/articles/cd721j8390zo>

<sup>8</sup> Waitzman, E. (2025, June 26). *UK-Mauritius treaty on the Chagos Archipelago*. House of Lords Library, UK Parliament. <https://lordslibrary.parliament.uk/uk-mauritius-treaty-on-the-chagos-archipelago/>



## 2. Legal and political analysis

The British Indian Ocean Territory remains a British Overseas Territory as the Treaty is not yet ratified. Furthermore, the UK government has conceded in its negotiations with Mauritius that resettlement of the outer islands is both possible and desirable, suggesting political will and feasibility on the British side<sup>9</sup>.

This section of the report examines the legal problems around agreement with Mauritius over the future of sovereignty over the Chagos Islands, focusing on its obligations under treaties with the US, Mauritius, and its standing in international law and before the ICJ. We also outline how a resettlement of Chagosians will be possible and the laws that will need amending to enable this.

The United Kingdom officially gained sovereignty over the islands in 1814 under the Treaty of Paris, which ended the Napoleonic Wars.

### 2.2 Resettlement

In October 2008 the Law Lords upheld the 2004 British Indian Ocean Territory (Constitution) Order, made by prerogative Order in Council, as valid. This Order stipulates that no person has the right of abode in BIOT or the right to enter the territory unless authorised by the UK Government<sup>10</sup>. A resettled Chagossian population keen to remain British will further enhance the UK's sovereignty over the archipelago.

In order to make the Chagossian resettlement possible several BIOT laws will therefore need to be changed via Orders-in-Council, a legislative instrument passed by His Majesty's Privy Council. Orders-in-Council have been used to establish local governments of other overseas territories and will be required to enable the setup of an island administration led by Chagossians and a devolved constitution to allow them to exercise jurisdiction in the territory.

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<sup>9</sup> Waitzman, E. (2025, June 26). *UK-Mauritius treaty on the Chagos Archipelago*. House of Lords Library, UK Parliament. <https://lordslibrary.parliament.uk/uk-mauritius-treaty-on-the-chagos-archipelago/>

<sup>10</sup> Foreign, Commonwealth & Development Office. (n.d.). *British Indian Ocean Territory*. GOV.UK. Retrieved February 11, 2026, from <https://www.gov.uk/world/organisations/british-indian-ocean-territory>

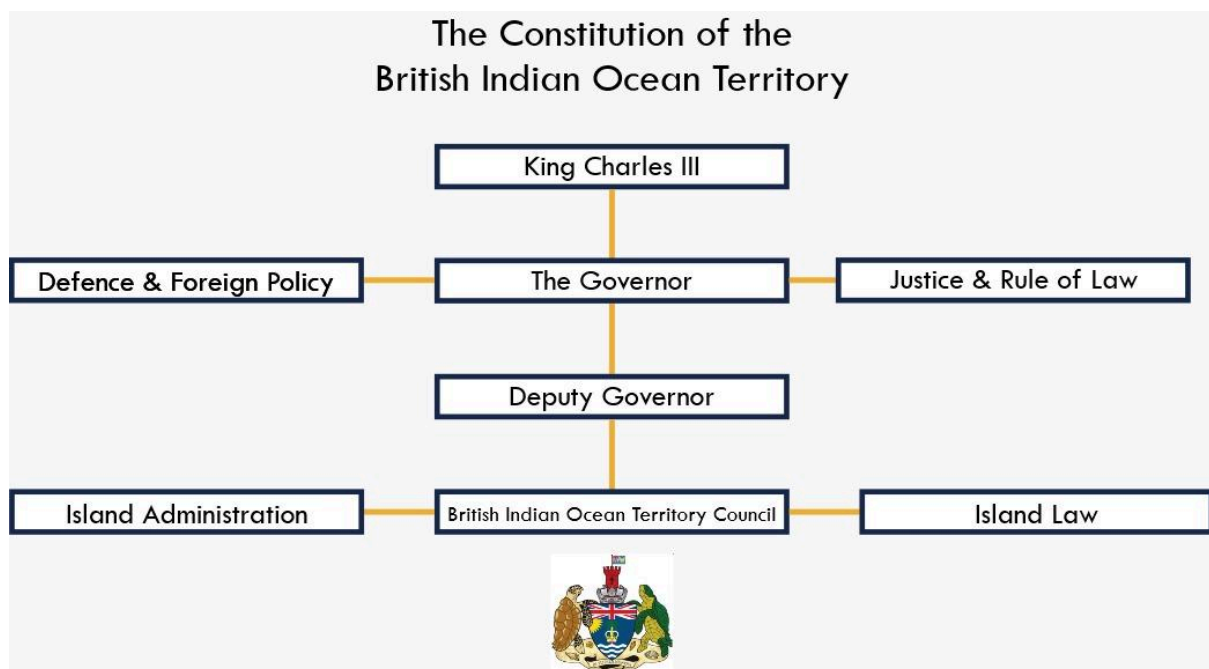


## 2.1 The Chagos Islands proposed Constitution and legal regime

The Chagos Islands will remain a British Overseas territory exercising its right to self-determination to remain British. As a populated British Territory it will have a Governor stationed at Diego Garcia, the largest island who exercises executive power on behalf of the British Government in consultation with the local legislature..

In conjunction with the Governor there shall be a local legislature, dubbed the Island Council, that will administer both the resettlement and new settlement and have the devolved powers to make laws in areas outside of defence, foreign policy and security pertaining to the base as is the standard remit of local government in other British Overseas Territories.

The Island Council will have power to make criminal law (modelled on British law) while in practice being able to rely on cooperation with Britain for policing matters. Military and security concerns will fall under the control of the Governor and the UK's Ministry of Defence, who will continue to coordinate administration of the base with the United States Department of Defense/Department of War.



However, the Island Council may initially be constituted on a model similar to that on Ascension Island, where the local body performs an advisory and consultative function to the Administrator<sup>11</sup>. This phased, and time-limited approach, will allow resettlement to proceed in a controlled manner and ensure that public services are

<sup>11</sup> Island Council – Ascension Island Government. (2025). Ascension.gov.ac. <https://www.ascension.gov.ac/government/island-council>



fully established before extensive legislative powers are devolved fully. During this initial stage, the Council can provide representation for the community. As the population stabilises and administrative capacity develops, the constitutional framework can transition to a fully developed legislative model, comparable to that of the Falkland Islands and other Overseas Territories.

This proposal will allow a gradual, guaranteed process of constitutional development, culminating in the full right of the Chagossians as stipulated under UN Resolution 1514.

### **2.3 The Right to Self Determination and the Chagossian Government-in-Exile**

One startling error of the existing Treaty that has been raised by members across the political spectrum is that, in its creation, it has not sufficiently included the involvement of the people who will be most impacted by any outcome: the Chagossians.

We note acknowledgement from members of both the House of Commons and the House of Lords of all political parties that the treatment of the Chagossians in the 1960s and 1970s was appalling. Here, the Government has an opportunity to right that wrong. In so doing, it is vital that the Chagossians are not further denied their right to have a say on what should happen to their own homeland, which is where the current Treaty and negotiations surrounding it fall short. Any Treaty or Bill relating to the Chagos Islands must provide further protection than simply securing the existing rights of Chagossians to hold or claim British citizenship.

As seen in referenda across British Overseas Territories including in Bermuda (1995), the Falkland Islands (2013), Gibraltar (2002), and even with the United Kingdom's own referendum on EU membership in 2016, there is significant value in granting people their right to self determination. Such an inalienable right must not continue to be denied to the Chagossians.

The Chagossians constitute a legal 'people' as defined by the UN criteria set out in UN Resolution 1514 as they possess an ethnicity, a language, a history of self government and a defined territory<sup>12</sup>. This means that they are entitled to the right of self-determination under this resolution and UN Charter Article 1, which may be attained by resettlement of the population.

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<sup>12</sup> Indeed, in 2025 the global Chagossian community participated in a global vote to establish a government-in-exile. This government, under First Minister Misley Mandarin, has a clearly articulated policy of resettlement.



A significant majority of Chagossian people themselves want to resettle to the Chagos Islands and want to remain British.<sup>13</sup> Resettlement of Chagossian people to BIOT is a vital step toward righting this historic wrong and is in line with self-determination objectives expressed by Chagossian people. Self-determination is a right protected by the UN Charter Article 1.

## 2.4 Debunking Legal Myths

The journey of the Diego Garcia Military Base and British Indian Ocean Territory Bill through the British Houses of Parliament has been underpinned by a series of legal claims that have attracted serious scrutiny.

Below are three legal challenges allegedly facing the UK that can only be resolved by the complete passage of the Bill, and by ultimately ceding control of the Chagos Islands to Mauritius. Each case is outlined with an analysis of how the UK Government has interpreted international law specifically in regards to the Chagos Islands.

### 2.4.1 International Court of Justice: A 2019 Advisory Opinion

A significant justification for the cession of the Chagos Islands to Mauritius has been based in the Advisory Opinion (AO) of the International Court of Justice (ICJ) in February 2019. From its case, *Legal Consequences of the Separation of the Chagos Archipelago from Mauritius in 1965*, the AO made several recommendations, including:

- An acknowledgment that the separation of the Chagos Islands from Mauritius in 1965, ahead of the granting of independence to Mauritius by the UK, was unlawful
- That continued UK administration is unlawful
- That the UK should end its administration and quickly as possible

Whilst successive Mauritian governments have claimed ownership of the islands since the 1980s, a desire to have these islands under Mauritius governance has increased steeply following the publication of the ICJ's recommendations.

Upon gaining independence, Mauritius did not object to a split between the two archipelagos - in fact, the ruling administration at the time accepted around £3m (roughly £40m adjusted for inflation)<sup>14</sup> upon independence when the territories were

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<sup>13</sup> See the report to the Lords IR&D Committee. The largest group of Chagossians live in the UK.

<sup>14</sup> UK Parliament. (2025, June 30). *UK-Mauritius agreement on the Chagos Archipelago* [Parliamentary debate]. HL Deb.



separated. This was on the understanding that they will not seek sovereignty over the islands.

Furthermore, despite terminology of the Chagos Islands being 'returned' to Mauritius, at no point has an independent Mauritius governed these isles. Crucially, the Chagos Archipelago was a *dependency* of the colony of Mauritius, a legally distinct category which enabled the detachment. Such detachments happened elsewhere, such as between the colony of Jamaica and the Cayman Islands. In no other case has the ICJ or any other organ of international law recognised a similar claim despite similar historical circumstances.

A second point raised by the ICJ was that the continued administration of the UK is unlawful. It is clear that the treatment of the native Chagossians from 1967 to 1972 by the British government was far from acceptable. A potential solution to right past wrongs is that the sovereignty of the islands be returned to the Chagossians, and not be handed to Mauritius.

The final point of the ICJ's report suggests that the UK has an obligation to end its administration as rapidly as possible. There is no guidance given as to how this administration should be ended, by which means, and what should follow. This means that the ICJ's advisory opinion, in addition to being non-binding, is not procedurally useful.

In contradiction to this advisory opinion, the UN Committee on the Elimination of Racial Discrimination (UNCERD) on the 8th December 2025 called for ratification of the UK Mauritius treaty to end citing Chagossian people's right to self-determination declaring that:

*"The Committee called on both Mauritius and the United Kingdom to suspend ratification of the agreement, and to engage immediately in a renewed dialogue to ensure the free, prior and informed consent of the Chagossian people, and to respect their rights, including the right to return to Diego Garcia, the right to self-determination through meaningful participation in all decision-making processes."*<sup>15</sup>

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<https://hansard.parliament.uk/Lords/2025-06-30/debates/4BFB2C33-2979-4807-818B-CEC8ABC092F4/UK-MauritiusAgreementOnTheChagosArchipelago>

Zhu, Y. Y., Grant, T., & Ekins, R. (2023, October 27). *Sovereignty and security in the Indian Ocean*. Policy Exchange.

<https://policyexchange.org.uk/publication/sovereignty-and-security-in-the-indian-ocean/>

<sup>15</sup> UNCERD finding of 8th December 2024:

<https://www.ohchr.org/en/press-releases/2025/12/uk-andmauritius-chagos-agreement-raises-concerns-over-chagossian-peoples>



## 2.4.2 International Court of Justice: A Matter of Binding Importance?

Based on the title of the ICJ's findings, it should be clear that this Advisory Opinion was just that: advisory. The recommendations it makes are not binding in any meaningful or legal sense.

The British Government has made the argument (also made by previous Conservative government ministers, spearheaded by former Foreign Secretary, Sir James Cleverly MP), that the UK must abide by the recommendations of the ICJ, or risk facing additional (and more serious) legal challenges. This spurious claim has been the basis for insisting that the UK should fulfil the recommendations of the 2019 AO.

As Lord Blencathra summarised in the debate in the House of Lords on the Diego Garcia Territory Bill, "The International Court of Justice has no jurisdiction to adjudicate the sovereignty dispute between the UK and Mauritius"<sup>16</sup>. There are several reasons for this.

Firstly, in the instance of the UK being taken to the ICJ for an alleged contravention, any rulings of the ICJ upon the UK will not be binding, unless the UK agreed in advance to be bound by any decisions.

Secondly, the UN Charter dictates that court judgments of the ICJ can only be authorised via the UN Security Council, of which the UK is a member. To be upheld, the judgments will have to be unanimously accepted by all P5 member states. The UK will therefore have the power to veto any decision brought forward by the ICJ.

Thirdly, and perhaps most importantly, a 2017 Declaration from the ICJ noted that, the UK Government accepted its jurisdiction, except in cases that related to former or existing members of the Commonwealth<sup>17</sup>. In these instances, the UK will only accept rulings from the ICJ in relation to a former or existing member of the Commonwealth if it consented to in a separate, particular case.

Therefore, *any* advisory or formal ruling from the ICJ will be outside the scope of its jurisdiction in this instance, since Mauritius is a former member of the Commonwealth.

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<sup>16</sup> Lord Callanan. (2025). UK-Mauritius Agreement on the Chagos Archipelago [Hansard]. In *House of Lords debates*. UK Parliament. <https://hansard.parliament.uk/Lords/2025-06-30/debates/4BFB2C33-2979-4807-818B-CEC8ABC092F4/UK-MauritiusAgreementOnTheChagosArchipelago#contribution-5D3CF94D-5BD9-4286-B204-0A6B22E19C58>

<sup>17</sup>International Court of Justice. (2017). *Declarations recognizing the jurisdiction of the Court as compulsory: United Kingdom of Great Britain and Northern Ireland*. <https://icj-cij.org/declarations/gb>



Ultimately, the ICJ is an advisory body, and has no means of coercing states to cooperate with its rulings. It is true that the ICJ can place states on the Human Rights Watchlist for non-compliance, but this is an extreme measure which is unlikely to be deployed in such circumstances. Further, as previously stated, if the UK were to grant the territory to Chagossian citizens, an historic wrong can be righted and there will be an end to British administration over the islands in a way that will potentially be acceptable to international bodies, including the ICJ.

### **2.4.3 The United Nations Convention on the Law of the Sea (UNCLOS)**

UNCLOS is a treaty that established a legal framework for all maritime activities and spaces. The Convention came into force in 1994 and established a judiciary body, the International Tribunal for the Law of the Sea (ITLS), to resolve disputes and offer advisory opinions related to the Convention.

The UK declared a Marine Protected Area (MPA) around the Chagos Islands in 2010, to which the Mauritian Government objected<sup>18</sup>, evoking UNCLOS and arguing that the UK did not have the jurisdiction to declare such an area.

However, in April 2003, the UK submitted a declaration under UNCLOS Article 298(1)(b), opting out of compulsory jurisdiction for disputes concerning military activities<sup>19</sup>. This declaration thus complicates the issue, where Mauritius claims that the UK has no basis for creating an MPA, and where not creating the MPA can have military implications for the Diego Garcia military base. However, given that the UK does not recognise the ITLS' compulsory jurisdiction, the issue of Chagos can legitimately be decided bilaterally rather than in the ITLS.

Furthermore, Article 48 of the Constitution of the International Telecommunication Union stipulates that 'Member States retain their entire freedom with regard to military radio installations' as regarding the ITU's capacity to arbitrate disputes. Given the fact that Diego Garcia is a military base, this means that the ITU does not have jurisdiction in monitoring the use of telecommunications devices on the archipelago, further demonstrating the secondary nature of international institutions in this dispute.

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<sup>18</sup> Moyo, M. (2015, March 27). *Permanent Court of Arbitration finds U.K. in violation of Convention on the Law of the Sea in Chago Archipelago case*. American Society of International Law. <https://www.asil.org/blogs/permanent-court-arbitration-finds-uk-violation-convention-law-sea-chago-archipelago-case-march>

<sup>19</sup>United Nations Division for Ocean Affairs and the Law of the Sea. (n.d.). *Declarations or statements upon UNCLOS ratification*. United Nations. Retrieved February 11, 2026, from [https://www.un.org/Depts/los/convention\\_agreements/convention\\_declarations.htm](https://www.un.org/Depts/los/convention_agreements/convention_declarations.htm)



### **3. Public administration: Infrastructure, utilities and services**

#### **3.1 Transport to the Chagos Archipelago**

The geography of the archipelago presents transport and logistical challenges for the new settlement. Uninhabited for nearly 60 years, infrastructure will have to be established before settlement is possible. Infrastructure including utilities such as water and electricity should be owned, maintained and provided by the Chagossian Government.

The proposed new settlement on Ile de Coin is located about 140 miles from the military base at Diego Garcia and lies on the fringe of the Peros Banhos atoll. The island itself has the ruins of a jetty and a lagoon which acts as an area of calm water.

To be viable, the new settlement will require regular sea and air transport for visitors and imports, and access to public goods like healthcare, internet, and postal services. The following details rough cases for the provision of these services

##### **3.1.1 Sea transport**

The Chagos Islands are only 300 miles from the nearest public international airport in the Addu Atoll, Maldives. A multipurpose ship can make regular trips to service the Chagossian community from this port, and potentially the Diego Garcia military base. Longer trips for heavier or unavailable products and building materials can be made to the Seychelles, which is 1000 miles away.

##### **3.1.2 Air transport.**

While there are no airstrips on the outer islands, there are a number of lagoons with still water ideal for use by seaplanes. The distance from the proposed settlement in Peros Banhos to Gan International Airport (GIA) in Addu City, Maldives, the nearest civilian airport, is possible via an aeroplane model like the [de Havilland Canada DHC-3 Otter](#) which has a range of 1000 miles and is widely used to access remote resorts in the Maldives.

##### **3.1.3 Inter-island transport.**

In addition to transport from the Maldives, a range of inter-island planes and boats for the tourism and scuba industries can prove viable. This will connect the archipelago, providing access to other islands for civilians, conservation work and tourist activities.



### 3.1.4 Water supply and sewerage

The Chagos Islands are small and permeable, meaning that any fresh water can quickly become saline. While there is ample rainfall, ground water cannot be relied on.

When the islands were inhabited there were a number of shallow wells, but these are no longer suitable for a modern population. Both an effective fresh water system and sewerage systems will have to be built to reduce impact made on the surrounding ecosystems of the lagoon and coral atoll.

Supposing a population of 5000 based on estimates of the Chagossian population in the UK and Mauritius, we may estimate a generous consumption 50,000 litres (11,000 gallons) of water a day. We present three different means of securing safe water and sewage:

- **Fresh water.** There are a number of options for fresh water. One is capture of fresh water from roofs and another is the use of recycling. This will still require some level of treatment, but is used on other small remote islands safely.<sup>20</sup>
- **Desalination plants.** Resort hotels in the Maldives face similar problems to those that will be encountered on Peros Banhos. Fortunately there are a range of inexpensive desalination plants that can be installed on the island to cater for the population. The Maldives Department of Tourism in coordination with the UN Development Program has estimated that building a 50m<sup>3</sup> water per day desalination plant will cost \$102k USD.<sup>21</sup> The desalination plant can be powered by solar power for sustainability purposes. Once desalinated, the water will then be stored in tanks.
- **Sewage treatment.** While methods of sewage treatment based on using sand for filtration and sunlight can be environmentally friendly, a risk of groundwater contamination remains. 'Packaged Sewage Treatment Plants' used in the Maldives use biological processes and pose minimal environmental risk, posing a more effective sewage management system.<sup>22</sup>

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<sup>20</sup> Maldives Finest. (2021). *How do tiny islands in Maldives manage sewage?* <https://maldivesfinest.com/blog/how-tiny-islands-manage-sewage>

<sup>21</sup> Government of the Maldives (2015). *Tourism sector: Water conservation & waste water management.* <https://tourism.gov.mv/dms/document/b24f3badf9f9ccd337ddeaa12a06f652.pdf>

<sup>22</sup> Tyagi, S. (2025, May 12). *Sewage treatment in the Maldives: Challenges, importance, and the future with SUSBIO ECOTREAT's smart packaged STP.* SUSBIO. <https://susbio.in/sewage-treatment-in-the-maldives-challenges-importance-and-the-future-with-susbio-ecotreats-smart-packaged-stp/>



Packaged Sewage Treatment Plant

### 3.1.4 Defence and Security

Diego Garcia is a major military base and the outer islands provide a shield from hostile actors. As an Overseas Territory, the UK Government will remain responsible for defence and security but the Chagossian Government will have a role, including:

- **Immigration.** The Chagossian Government will require the cooperation of the UK to vet all people on yachts, boats and planes or otherwise entering the islands to ensure they are not a threat to the base.
- **Police.** There will need to be a small police force able to rely on UK support if and as required and which will be at the disposal of the British Government if necessary for security.
- **Patrol boats.** The Chagossians can crew British patrols of the BIOT Exclusive Economic Zone, under British command, in the place of the Filipinos who currently carry out such patrols.
- **British Reserve Army.** The settlement can support a British Army Reserve Unit integrated into the Army reserve on the same basis as other Overseas Territory Defence Forces. This will ensure the security of the islands, and reinforce British sovereignty and possession of the Diego Garcia base.



*The Turks and Caicos Islands Regiment, one of a number of OT defence assets.*



### 3.1.5 Electricity Generation

Whilst providing electricity on small islands is a challenge, there are a number of solutions used on other small islands:

- **Diesel generation:** this is the easiest and most dependable form of generation. Caribbean and Pacific islands frequently rely on diesel for over 90% of their electricity. However, it poses concerns such as exhaust gases, the potential for fuel spills in an environmentally sensitive area, and import costs.
- **Solar:** The installation of solar panels on the roofs of new buildings, in conjunction with battery storage, can substantially reduce the amount of diesel generation required and will be completely sustainable on a small archipelago with a high amount of sunlight exposure.
- **Biomass and incineration:** There is coconut wood that may be cleared as a part of improving the native habitats which can be used as biomass to create electricity, or to create compost to improve soil on the islands.
- **Wave or tidal energy.** There may be scope for generation from currents into and out of the lagoons, but this may pose high initial implementation costs and be better executed at a future date.



### 3.1.6 Telecommunications

The distance of the settlement from any subsea cables provides a challenge to providing effective telecommunication and internet access to the islands. Classified military wires go through Diego Garcia but no commercial wires currently exist. Starlink coverage can provide a cost-effective and efficient method of communication commercially.





### **3.1.7 Burials**

The 2014 KPMG report highlighted that the soil on the islands is thin and that traditional burials may therefore contaminate the ground water. It will therefore be necessary to use cremations or burials on different uninhabited islands to assure the purity of drinking water and general public health. Further consultation with experts in disposing of biowaste may be necessary.

### **3.1.8 Health**

There will need to be an island hospital to provide adequate medical services to all Chagossians and residents.

Facilities will also need to accommodate medical needs of visitors to the archipelago, meaning some level of excess capacity will need to be built in.

Medivac services for medical services not available on BIOT should be available to residents of BIOT via the NHS, free of charge at point of receipt. For more serious medical problems Chagossians may return to the UK to make use of NHS services. This follows precedent from other Overseas Territories.

### **3.1.9 Food Security: Agriculture and Fishing**

While the soils on the Chagos Islands are thin, crops were grown on BIOT before Chagossians were removed. Developing agriculture will reduce the costs of food and reliance on imports, and also reduce the environmental impact of packaging used for imported food while promoting food security.

Cultivation of topsoil through farming methods aimed at improving the soil will be a strategic outcome of resettlement policy. This may be achieved through the creation of compost from invasive plant matter removed throughout the resettlement process. Biomass waste from consumption can additionally be composted to reduce waste and also to improve soil on BIOT.

The Chagossians, before they were removed from BIOT, engaged in subsistence farming, rearing animals for their own consumption. This can continue once they have been resettled to minimise the need for imports and to maximise food security, sustainability, and self-sufficiency.

Fishing should be for consumption on BIOT to minimise the need for imports and maximise self-sufficiency. All fishing will be done with the regulations surrounding the UK's Marine Protected Area around the archipelago.



### **3.1.10 Education**

Education on the island should be provided by a school for children up to the age of 18. They will deliver a curriculum based on the UK common primary and secondary curricula, with some discretion provided to Chagossians for social studies and history in order to strengthen and preserve Chagossian culture.

Chagosians should be able to access tertiary education in UK universities in the same way as UK and British Overseas Territory citizens with UK Governments being briefed on their eligibility for home student status in fee calculations.

### **3.1.11 Roads & Boats**

The islands are small and unsuitable for automobile transport, meaning that roads will be primarily for pedestrian use. Small paths can be created and potentially used via electric vehicles such as golf buggies or mopeds. Most transport will be by boat, however, and it is conceivable that Chagossians will have their own small craft.

### **3.1.12 Sport & Recreation**

The BIOT can be given a multi-purpose field that can be used as an open space for ceremonies, gatherings, sports, and fairs. This multipurpose use will ensure that the land is used as efficiently as possible.

### **3.1.13 Religion**

The Chagossians are predominantly Christian. The restoration of their ruined Churches and building new ones should be a priority strategic outcome of the resettlement policy. The Government may consider engaging charities and NGOs such as ChristianAid for the reconstruction of these Churches.

## **3.2 Conclusion**

This section has laid out strategic cases for the restoration of infrastructure, agriculture, and education on the Chagos archipelago, showing that despite their small size, services and infrastructure appropriate to a functioning society are entirely feasible. This further dispels the idea that the resettlement of the archipelago will not be possible and gives the British government concrete policy options it may explore for the return of the Chagossians to their ancestral land.



## **4. Economic analysis**

This section presents a macroeconomic case for the resettlement of the Chagos archipelago, focusing on key economic factors which could create a resilient and sustainable economy.

Of the economic factors of production (land, labour, capital, and enterprise) the Chagos Islands have proportionate levels of land and labour. That is, the small population is suited to the maintenance of an economy on a small island. The question of long-run economic health then reduces to the question of capital. This section looks at economic strategies for accumulation of capital and proposes aspects of an economic model suited for a small island micro-territory like the Chagos Islands. The small size of the territory allows for the consideration of new models. This section begins by establishing a property rights framework which will serve as the basis of the economic system, and then follows sources of capital through industry, commerce, and finance.

### **4.1 Property rights**

Due to the small landmass and environmental considerations on BIOT, land will be scarce and will be owned by the Chagossian government and leased out subject to security vetting.

No land or interest in land should be sold, given, rented, allocated and or otherwise promised to individuals until all infrastructure, facilities and services mentioned in this report including farming and agriculture are established, built and in operation. This will allow agricultural land, farming and all infrastructure and essential services to be established in the locations that are best accessible and most suitable for them.

Private entities (individuals and companies) will not have the right to provide accommodation to tourists and or visitors due to security considerations, but also to prevent housing speculation on an island with limited supply. Mortgages and speculation on real estate will be prohibited in the same way as it is the case for example on Pitcairn islands where land is also a scarce resource.



## 4.2 Industrial

### 4.2.1 Utilities

All utilities will be owned by the government. Water can be treated by desalination plants, which happens on larger industrial scale in other Overseas Territories. Using desalination technology suggested by UNDP, sea water can effectively be desalinated at a rate of 50 litres per day using solar power. Supplementing this with filtered rainwater and bottled water imports, and using a conservative estimate of 100 Chagossians in the initial phase of settlement this could provide the recommended two litres of fresh water per person per day, on par with NHS recommendations.

Electricity too will be controlled by a centralised authority under Government supervision. Using funds from the UK (clarified in 4.3.1) a small-scale solar plant will be constructed, capable of producing 4.5 kW/day of electricity<sup>23</sup>, which will need to be supplemented by generators in the short-term to support the estimated population of 100.

### 4.2.2 Technology

BIOT currently is entitled to the domain name [.io] which will be devolved to the BIOT government to make it possible for BIOT government to earn income from the register and registry fees.

There are currently approximately 1.7 million registered [.io] domain names, with the TLD being already incredibly popular amongst website and game developers<sup>24</sup>.

A similar approach has proved incredibly profitable for the government of Anguilla, another British Overseas Territory, with the domain listing [.ai]. Experts from Anguilla can be reasonably consulted on the management of the [.io] domain, which is widely used by tech startups, software companies, and game developers.

### 4.2.3 Military

The continued operation of the joint UK-US defence facility on Diego Garcia remains central to British and American strategic interests. A resettled Chagossian community on the outer islands will provide a reliable, security-vetted local workforce capable of supporting non-sensitive contracting and infrastructure requirements.

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<sup>23</sup> This estimate takes a typical domestic solar panel to produce 0.45 kWh of energy per day. The solar plant will have ten of these.

<sup>24</sup> Domain Name Stat. (n.d.). *TLD statistics for .io*. DomainNameStat. Retrieved February 15, 2026, from [https://domainnamestat.com/statistics/tld/io-TLD\\_ID-1393](https://domainnamestat.com/statistics/tld/io-TLD_ID-1393)



This will strengthen operational resilience and reduce reliance on overseas labour, which the base currently relies on.

Base-linked employment can include construction, marine engineering, port services, environmental compliance support, and logistics. Skilled trades such as electricians, plumbers, and mechanics will be required for both the civilian settlement and the base.

The presence of a resident workforce will also enhance capacity during periods of heightened operational activity. In emergencies, a nearby pool of trained and security-cleared personnel will provide flexibility and continuity. This arrangement will reinforce sovereignty by embedding practical civilian capability alongside strategic defence infrastructure.

#### **4.2.4 Environmental protection**

The Chagos Archipelago contains one of the largest and most ecologically significant marine protected areas in the Indian Ocean, covering approximately 640,000 square kilometers. While legal designation has safeguarded much of this environment, long-term conservation requires active management.

A carefully regulated settlement will provide a permanent, resident stewardship presence capable of strengthening protection, monitoring reef health, and supporting scientific research partnerships. These stewards would undertake coral reef monitoring, fisheries stock assessments and support for marine patrol operations within the Exclusive Economic Zone.

Partnerships with institutions such as the National Oceanography Centre and the UK Centre for Ecology and Hydrology will enable BIOT to function as a strategic Indo-Pacific marine research platform. Visiting researchers and grant-funded projects will contribute to both environmental protection and local employment.

### **4.3 Commercial**

Commerce refers to issues of trade at both the microeconomic and macroeconomic levels. This section will analyse trade policy with neighbouring countries like the Maldives, and services which could bolster economic activity domestically.

#### **4.3.1 Trade with Maldives**

Commerce will revolve around trade with the Maldives

A BIOT Marina on the outer islands can bring in levels of income for the government and help create a stable, sustainable supply chain for the islanders.

#### **4.3.2 Small scale eco-tourism**



The Chagos Archipelago has one of the world's most biodiverse ecosystems. This could attract small numbers of researchers and eco-tourists, who will pay a fee for a visitor's permit, which will go to Government administration. These visitors will also require services such as accommodation, which will be provided by the local Chagossian government and create jobs in the hospitality sector for the Chagossians.

### **4.3.3 Fishing**

The waters surrounding the archipelago contain some of the most productive and least disturbed marine ecosystems. While the Marine Protected Area prohibits large-scale extractive activity, carefully regulated fishing for local consumption and tightly controlled quotas within the EEZ can form part of a sustainable economic model. A resident Chagossian community will provide the capacity to manage, monitor, and enforce such activity responsibly.

Small-scale fisheries can supply local food needs, reduce reliance on imports and strengthen food security. There may also be scope for science-led harvesting of high-value species under strict oversight.

In addition, the niche blue-economy can be explored over time, including seaweed cultivation and other low-impact marine products suitable for tropical conditions.

### **4.3.4 Agriculture**

Limited agriculture is possible on the archipelago. Currently, there are expanses of coconut trees. When the French possessed the islands they had small farms suitable to subsistence agriculture. Such a model could be revived to provide a steady-state subsistence model rather than agriculture for export or other purposes. This would require less irrigation than industrial-scale agriculture.

## **4.4 Financial**

Finance refers to the availability of capital, both for the government and the Chagossian people.

### **4.4.1 Credit Unions**

in small societies commercial banks typically do not operate

### **4.4.2 Boat registry:**

The Chagos Islands will be entitled to a Red Ensign with its own jurisdiction and register, with the potential to generate revenue from the administration of this registry.

Similar industries are found in Bermuda and the Cayman Islands. Fees for small vessels can typically be around £150 but the presence of larger yachts in a marina



can generate substantial streams of revenue. All provisions would have to be in compliance with the Merchant Shipping Act 1995.



A proposed maritime flag for the British Indian Ocean Territory, in the style of other Overseas Territories.

#### 4.4.3 Capital support

Finally, the Territory's fiscal sustainability could be assured by a maintenance allowance from the UK Government, following similar protocol as in Montserrat, which receives an annual maintenance payment of £8,000 per person<sup>25</sup>. Scaled for population, this would mean BIOT will initially receive approximately £4m per annum, only 2.4% of the current commitment to Mauritius under the deal<sup>26</sup>.

Thus, even with the UK providing direct capital investments and fiscal support, the net cost to the taxpayer is projected to be small in comparison with the figure to be paid out under the current Bill.

#### 4.5 Conclusion

This section has shown that a steady-state, small-scale economy is possible on the Chagos Islands. Industries such as agriculture and fishing will remain small but allow subsistence for the Chagossians, while capital will be brought into the economy by means of a shipping registry, capital support from the UK Government, and reclaiming the (.io) domain addresses. Commerce will revolve around imports from the Maldives, Chagos' closest neighbour in the Indian Ocean.

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<sup>25</sup>Loft, P., & Brien, P. (2023, March 22). *UK aid and the Overseas Territories* (Research Briefing No. CBP-9758), pg 14. House of Commons Library, UK Parliament.  
<https://researchbriefings.files.parliament.uk/documents/CBP-9758/CBP-9758.pdf>

<sup>26</sup> Waitzman, E. (2025, June 26). *UK-Mauritius treaty on the Chagos Archipelago*. House of Lords Library, UK Parliament.  
<https://lordslibrary.parliament.uk/uk-mauritius-treaty-on-the-chagos-archipelago/>



## 5. American and British National Interest

In a period of systemic instability internationally, the National Interest of the United Kingdom and the United States must be prioritised at all times. In terms of the UK/USA national interest the resettlement of the outer islands under British sovereignty proves far more beneficial than settlement under Mauritian law.

### 5.1 Resettlement of Chagossians and continuing British sovereignty

On a purely fiscal level the net cost to HM Government is less in retaining the islands than in signing them over. Thus, the more fiscally prudent choice is retaining sovereignty.

If the UK Mauritius agreement went ahead then the UK taxpayer will have to pay of Mauritius over 99-year period as set out in Article 11 of the UK Mauritius agreement series of payments including:

£165 million per year for the first 3 years, £120 million per year in year 4 to year 13, and £120 million per year thereafter in years 14 – 99, all these payments are as per the proposed agreement indexed to UK inflation (GDP deflator).

The UK Government Actuary's Department has released figures that express the cost for the 99 year lease differently at £34.7 billion nominal total over 99 years. Opposition figures also claim that the Bill will cost £35 billion over the 99 years, a margin which does not pass the threshold of statistical significance.<sup>27</sup>

If the proposed UK Mauritius agreement will go ahead the UK government will also have to pay one-off payment of £40 million to capitalise trust fund for the benefit of displaced Chagossians and £45 million per year for 25 years to support economic development in Mauritius, which in total adds up to £1.125 billion.

### 5.2 Economic Developments

While it is clear that in the short run there will be a cost to the UK of developing the islands in this report we have set out a path to self-sufficiency and has wider benefits to the UK taxpayer in terms of security and the environment. The alternative to resettlement under British sovereignty is to ratify the Bill and pay 47 billion or more for and losing the ownership of and sovereignty over BIOT as well as reducing the security of the base on Diego Garcia.

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<sup>27</sup> Thompson, T., & Smith, H. (2026, February 6). *How much is the UK spending on the Chagos deal?* Full Fact. <https://fullfact.org/politics/chagos-deal-true-cost/>



### 5.3 National Security

The Council on Geostrategy has highlighted the Chagos Archipelago as an important maritime base<sup>28</sup>. Under British sovereignty, the UK maintains total control over the outer islands, ensuring that no hostile states can establish maritime hubs within the proximity of the US-UK base. Transferring sovereignty to Mauritius, a state with deep and expanding economic ties to states with differing geopolitical aims raises the possibility of dual-use infrastructure built by firms from these states.

If Mauritius allows such states to invest in the Chagos Islands, they can use it to build surveillance facilities, which can track nearby US and UK military operations. Additionally, this jeopardises the Five Eyes intelligence sharing framework by establishing a “listening post” for states with opposing interests, within the inner sanctum of the alliance’s Indian Ocean communication centre.

While the proposed treaty includes a twenty-four nautical mile buffer zone around Diego Garcia, this solution faces hard limits due to enforcement limitations as Mauritius currently lacks the naval capacity and maritime patrol resources to effectively police these waters<sup>29</sup>. This creates a grey zone, where shadow fleets of paramilitary vessels disguised as civilian fishing boats can infringe on US and UK military space. As stated earlier, Mauritius’ economic ties with rival states pose significant risk that future economic pressure can force Mauritius to grant “commercial” access to the outer islands of the archipelago, effectively placing UK, USA and other Five Eyes members under permanent observation.

The strategic value of Diego Garcia is enormous, as the only military facility in the Indian Ocean capable of supporting and hosting stealth B-2 Spirit bombers, providing a far-reaching strike range. By maintaining British sovereignty, the UK can ensure that the US can launch long range missions in the Middle East, South Asia and Indo Pacific without relying on diplomatic permissions of regional states. Furthermore, the base is located in the central Indian Ocean, which oversees two thirds of the world’s oil shipment and one third of world’s bulk cargo traffic<sup>30</sup>.

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<sup>28</sup> Coxon, B. (Ed.). (2024, October 11). Should Britain relinquish sovereignty over the British Indian Ocean Territory? [The Big Ask No. 15.2024]. *Britain's World*.  
<https://www.britainworld.org.uk/p/the-big-ask-15-2024>

<sup>29</sup> UK Parliament. (2025, October 20). *Diego Garcia Military Base and British Indian Ocean Territory Bill* [Parliamentary debate]. HC Deb.  
<https://www.parliament.co.uk/debate/2025-10-20/commons/commons-chamber/diego-garcia-a-military-base-and-british-indian-ocean-territory-bill>

<sup>30</sup> Baruah, D. M., Labh, N., & Greely, J. (2023, June 15). *Mapping the Indian Ocean region*. Carnegie Endowment for International Peace.  
<https://carnegieendowment.org/research/2023/06/mapping-the-indian-ocean-region>



Additionally, it plays a role in monitoring key maritime chokepoints such as the Strait of Hormuz, responsible for 20% of global petroleum consumption and often subject to geopolitical tensions<sup>31</sup>. The Bab-el-Mandeb, a critical chokepoint connecting the Red Sea to the Gulf of Aden and the Indian Ocean, and the Strait of Malacca, which connects the Indian Ocean and the Pacific Ocean, overseeing 25% of global trade. Transferring sovereignty places the world's most critical trade locations at the mercy of Mauritius.

Finally, the establishment of a permanent population on the island will serve as a strategic signal to the UK's allies of its continued commitment to the Indo-Pacific, and serve as a soft deterrent for forms of intervention by adverse actors in the region.

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<sup>31</sup> U.S. Energy Information Administration. (2025, June 16). *Amid regional conflict, the Strait of Hormuz remains critical oil chokepoint*. Today in Energy. <https://www.eia.gov/todayinenergy/detail.php?id=65504>



## 6. Environmental Analysis

This section serves as an environmental cost/benefit analysis on British sovereignty over the Chagos archipelago. Ceding sovereignty to Mauritius will amount to the UK Government reneging on environmental commitments for BIOT that are situated within broader UK international obligations on biodiversity and ocean protection such as the Kunming-Montreal Global Biodiversity Framework.

The UK's environmental commitments for BIOT include maintaining the largest no-take Marine Protected Area in the Indian Ocean, implementing conservation priorities and framework to protect marine and terrestrial ecosystems and aligning BIOT environmental management with United Nations Conventions on the Law of the Sea (UNCLOS).

BIOT is a hot spot for biodiversity in the Indian Ocean in terms of coral, fish and seabirds. The atolls act as a sanctuary that repopulates other areas of the Ocean that do not receive the same level of protection.

Having a small population on the Chagos islands will certainly be beneficial for conservation. The BIOT patrol can serve, for example, to man and enhance and projects to eradicate rats and invasive species can be undertaken by the Government or charities employing local Chagossians.



*(The BIOT patrol protects the Marine Protected Area in a way in which Mauritius is incapable)*



## Eradication of rats on islands

Rats are one of the most damaging of the alien species to arrive in the Chagos Islands and have devastated nesting birds. However, it is possible to eradicate rats. The RSPB has undertaken a number of projects on British overseas territories and can attempt to make the Chagos Islands 'rat free' in conjunction with the Chagossians. This will have a beneficial impact on the wildlife. Likewise, reducing the number of coconut palms in favour of hard wood trees will allow the return of native species of plant and nesting birds.<sup>32</sup>

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<sup>32</sup> "35 of the Archipelago's 55 islands are infested with rats, removing them from the islands should allow the ecosystem to begin to recover, increasing biodiversity and the number of naturally occurring species like seabirds, turtles and hardwood trees."

Chagos Information Portal. (n.d.). *Invasive mammals*. Chagos Conservation Trust. Retrieved February 15, 2026, from <https://chip.chagos-trust.org/education/invasive-mammals>



## 7. Concept for a new settlement 'Port Charles'

### 7.1 Location analysis



*An AI mockup of what a potential settlement can look like.*

There were a number of original settlements within the archipelago, one of the most suitable for resettlement being the Ile du Coin in the Peros Banhos atoll. It has the remains of a jetty and a ruined village.



A small settlement of several hundred Chagossians can be developed around a jetty and harbour or marina. This settlement can be serviced by seaplane service to the Maldives, landing in the lagoon, as well as a boat service for cargo and supplies.

Peros Bahnos is a group of three islands in the north of the Chagos archipelago and Ile du Coin is one of the islands fringing the lagoon. Ile du Coin is a medium sized island with the remains of a jetty fronting onto the lagoon, allowing for the construction of a marina to support the population.



This section proposes a settlement planning process, built on conservation, scientific collaboration, and ecotourism, as part of a sustainable development strategy.

## **7.2 Evaluation of potential resettlement locations**

The KPMG research team conducted field studies in BIOT. They visited Diego Garcia and 13 outer islands, including two that were specifically analysed for resettlement options: Ile du Coin and Boddam. In evaluating potential resettlement locations, KPMG highlights environmental factors.

“Environmental considerations are critical for comparative evaluation of both island options and resettlement options. As noted, the island options most appropriate for any initial resettlement include Diego Garcia, Ile du Coin and Boddam.”<sup>33</sup>

The previously inhabited island covers an area of approximately 130 hectares. The findings from the visit are detailed in the draft report published on 13 November 2014 and the final report dated 31 January 2015.

## **7.3 Comparison of settlement options**

Section 8 of the KPMG report summarises and compares different settlement options. From an environmental perspective, Diego Garcia is described as “the most suitable location”. During the consultations and surveys conducted during the study, it has also been indicated that for the Chagossian community: “Diego Garcia remains a preferred location”. However, the presence of a major UK–US military base creates significant political and operational sensitivities, thereby complicating civilian settlement on Diego Garcia.

Ile du Coin, located in the Peros Banhos Atoll, appears to be a promising candidate for resettlement. The island is endowed with natural resources, which can support subsistence living and eco-tourism activities. It may be a good start for conservation-linked low- or medium-scale resettlement models.

## **7.4 Evaluation methodology for resettlement options**

The final report of KPMG identifies Île du Coin as a potential resettlement site. Section 8 summarises the evaluation and comparison of island options from an environmental perspective. This conclusion is based on an environmental evaluation,

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<sup>33</sup> KPMG Draft Report pg 69.



a natural resources assessment, and broader socio-economic and ecological considerations. These features can be grouped into several key areas, which are explored below:

### **7.5 Freshwater availability and rainfall patterns**

In Section 5.3, "Evaluation of potential resettlement locations", it is noted that Ile du Coin exhibits a high level of rainfall. This rainfall will significantly contribute to the recharge of freshwater reserves. It is a major determinant of the island's capacity to achieve freshwater self-sufficiency.

### **7.6 Marine resources and food security**

In terms of coral reef fish abundance, ecological assessments indicate that both total fish biomass and targeted fish biomass (groupers, snapper, and emperors) are highest for Peros Banhos (Ile du Coin). Consequently, if sustainably managed, there is exceptional potential for sustainable local fishing and food security.

### **7.7 Agricultural viability and soil quality**

Ile du Coin has great soil quality and agroforestry potential. The island is distinguished by unusually rich, organic soil, which offers strong potential for agroforestry and agriculture. This high soil quality enables local cultivation of crops, thereby reducing reliance on imported food and lowering costs. Furthermore, Ile du Coin had significant coconut operations in the past. It shows its agricultural viability and makes it a favourable choice for resettlement and sustainable food production.

### **7.8 Population capacity and planning assumptions**

While the KPMG feasibility study cites an indicative resettled population of around 60 people for Île du Coin, this figure represents a *conservative "modern lifestyle" average*. It is derived from a limited environmental questionnaire sample and does not define an upper limit. The study's environmental assessment identifies a substantially wider carrying-capacity range for Île du Coin, 50–250 people, reflecting the island's natural resource base, including relatively favourable rainfall, freshwater recharge potential, productive fisheries, and soils capable of supporting subsistence cultivation<sup>34</sup>.

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<sup>34</sup> KPMG Draft Report Volume II, §3.2, §3.3



The estimated previous population size living on the island before the forced exile is between 60-360 people. This further demonstrates that populations exceeding 60 people were previously supported. The lower headline figure is therefore best understood as a cautious planning assumption based on contemporary service expectations and infrastructure constraints, rather than an ecological limit.

**Table 5.1: Estimated carrying capacity (maximum supportable population) and previous population densities for Diego Garcia, Ile du Coin and Boddam<sup>35</sup>**

Island	KPMG estimates (mainly based on environmental issues)	Estimated previous population sizes	*Estimated carrying capacity (numbers of people) from environmental questionnaire			
			Basic/subsistence lifestyle (range and average)		Modern lifestyle (range and average)	
<b>Diego Garcia</b>	1,000-2,000	200-619	0-3,000	363	0-5,000	1,427
<b>Ile du Coin</b>	50-250	60-346	0-200	65	0-400	60
<b>Boddam</b>	50-250	89-219	0-200	79	0-300	63

*KPMG, 2014*

## 7.9 Planning for a sustainable future on Ile du Coin (Peros Banhos)

To establish Île du Coin as a welcoming home for returning Chagossians, the island should offer essential public services. It should also appeal to high-end, environmentally conscious tourists and researchers. The settlement should feature a blend of unique amenities.

Over time, the settlement can support a range of economic activities. The feasibility study highlights the potential for ecotourism and conservation-based work. Île du Coin's natural environment positions it well for high-value, low-impact tourism.

Certain urban planning considerations will include amenities as listed to coincide with the essential government, infrastructural, and economic services as listed in Sections 3 and 4 of this document.

<sup>35</sup> KPMG. (2014). *Feasibility study for the resettlement of the British Indian Ocean Territory: Draft report*. UK Parliament. [https://data.parliament.uk/DepositedPapers/Files/DEP2014-1543/Feasibility\\_Study\\_for\\_the\\_Resettlement\\_of\\_the\\_BIOT\\_Draft\\_Report.pdf](https://data.parliament.uk/DepositedPapers/Files/DEP2014-1543/Feasibility_Study_for_the_Resettlement_of_the_BIOT_Draft_Report.pdf)



## **7.10 Phased resettlement plan**

This section details a timeline with associated strategic outcomes for the successful resettlement of the Chagos archipelago.

### **Phase 1: 0-2 years**

Population goal: c. 100

Strategic outcomes:

1. Install functioning water desalination and a basic generator.
2. Begin constructing the solar plant.
3. Increase the basic carrying capacity of Île de Coin.
4. Construct a basic port facility.
5. Establish sustainable supply chains from the Maldives.
6. Construct long-term housing on Peros Banhos.

### **Phase 2: 2-5 years**

Population goal: c. 250

Strategic outcomes:

1. Increase capacity for utilities (water and electricity) by building additional solar panels.
2. Continue to develop housing for the growing population.
3. Engage in limited agriculture and fishing.
4. Chagossians began to specialise in providing services to the neighbouring base.
5. Reclaim the [.io] domain, using proceeds to fund government administration.

### **Phase 3: 5-10 years**

Population goal: c. 500

Strategic outcomes:

1. Achieve an economic steady-state, including stabilised supply chains.
2. Stabilise domestic commerce, agriculture, and fishing to move toward self-sufficiency.
3. Integrate the British Indian Ocean Territory into the annual UK/Overseas Territories Joint Ministerial Council.
4. Chagossians to exercise self-determination and self-government under British sovereignty.



## Conclusion:

Re-establishing a settlement in the Chagos Archipelago under British sovereignty is not only the morally right course of action; it is also the most practical, cost-effective, and strategically beneficial option for the United Kingdom. This report shows that resettlement can be delivered more cheaply than alternative arrangements, while strengthening environmental stewardship, enhancing regional security, and restoring a community to its homeland.

Our analysis identifies a diverse range of economic and business activities capable of supporting a self-sufficient, distinctive, and culturally resilient Chagossian society. A small, well-regulated population will improve the environment, contribute to conservation, and provide essential skills and services that reinforce the long-term security of the Diego Garcia base.

The UK now faces a clear choice. It can hand over the British Indian Ocean Territory, along with billions in assets and the future of the Chagossian people, to a Mauritian government that many Chagossians do not trust, or it can retain sovereignty, uphold the principle of self-determination for all Overseas Territories, secure the base in perpetuity, and correct a historic wrong by helping to rebuild a thriving Chagossian community on the archipelago.

This report demonstrates that the latter path is not only just, but achievable, sustainable, and firmly in the interest of both the Chagossian community and the United Kingdom as a whole.

Signed:

James Lunn, Friends of the British Overseas Territories